

them to support a tax cut, and they will rush to the floor in a flood of protest. They just cannot stand the pain of not being able to give away more of your dollars. They want to raise your taxes so they can be compassionate and give it away.

But Mr. President, that is not compassion. That behavior is greedy and power grabbing.

For over 40 years, the Democrats have been inviting people to dinner, and using the American taxpayer as the credit card to pay for it.

I also heard the Democrats say they have the resolve to balance the budget, but would do it in a "more reasonable" way, with "more compassion."

The last 40 years, however, tell us how they would do it: Raise taxes, give away more money, raise taxes, give away more money.

Again, watch out for that word "compassion"—it means they want more of your hard-earned dollars so they can spend it.

The President says he has the resolve to balance the budget, but he does not have a balanced budget to offer.

The outlines he has put on the table have never come close to balancing the budget. They leave \$200 billion-a-year-plus deficits as far as the eye can see.

And what about the so-called balanced budget plan the senior Senator from North Dakota has proposed, the one my Democrat colleagues say is the answer.

Again, their answer is always more taxes, and my colleague's budget is no different.

I have a chart here just to compare 1993, 1994, and 1995—the Democrat budget and answer, and the Republican budget and answer. You can see in each year—1993, a \$251 billion tax increase by President Clinton, the largest in history; Democrats in 1994 continue more taxes; in 1995, under the plan of the Senator from North Dakota, he would want to raise taxes another \$228 billion rather than giving back \$245 billion in tax cuts.

His budget would supposedly balance without inflicting pain on millions of Americans, unless, of course, you include those who get up and go to work every day, the taxpayers of this country. There apparently is no pain in working longer hours to pay more in taxes.

The budget offered by the Senator from North Dakota would pick your pockets to the tune of over \$500 billion-plus, in additional taxes over the next 7 years. Imagine, rather than supporting a tax cut of \$245 billion, their plan would be to raise another \$228 billion from American taxpayers.

If the growth of the Federal budget is not reduced and spending continues to increase, you need more dollars to feed the spending fire, and that is where you, the taxpayers, come in again.

The Republicans have a plan that will balance the budget—eliminate the deficit—by the year 2002.

Now, they say our plan will cost students more to go to school, cost fami-

lies more for everything from food to clothing to shelter, the elderly will pay more for Medicare, nursing homes, et cetera.

But let me ask you a simple question: if we cannot afford it as individuals, as families, as a society, how can we afford for the Government to do it for us?

The money has to come from somewhere.

The Government creates no wealth—it only reallocates it, redistributes it. If we do not have the money to pay the bills that need to be paid, how can we afford the taxes Washington wants in order to do it for us—to be compassionate?

The Senate Democrats do not hold a monopoly on compassion. Liberal or conservative, Republican or Democrat, I think most of us came to this Chamber out of deep compassion for our fellow Americans.

We want nothing more than for every American to have the opportunity to be successful, no matter what that means to each individual. As Edward Deming, the Father of the Japanese industrial revolution would say. We need a "Win-win" solution. We do not want losers in society, or those left out. We want winners. We are all better off with more winners.

But somehow, according to the senior Senator from California, if you make \$350,000 a year, you do not deserve it, because you have somehow gotten it illegally or unfairly.

Or if nothing else, it is just not right that you have it.

And if you do, the Government should step in and take it away—whatever amount it deems "fair"—and give it to those the Government thinks deserve it.

There are individuals in this country that need our help and we are spending nearly \$1.6 trillion this year to try and meet those needs the best we can, without destroying the very fabric of our society—our families and our job creators—to do it.

But the rhetoric that spending is being reduced so the money can be funneled into huge tax cuts for the wealthy is a sham.

The whole argument is being presented in this manner to drive your attention from the facts to the fiction, the shell game, the con man, the snake oil salesman, the Democratic opposition.

President Clinton himself is guilty of this budgetary double-speak.

The President raised taxes in 1993 by \$251 billion.

Of course, we all know that last week, he told a crowd of fat cat contributors at a \$1,000 a plate fundraiser he knew they were mad and he admitted he raised taxes too much, but said it was the Republicans' fault because they would not help him stop the Democrats from spending more money.

