

have to look at how most programs for seniors are funded versus programs for children. As the members of the Senate are well aware, most programs for seniors are funded through mandatory/entitlement spending. Spending increases in these programs are not subject to the annual appropriations process and are protected by automatic cost-of-living-adjustments (COLA) each year.

The spending programs that primarily benefit our children, on the other hand, are discretionary, which means they are subject to the annual appropriations process. There are no automatic spending increases when it comes to programs for our kids. Instead, most programs for kids are held victim to politics and spending caps.

As a result, the proportion of Federal government spending on mandatory versus discretionary spending has undergone a dramatic shift. Back in 1965, the Federal government spent the equivalent of 6% of GDP on mandatory entitlement programs like Social Security and 12% of GDP on discretionary funding items like national defense, education, and public infrastructure. Put another way: 35 years ago, one-third of our budget funded entitlement programs and two-thirds of our budget funded discretionary spending programs.

The situation has now reversed. Today, we spend about two-thirds of our budget on entitlement programs and net interest payments and only one-third of our budget on discretionary spending programs.

I am particularly troubled by the decline in spending on discretionary spending initiatives. Although our tight discretionary spending budget caps were a useful tool in the past for eliminating deficits and lowering debt, they are not useful today in helping us assess the discretionary budget needs of the nation. Today, appropriated spending is contained through spending caps that are too tight for today's economic reality. We are left with a discretionary budget that bears little relationship to the needs of the nation and that leaves us little flexibility to solve some of the big problems that still need to be addressed: health care access for the uninsured, education, and research and development in the areas of science and technology.

The downward pressure on discretionary spending will become worse during the retirement of the Baby Boom generation—when the needs of programs on the mandatory spending side will increase dramatically. The coming demographic shift towards more retirees and fewer workers is NOT a “pig in a python” problem as described by some commentators whose economics are usually better than their metaphors. The ratio of workers needed to support each beneficiary does not increase after the baby boomers have become eligible for benefits. It remains the same.

In 10 years, the unprecedented demographic shift toward more retirees will begin. The number of seniors drawing on Medicare and Social Security will nearly double from 39 million to 77 million. The number of workers will grow only slightly from 137 to 145 million. Worse, if we continue to under-invest in the education and training of our youth, we will have no choice but to continue the terrible process of using H-1B visas to solve the problem of a shortage of skilled labor.

One of the least understood concepts regarding Social Security and Medicare is that neither is a contributory system with dedicated accounts for each individual. Both are inter-generational contracts. The generations in the work force agree to be taxed on behalf of eligible beneficiaries in exchange for the understanding that they will receive the same benefit when eligible. Both programs are forms of social insurance—not welfare—but both are also transfer payment programs. We tax one group of people and transfer the money to another.

The proportion of spending on seniors—and the proportion of mandatory spending—will most surely increase as the baby boomers become eligible for transfer payments. Unless we want to raise taxes substantially or accrue massive amounts of debt, much of the squeeze will be felt by our discretionary spending programs. The spiral of under-investment in our children and in the future work force will continue. Our government will become more and more like an ATM machine.

What should we do about this situation?

I recommend a two step approach. Step one is to honestly assess whether can “cut our way out of this problem”. Do you think public opinion will permit future Congresses to vote for reduction in the growth of Medicare, Social Security, and the long-term care portion of Medicaid? At the moment my answer is a resounding “no”. Indeed, as I said earlier, we can currently heading the opposite direction.

Step number two is to consider whether it is time for us to rewrite the social contract. The central question is this: Do the economic and social changes that have occurred since 1965 justify a different kind of safety net? I believe they do. I believe we need to rewrite and modernize the contract between Americans and the Federal government in regards to retirement income and health care.

We should transform the Social Security program so that annual contributions lead all American workers—regardless of income—to accumulate wealth by participating in the growth of the American economy. Whether the investments are made in low risk instruments such as government bonds or in higher risk stock funds, it is a mathematical certainty that fifty

years from now a generation of American workers could be heading towards retirement with the security that comes with the ownership of wealth—if we rewrite the contract to allow them to do so.