He had to raise taxes, he said. But the next day, back in Washington, he blamed that statement on being tired,

reiterating his point that "no Democrat in his right mind would ever propose cutting taxes, or saying they had raised them enough."

They do not want the taxpayers to keep more of their own money. They do not trust you to spend it wisely.

Who knows, you might "waste it" on food, clothing, shelter, a vacation, or by saving it for your child's education.

"Send it to Washington and we'll be compassionate with your hard-earned money," they say. "Let us take care of you."

The kind of care offered by the Democrats is suffocating the American people.

To stop the suffocation, we are ready to cut their taxes, and I need to remind my colleagues across the aisle that tax relief is not dessert.

Congress has been eating the taxpayers' dessert for the past 40 years. And the American people have been left only gruel to eat.

Finally, when the opponents of change resort to class warfare, when they resort to statements like, "champagne bottles are being chilled in penthouses all across the country—except in those where someone has a conscience," well, that is nothing but the desperate cry of a dying liberal agenda.

I cannot afford champagne, but that is OK because I do not like it anyway. When I get back to Minnesota this weekend, I am going to put some beer in the cooler.

And like millions of Americans across this country, we are going to celebrate a small victory over this powerful Government machine, because the people know they will be able to keep \$245 billion of their own money, to spend the way they want, rather than giving it to those who claim to be compassionate.

And we are going to say this is only the first in a long line of victories to come.

The PRESIDING OFFICER. The Senator's 10 minutes' time has expired.

Mr. GRAMS. I thank the Chair.

Mr. KERRY. Madam President, what is the legislative status at this point?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. KERRY. I thank the Chair.

The PRESIDING OFFICER. Statements are limited to 10 minutes.

Mr. KERRY. I ask unanimous consent that I be permitted to proceed for such time as I might consume.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

#### FOLLOWING THE BUDGET DEBATE

Mr. KERRY. Madam President, I listened with interest to the comments of my friend from Minnesota, and I guess in a way as I listened to him I sort of felt sorry for Americans who try to follow this debate. It is going to be difficult because the rhetoric flies fast

and furiously, and a lot of people evidently are going to have difficulty trying to figure out what is really true and what is not true.

The Senator from Minnesota talked about the amount of taxes that were raised in 1993 and what a terrible thing it is the Democrats have perpetrated on the country. But the truth is—the truth, which often gets hidden in these debates—yes, taxes were raised in 1993, but only on 1 percent, the upper 1 percent of Americans, and that for 98 or 99 percent of most Americans taxes went down. The burden of the average working person went down in the United States.

So when our Republican friends come to the floor and start lamenting the 1993 bill that gave this country a continued economic growth—I might add 7.5 million jobs added to the economy of this country in the last 3 or 3½ years compared with about 2.5 million during the entire 4 years of the Bush administration—that 1993 bill raised taxes only on the very wealthiest 1 percent of Americans, and yet our friends keep coming to the floor in defense of that 1 percent. And that is really what divides our parties at this point in time.

Certainly, we are not divided by a desire to have a balanced budget because the vast majority of Democrats voted for a balanced budget this year. I voted for a balanced budget that will take place in 7 years. We did cut Medicare. We did cut Medicaid. But we did not turn around when the country has an extraordinary deficit problem and give back to people individually what amounts to a very small amount of money. I believe it is something like \$1.69 a week that most people in America will get with this famous \$500 tax credit that everybody is going to get, which incidentally does not go to everybody. The truth is that while our Republican friends talk about a \$500 tax credit for every family in America, not every family in America will get that \$500 credit because it is only a credit against income tax. The biggest tax that most Americans pay is the payroll tax. And for workers at the low end of the income scale, they are not going to get the benefit of that \$500 income credit because it does not show up in their income tax. So it does not go to every family in America—an other one of the deceptions in the rhetoric that people hear.

We have heard a lot about how we are going to put taxes back in the pockets of Americans, but the CBO itself, which we keep hearing quoted by our Republican friends, will tell you that the Republican plan raises taxes on 49.5 percent of Americans. If you are earning \$30,000 or less, you have a tax increase in the Republican reconciliation bill. For 17 million American families, a tax increase, an average tax increase of \$352; for about 7 million families, if you have a family of two, it is about a \$400 increase; for 4 million some families with one child it is again about a \$410 increase, and for a family with no chil-

dren, it is about a \$300 increase. That is just the reality, a tax increase for \$30,000 and less; a tax break for \$350,000 and of over \$5,600 a year.

Now, the last time I looked, I really did not think that somebody earning over \$350,000 a year really needed that \$5,000 tax break this next year if it is at the expense of somebody earning \$30,000 or less.

Now, somehow in this country a fundamental notion of fairness has been distorted, and somehow, unfortunately, not enough Americans get the facts or the truth of what is happening. Mr. President, today I stood up with Senator JOHN MCCAIN of Arizona, Senator FRED THOMPSON of Tennessee, Senator RUSS FEINGOLD of Wisconsin, and we offered some \$60 billion of cuts that could be made in the budget that are based on fairness and common sense.

One of them, for example, is this now infamous program called the Market Promotion Program. Now, we had a vote on that, and we lost. It does not mean we should not offer it and offer it and offer it until we finally win, as we did on the wool and mohair subsidy; as we finally won on the ALMR, the advanced liquid metal reactor; as we finally won on the supercollider, which the Senator from Arkansas and others fought so long to get rid of; as we finally won on the mink subsidy.

Sometimes it takes time for people to understand the full measure of common sense the American people are asking us to exercise. But the fact is, the Market Promotion Program—how do you turn to the average American and say, “We’re going to ask you to pay more in your premiums in Medicare, we’re going to cut working families off of Medicaid, we’re going to cut school lunches and take away science research that produces more jobs for the future, but we’re going to continue to let the Gallo Wine Co. get a subsidy from the Federal Government to sell its wine abroad, we’re going to continue to let Japanese-made underwear, that happens to be made with American cotton, be advertised abroad, we’re going to continue to allow major companies like McDonalds to be able to sell their products even though they make money”? They all make money. We are going to tell a senior citizen on a fixed income, “You pay more, but we’re going to help these companies that are making millions of dollars to sell their products.” It does not make sense.

I am not saying that in an ideal world I would not love to help our companies sell abroad, but we are living in a very tough world now where the average family in America, on a daily basis, is being asked to make tough decisions. “Can I buy clothing for my family? Can I afford to take a vacation? Can I send my kid to even the parochial school where there may be a \$4,000 or \$5,000 tuition, let alone to a private school”?

There is not a parent in America who does not feel the implosion of the school system around them, who is

struggling to get their kid the best education possible. And these folks know that on a daily basis they are making decisions that are based on what they can afford and what they must get for their survival and for their kids’ future.

We ought to be making the same decisions here in Washington. What do we need? What must we provide for the American people? Must we provide a market promotion program when we are cutting people from a hot lunch that might be the only meal they get a day that is hot? Must we provide the Gallo Co. with an additional subsidy to sell wine at a time when we are asking senior citizens on a fixed income to tighten their belt and pick up more of the cost of absolutely predictable medical costs or in a time when we are telling certain people that they have to sell their home and go into poverty in order to qualify for the health care that they may need? It just does not make sense.

You know, we woke up this morning to the umpteenth statistic of violence in the city of Washington. A young diplomat’s son, sitting on the doorsteps of his home on Massachusetts Avenue, blown away, dead. That is an act of repetition that occurs in this city every day. And it occurs in New York, in Boston, Los Angeles, Detroit, Miami, you name the city. And it does not have to be a big city. All over this country today the acts of random violence are increased. And where are the police? Where are the police? That is something we must do in America, is put more police on the streets.

But instead we are going to build B-2 bombers. Even though the Pentagon does not want the B-2 bombers, even though the Pentagon never submitted a request for the B-2 bombers, even though Boris Yeltsin and President Clinton are meeting, talking about the cooperation of former Soviet troops now Russian troops in Bosnia. We are building B-2 bombers. For what threat? For what reason? The military did not even ask for an additional \$6 or \$7 billion. But this budget provides it, and provides it even while they are asking all these folks below \$30,000 and all these other folks to tighten their belt.