Not only should we reform Social Security to allow workers to personally invest a portion of their payroll taxes, but we should also make sure those account contributions are progressive so that low and moderate income workers can save even more for their retirements. At the same time, it is important to make the traditional Social Security benefit formula even more progressive so that protections against poverty are even stronger for our low income seniors. Finally, it is important to change the law so that we can keep the promise to all 270 million current and future beneficiaries—and that will mean reforming the program to restore its solvency over the long-term.

In addition to reforming Social Security, we should end the idea of being uninsured in this nation by rewriting our Federal laws so that eligibility for health insurance occurs simply as a result of being a citizen or a legal resident. We should fold existing programs—Medicare, Medicaid, VA benefits, FEHBP, and the income tax deduction—into a single system. And we should subsidize the purchase of health insurance only for those who need assistance. Enacting a Federal law that guarantees health insurance does not mean we should have socialized medicine. Personally, I favor using the private markets as much as possible—although there will be situations in which only the government can provide health care efficiently.

One final suggestion. With budget projections showing that total Federal spending will fall to 15.6% of GDP by 2010, I urge my colleague to consider setting a goal of putting aside a portion of the surpluses—perhaps an amount equivalent to one-half to one percent of GDP—for additional discretionary investments. Investments that will improve the lives of our children both in the near future and over the long term—investments in education, research and development, and science and technology.

Mr. President, I yield the floor.

#### U.S. STRATEGIC INTERESTS IN ASIA

Mr. BIDEN. Mr. President, following the recent G-8 meeting in Okinawa and as we move closer to a vote on Permanent Normal Trading Relations with China, I want to briefly remind my colleagues of the importance of having a regional strategy for Asia.

There is a tendency to look at the Korean situation, the relationship between Taiwan and China, our presence in Japan, our presence in Guam, the situation in Indonesia, and so on as

independent problems. Or, to just react to one situation at a time, with no overall understanding of how important the regional links and interests that exist are in shaping the outcome of our actions.

If we want to play a role in creating more stable allies in South Korea and Japan, and in ensuring that an ever-changing China is also a non-threatening China, then we must recognize that any action we take in one part of the region will have an impact on perceptions and reality throughout the region.

I do not intend to give a lengthy speech on this right now, instead I just want to draw my colleagues attention to an excellent letter that I received from General Jones, Commandant of the United States Marine Corps. He wrote to discuss just this need for a regional and a long-term perspective as we evaluate our presence in Okinawa.

I agree with him that we cannot shape events in the Asia-Pacific region if we are not physically present.

So, as we engage in debate over what the proper placement and numbers for that presence are, I urge my colleagues to approach that debate and the debate on China's trade status with an awareness of the interests of the regional powers and an awareness of our national security interests both today and in the future.

I ask unanimous consent that the letter from General Jones be printed in the RECORD following this statement.

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

July 21, 2000.

Hon. JOSEPH R. BIDEN, Jr.,  
Ranking, Committee on Foreign Relations, U.S.  
Senate, Washington, DC.

DEAR SENATOR BIDEN, As the G-8 Summit approaches, the eyes of the world have turned to the Pacific island of Okinawa. Opponents of U.S. military presence there may seize the opportunity to promote their cause. I am well acquainted with the island, having visited it frequently, and wish to convey to you my sincere belief in its absolute importance to the long-term security of our nation.

Okinawa is strategically located. The American military personnel and assets maintained there are key to preservation of the stability of the Asia-Pacific region and to fulfillment of the U.S.-Japan bilateral security treaty. Okinawa's central location between the East China Sea and Pacific Ocean, astride major trade routes, and close to areas of vital economic, political, and military interest make it an ideal forward base. From it, U.S. forces can favorably shape the environment and respond, when necessary, to contingencies spanning the entire operational continuum—from disaster relief, to peacekeeping, to war—in a matter of hours, vice days or weeks.

We have long endeavored to minimize the impact of our presence. Working hand in hand with our Okinawan hosts and neighbors, we have made significant progress. In 1996, an agreement was reached for the substantial reduction, consolidation, and realignment of U.S. military bases in Okinawa.

Movement toward full implementation of the actions mandated by the Special Action Committee on Okinawa Final Report continues and the commitment to reduce the impact of our presence is unabated.

Recent instances of misconduct by a few American service members have galvanized long simmering opposition to our presence. While those incidents are deplorable, they are fortunately uncommon and do not reflect the full nature of our presence.