Mr. President, it does not make sense. And in the next hours, as we debate this, and in next days as Americans come to confront the realities of this budget, America is going to understand it does not make sense.

Now, I keep hearing my colleagues say, “Well, what do you guys want to do? You just want to continue the deficit? You just want to spend more money? You just want to build up the debt of this country?” The answer is no. We voted this year for a balanced budget in 7 years, but we did not do it at the expense of asking education costs to rise, we did not do it at the expense of trying to make life miserable for those for whom it is already hard enough to find a job and break out of poverty. We did it by fairly deciding

that you should not give this enormous tax cut to those who least need it at a time when you are complaining about a deficit and the debt of this Nation.

The Wall Street Journal the other day had an article that showed that even under CBO's own analysis, this "reconciliation package," as it is known, will add to the debt of this country over the next 7 years, add to the debt service of the country, and that it will, indeed, raise taxes on people.

Jack Kemp came before the Small Business Committee just last week, and he said, "I hope you guys"—referring to those in the committee—"will not cut the earned-income tax credit, because if you do, that is a tax increase."

Ronald Reagan called the earned-income tax credit the greatest anti-poverty program, profamily program in this country. What is happening in the next hours is that \$43 billion will be cut from the earned-income tax credit which will make it harder for people at the low end of the income scale to do what so many people on the other side of the aisle talk about, going to work, making work pay, living out the values of work, and being able to break out of poverty.

Here we are taking this extraordinary program that Republicans and Democrats together voted to support in the past years, and cutting it. Mr. President, in the next few hours, in the next 2 days of debate and 1 day of just rapid-fire voting, because of the situation the Senate finds itself in, we are going to be debating on what I call the antivision, the counter reform 1995 reconciliation act.

I know one thing in the midst of this debate, Mr. President. The American people want to put this country back on track. They want, and they deserve, a balanced budget. They want, and they deserve, a reduction in the deficit. But they also want us to exercise common sense in a way that is fair and that talks and thinks about the future of this country.

What began in January of 1995 as an effort to work on a bipartisan basis to achieve change, Mr. President, has regrettably turned into a very partisan war of rhetoric and, I think, even some deception. Why do I say "deception?" Because under the guise of saving the Medicare Program, we have colleagues who have basically misled the public by calling for a massive change to Medicare that will increase the out-of-pocket costs to seniors. It will result in hundreds of thousands of health care jobs lost. And it will also change the fundamental relationship of seniors to their health care delivery system, while at the same time telling them they are going to get more money.

Mr. President, what is the deception in that? Let me be very frank, very straightforward. The deception is that all seniors know, because they also listen to the trustees, that the trustees did not describe a \$270 billion problem.

The trustees described a \$90-billion problem. I agree there is a \$90-billion problem. But everybody understands that the real deception here is the effort to take a \$90-billion problem and turn it into a \$270-billion solution so that you can give a tax cut to the folks who least need it.

I might add that one of the great acts in turning the table topsy-turvy was last year with Harry and Louise. Remember how everybody argued about, "Gosh, we don't want the Government telling you what to do, and we don't want people to have choice taken away."

And here, all of a sudden, is a formulation for Medicare that is the Government telling people what to do and narrowing their choices by requiring that they go into a certain kind of managed care as the only means of providing the savings that they are providing.

What is equally egregious is, we keep hearing people say, "We're not cutting Medicare; we're just slowing the rate of growth. It is still going to grow. There is still going to be a fixed amount of money additionally that everybody is going to get each year."

So with that sort of great statement, that bond, that verbal bond, everybody is supposed to feel good: "Wow, I'm going to get an additional \$2,000 over the next 7 years."

But the difference is, Mr. President, and everybody knows it, when you have a fixed amount of budget available and the costs of Medicare are going up at a fairly steady rate, even if you diminish that rate to what most people would accept as a reasonable rate of increase, the population is growing, the population of seniors in America is growing at a predictable rate.

So you take this fixed pot of money, say to everybody, that fixed pot of money, even growing a little bit, is going to have to take care of the same costs as it did the year before, even though the costs are increasing, and it is going to have to do it for a larger population.

Ask anybody in elementary math, any school in America and even with the problems we have in math in America, I believe they will understand that with a fixed amount of money, a growing population, increased costs, you have a problem in delivering the same level of care. That is why they want to take the standards off the nursing homes, because if you take the standards off the nursing homes, people can deliver nursing care without a registered nurse. We can have a turning back to the time when people were strapped in wheel chairs and where they were just, basically, drugged out as a means of taking care of people. We can step back, and that may be the antivision that a lot of our friends are expressing here. It is certainly a form of deception.

Mr. President, at a time when this country is desperately in need of serious tax simplification, a tax simplifica-

tion that really cuts tax rates for all Americans and American businesses, the Republicans are increasing taxes on the middle class and increasing the number of loopholes for business, contrary to the very reform effort that we tried to put in place in 1986.

The Republican antivision, counterreform, tax-and-spend legislation sends a clear and unequivocal message to middle-income Americans across this Nation, which is: "You're really not that important."

How else can you explain to people who earn \$30,000 a year, who comprise just about 50 percent of the people in this country, why it is that their taxes are going to go up? Nowhere in the legislation that will come to the floor tomorrow is there a demonstrated commitment to the 2 million Americans who work slightly at or above the minimum wage. Nowhere is there a clear commitment to continued environmental cleanup and the progress that we have made over the last 25 years, and for the working mothers of this country who cut the strings of welfare dependence and sought and secured employment.

This legislation is saying to them that it is going to remain silent and even absent from helping them by proposing an increase in the minimum wage that has gone down now to a 40-year low level. For middle-class families that have an aging parent living in a nursing home, we may now find that those young people who once thought that their mothers and fathers were taken care of are now going to help them with the costs of care. And having already bankrupted the elderly nursing home resident because of the requirements we have, we are going to place additional burdens on their children.

In contrast to that, the wealthiest Americans will reap a substantial bonus from this legislation. The richest 12 percent—and I do not want to get into a class distinction here, but fair is fair and we have to measure the notion of fairness.

The fact is that at the upper level of the income scale, the upper 12 percent are going to receive a whopping 48 percent of the tax benefits, and people with annual incomes greater than \$200,000 are going to find their taxes decreased by over \$3,400, and the 13 million families that earn more than \$100,000 annually are going to enjoy a new tax break of \$1,138. I do not know how you explain that when the other people are paying more taxes. I do not know anybody who can argue that that is a sensible idea of tax equity or tax fairness.

In the end, if you look at the various breaks that are continued and loopholes that are created, there is, in this reconciliation bill a new definition of welfare reform for those who are at the upper end of the scale, and I think it is part of a deception, or a counterreform, if you will, that literally turns back the clock to the time before we learned

in this country that you needed to have a Government that was willing to respond and make a difference in people's lives.

It strips away those protections that were developed through harsh and bitter experiences, through the Depression years and through the long years prior to the Depression where we began to understand what abject poverty and racism did to the Nation. We learned that you needed a response. All we hear about is the failure of that response, even though, in fact, most people who dispassionately and apolitically analyze it will tell you that it is not that so many of those things have failed, it is rather that they have not been permitted to be completed or to go to fruition.

Maybe this is what the real Contract With America is all about, Mr. President, creating a lesser America for those who are struggling at the middle and lower end of the scale and then increasing privilege for the few.

The statistics on what has happened to income in the last 13 years dramatize this. From 1940 to 1950, 1950 to 1960, 1960 to 1970, 1970 to 1980, everybody in this country saw their income grow together. If you were at the lowest end of the income scale, the lowest 20 percent of Americans during that period of time, your income went up in the area of 138 percent every 10 years. If you were in the upper end of the income scale, your income went up in the area of 98 percent. That is not a bad balance. But from 1980 to 1993, the income of the lowest 20 percent of workers went down.