Often lost in discussions of our presence on Okinawa, are the positive aspects of that presence. We are good neighbors: our personnel are actively involved in an impressive variety of community service work, we are the island's second largest employer of civilians, we infuse over \$1.4 billion dollars into the local economy annually, and most importantly, we are sincerely grateful for the important contributions to attainment of our mission made by the people of Okinawa. We are mindful of our obligation to them.

It is worth remembering that U.S. presence in Okinawa came at great cost. Battle raged on the island for three months in the waning days of World War II and was finally won through the valor, resolve, and sacrifice by what is now known as our greatest generation. Our losses were heavy: twelve thousand killed and thirty-five thousand wounded. Casualties for the Japanese and for Okinawan civilians were even greater. The price for Okinawa was indeed high. Its capture in 1945, however, contributed to the quick resolution of the Pacific War and our presence there in the following half a century has immeasurably contributed to the protection of U.S., Japanese, and regional interests.

As you well know, challenges to military basing and training are now routine and suitable alternatives to existing sites are sorely limited. Okinawa, in fact, is invaluable. We fully understand the legitimate concerns of the Okinawan people and we will continue to work closely with them to forge mutually satisfactory solutions to the issues that we face. We are now, and will continue to be, good neighbors and custodians for peace in the region.

Very Respectfully,

JAMES L. JONES,  
General, Commandant of the Marine Corps.

#### THE INNOCENCE PROTECTION ACT OF 2000

Mr. LEAHY. Mr. President, at the beginning of this year, I spoke to the Senate about the breakdown in the administration of capital punishment across the country and suggested some solutions. I noted then that for every 7 people executed, 1 death row inmate has been shown some time after conviction to be innocent of the crime.

Since then, many more fundamental problems have come to light. More court-appointed defense lawyers who have slept through trials in which their client has been convicted and sentenced to death; more cases—43 of the last 131 executions in Texas according to an investigation by the Chicago Tribune—in which lawyers who were disbarred, suspended or otherwise being disciplined for ethical violations have been appointed to represent people on trial for their lives; cases in which prosecutors have called for the death penalty based on the race of the vic-

tim; and cases in which potentially dispositive evidence has been destroyed or withheld from death row inmates for years.

We have also heard from the National Committee to Prevent Wrongful Executions, a blue-ribbon panel comprised of supporters and opponents of the death penalty, Democrats and Republicans, including six former State and Federal judges, a former U.S. Attorney, two former State Attorneys General, and a former Director of the FBI. That diverse group of experts has expressed itself to be "united in [its] profound concern that, in recent years, and around the country, procedural safeguards and other assurances of fundamental fairness in the administration of capital punishment have been significantly diminished."

I have been working with prosecutors, judges and defense counsel, with death penalty supporters and opponents, and with Democrats and Republicans, to craft some basic common-sense reforms. I could not be more pleased that Senators GORDON SMITH, SUSAN COLLINS, JIM JEFFORDS, CARL LEVIN, RUSS FEINGOLD, and others here in the Senate, and Representatives RAY LAHOOD, WILLIAM DELAHUNT, and over 60 other members of both parties in the House have joined me in sponsoring the Innocence Protection Act of 2000.

The two most basic provisions of our bill would encourage the State to at least make DNA testing available in the kind of case in which it can determine guilt or innocence and at least provide basic minimum standards for defense counsel so that capital trials have a chance of determining guilt or innocence by means of the adversarial testing of evidence that should be the hallmark of American criminal justice.

Our bill will not free the system of all human error, but it will do much to eliminate errors caused by the willful blindness to the truth that our capital punishment system has exhibited all too often. That is the least we should demand of a justice system that puts people's lives at stake.

I have been greatly heartened by the response of experts in criminal justice across the political spectrum to our careful work, and I would like to just highlight one example. A distinguished member of the Federal judiciary, Second Circuit Judge Jon O. Newman, has suggested that America's death penalty laws could be improved by requiring the trial judge to certify that guilt is certain. I welcome Judge Newman's thoughtful commentary, and I ask unanimous consent that his article, which appeared in the June 25th edition of the Harford Courant, be printed in the RECORD.

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

(See Exhibit 1.)

Mr. LEAHY. It is my hope that the national debate on the death penalty