Over a 13-year period, the income of the lowest 20 percent of Americans went down in the area of 17 percent. The next 20 percent, their income went down in the area of 4 percent. The middle two stayed the same, but the top quintile of America went up in the area of 105 percent. That really is the story of what has happened in this country in the last 13 years.

Not very long ago, Speaker GINGRICH talked about creating an "opportunity society," as he called it—a society where problems would be turned into opportunities, where Americans of all ages, ethnic, or racial backgrounds would be afforded equal opportunity.

Well, Mr. President, that rhetoric should be measured against the reconciliation bill we will debate in the next hours—a reconciliation bill where we see spending on middle income and average Americans decrease, where we see an increase of taxes on the middle class, an opportunity society that has really been left to the "haves," and for those who have not, the opportunity is clearly going to continue to escape their grasp.

Ironically, the choices made in this budget make some very, very strange and even bewildering opportunities. I do not think anybody wants the opportunity to drink dirty water. But for the first time in 5 or 6 years, the Federal share of helping Boston clean up its

harbor and relieve the rates—what are now the highest rates of water in the country—is going to be diminished—diminished even from what President Bush was willing to give it.

I do not know anybody who wants the opportunity to go to school without books or even be able to go to a decent school at all. But the chapter 1 education assistance and the Goals 2000 is going to be stripped away. I do not know anybody who thinks it is an opportunity to eat contaminated meat, but we saw that proposed in the course of this last few months. And even the taking of unsafe medicines—is that an opportunity?

So how do our Republican colleagues come to the floor and tell the American people that opportunity means cutting cops on the streets, when children are being shot in cold blood on some of the streets of America. How do they say it is an opportunity when they raise \$43 billion in taxes on low-income working Americans, who are struggling to make ends meet on what Ronald Reagan called the best anti-poverty, profamily program in America and give a \$245 billion tax break to the wealthiest Americans while increasing the national debt in the process?

How is it an opportunity for students when we cut \$11 billion from student loans and then increase the amount of taxes their parents are going to have to pay? In fact, Mr. President, over the course of the next 7 years, this reconciliation bill is going to now end the direct loan program for maybe 50 percent of the schools in this country that have entered into that program in the last few years. It is going to raise the burden on the average American borrowing money in order to send their kids to school and put that money through the tax benefit in the hands of the banks and the lenders even though it has been one of the most successful door openings to the information age that we ever could have anticipated.

What kind of opportunity is it when this budget cuts \$182 billion from Medicaid, but leaves intact an \$11 billion international space program? What kind of opportunity do seniors get when our Republicans colleagues have chosen to cut \$270 billion from Medicare and give the Defense Department a \$6 billion bonus—money that it did not even request?

What do I tell the people of Massachusetts when, if these Medicare cuts hold, we lose 129,000 health service jobs, when the State loses 4 percent across the board in general fund spending and has to make up for the \$1.3 billion loss in Federal aid. When seniors in Massachusetts have to pay \$1,000 more per year for Medicare and the interest on student loans for 4 years of college goes up \$3,000? What do you say about opportunity in the face of the largest income earners in America getting a tax break?

I was here in 1986, Mr. President, when we voted for the biggest tax decrease in the history of the country.

We took the rates down to 28 percent and, for a few people in the bubble, 33 percent. We have been giving tax breaks to all Americans across the board. But in the face of these other reductions, it is unconscionable to suggest that that represents a definition of opportunity.

Mr. President, I really think there is a reform agenda which we could have embraced in a bipartisan way, and I re-emphasize that there are many of us on both sides of the aisle that I know could have found a common middle ground here, if politics and ideology and hot-button pushing did not put such a premium on the agenda of the House and on some who were elected in 1994.

It seems to me that what we are seeing here is a program that, not intentionally—although, in some I am not sure—turns out to be anticommunity, even antipeople, certainly anticommunity sense, in the context of the real agenda of this country. When those who espouse that agenda choose not to fund a successful program like YouthBuild in Boston—when they strip youth employment opportunities and educational funds that can keep kids in school or give kids structure in their lives—that disempowers communities and prevents people from helping themselves.

We hear an awful lot of talk in the U.S. Senate about values, and we hear a lot of talk about family; but the truth is, Mr. President, that 36 percent of all the children in America today are born out of wedlock. The truth is that you can go into any community in America today and find kids who talk with a level of anger and alienation unlike anything any of us have ever known historically. The truth is that these are kids who do not have contact with church or school or parents. That is why they are in trouble.

Now, we can talk about values all we want. But if somebody does not have some contact with that child, ages 9 to 16, where are the values going to come from? Most of us would come to the floor and extol the virtues of the Boy Scouts, Girl Scouts, Brownies, boys and girls clubs, YWCA's, YMCA's. But the truth is that, for the vast majority of the children in this country, they are just not available. Who is going to provide the structure? Or are we going to wait until we are forced to spend \$50,000 a year to incarcerate that new felon?

I keep hearing my colleagues perpetuate one of the great misstatements and myths of American politics today. They sweep every one of these efforts to reach children under the same rug. They brand it all with one great sweeping brush and say, "The liberal programs of the past failed."

But the truth is, Mr. President, that I can show you thousands of young people across this country who are working at jobs today, who are graduating from college today because one of these

entities intervened in their life, whether it was a City Year, YouthBuild, or a host of other entities. I know a young man who graduated—I do not know him not personally, but I know of him—and I have seen his curricula and history, in the context of YouthBuild, extolled for having graduated from Rutgers this past year. He came out of the streets through a YouthBuild program and saved his opportunity. I know a young woman currently working as a project manager on the Boston third harbor tunnel project in Boston. She came out of gangs and drug use and a prison record, or at least a court-associated record. By virtue of this program that entered her life where there was no parent, where there was no affirmation, she got it from the friends that joined her in this effort to save their lives.

Much of that is being done away with, with this effort by the Republicans.

There are many of these efforts that are enormously successful across the country, Mr. President, and we should not have to fight for basic support to have a successful program to give some of these kids a chance.

I think that what we need is a positive vision for a truly progressive revolution in this country that reforms the Government, and not just a negative vision that is guaranteed to take us back to darker times. The right choice is to empower communities to come together to do what needs to be done and to help them do it.

I am not in favor, nor am I coming to the floor, to advocate that we should stay with the old programs that have failed. I am not even coming to the floor to advocate this ought to all come from Washington. It should not, Mr. President.

I am not even advocating Government programs. I am advocating a new partnership between the Federal capacity to help distribute some resources and do it in an administratively cheap way that gets that money to those non-governmental entities, to the nonprofit entities by the thousands that are out there, struggling to make a difference in the lives of young people.

But we do not do that, not in this piece of legislation, even with this extraordinary opportunity to really create a blueprint for the future of this country.

I think we ought to be encouraging partnerships for community progress all across the country between the Government and the private sector and churches and schools and community groups. We should rely on the community groups and on those local entities and on the local people to help define those efforts.

One thing I know, Mr. President, when you have only 82 kids in a YouthBuild program in Boston and 400 kids on the waiting list, it is unconscionable to be continuing some of these other subsidies in giving tax breaks when we could be saving some

of those 400 kids and providing the same kind of self-help program that truly embodies the notion of giving people values.

Mr. President, the people in this country are really sick and tired of the lack of common sense that emanates from Washington. They are tired of the gamesmanship. They are tired of the rhetoric that comes off of this floor. It is hard.

I must say I listened to C-SPAN a couple nights ago and I said, "God, I really hope I do not sound like that," because the words just sort of bounce around. They sometimes have no real connection to the lives of the people that we were sent here to represent. There is more finger pointing and more gamesmanship.

Sadly, we have arrived at a point where we have this extraordinarily important budget, and truly it can be said that there has been no real outreach, no real effort to try to find a bipartisan approach.

We are implementing the Contract With America. We are implementing an agenda that was set in a campaign document, a document that does not even mention the word "children." The word "children" does not appear in this contract. The words "health care" do not appear in this contract. "Environment" does not appear in the contract except under the concept of regulatory reform.

Most importantly, those things that really matter to people, which is how am I going to get a job? How am I going to raise my income for the additional work I am putting in on a daily basis? That is the primary thing that most Americans are concerned about.

People want to know whether or not they will have their kids be able to have an adequate enough education to be able to get that kind of job. They want to know whether or not they will be able to go home at night and literally not be so exhausted and burned out and frazzled that they can spend some time with a child, truly imparting values, and that they can have time for something we used to call quality of life.

I think the people of this country want us to move inexorably to a stronger, richer, safer, better, and saner America for everyone—everyone—on a fair basis.

They want to fix what is wrong. They want to keep what is right. There is a lot that is right.

Unfortunately, in this budget we are not going to have the opportunity to really present those choices to the American people. I am convinced that most Americans very quickly will understand what is fair and what is real and what is not.

The American people believe unquestionably in their hearts that we have not been wrong to do what both Republicans and Democrats joined together in doing in the last years. Republicans joined with Democrats to guarantee that those who work at the low end of

the scale of America have a reasonable wage. That we did together.

They joined together to guarantee that we would put 100,000 cops on the streets of America. And yet here we are with a proposal that blocks it all into a grant, makes those cops compete with floodlights for prisons, computers for the precinct, new cruisers, all the other things—except that we so desperately need cops on every street in this country.

Mr. President, the budget debate that we will embark on in the next hours really should not be so honed in political ideology or 30-second sound bites. I think it really ought to be a much more thoughtful discussion to the American who is listening and who wants to really consider how we will build the future of this country.

It ought to be a debate based on facts, not on distortions and side bars and fictions but really on the facts. The implacable and irrefutable facts about where we are heading in terms of income and jobs, violence, education, environmental cleanup, and the other things that make up the quality of life.

Mr. President, I think it is a discussion that should not be limited in this arbitrary 20-hour way of jamming all of the legislative effort and the 1,000 pages that most people have not even had time to read.

The tax provisions contained in this legislation certainly require a great deal more time and exposure in order to really flesh out their fairness and also their long-term impact on the economy of this country.

Maybe it is time we changed our rules, Mr. President, by voting to recommit the legislation of the Budget Committee to ensure that a tax-writing committee has had sufficient time to explore and debate all the issues not addressed, including real tax reform and simplification.

This legislation leaves us with many, many questions, Mr. President. Why is it that we could not have used this as a great opportunity to try to make a stronger set of choices for the American people? Why could we not have lowered the tax rates for lower-income Americans and been fairer in the distribution at the upper end? Why could we not have used this as a means of debating how we will break people out of that lower end cycle, rather than sending them back into it by doing away with the earned income tax credit.

Why could we not have used this to have a stronger real fix for the problem of the inequity of the delivery of health care in the country and the problem of the distribution of resources and the increasing numbers of Americans who have no coverage at all? Why could we not have spent the time on the floor really expressing the stronger vision of where it is that we are headed.

I know my colleagues will come to the floor and they will say the Senator has it all wrong. What we are going to do here is we are going to balance the budget. We are going to end this cycle of spending.

I agree, Mr. President. Balancing the budget is good for America, and reducing this deficit is good for America. That is not the issue. That is not what is at stake here because we are going to do that.

The question is, how are we going to do it? Are we going to do it fixated only on the fiscal deficit, or are we also going to think about the spiritual, moral, cultural deficit in this country? Are we also going to think about the investment deficit in this country?

You do not get from here to there in America on an old FAA computer system and call it safe. You do not get from here to there in America on trains that are predestined to crash because we do not invest enough in safety measures for our country. You do not get from here to there in America on roads that were not built in the National Highway System with the commitment of Federal participation. There are hundreds of examples, where responsible action at the Federal level has improved the capacity of this country to provide for its people and to help people provide for themselves.

I am absolutely one who accepts the notion that we have to rethink how we deliver services. I am prepared to shrink the size of Washington. In fact we have been doing that. We will soon have around 200,000 fewer bureaucrats. It is the smallest Government we had since Jack Kennedy was President of the United States. You would not know that from listening to our colleagues. We have had 3 straight years of deficit reduction. And now we will move on to balance the budget, which is what we ought to do.

But Americans are going to ask whether, as we did this, we did it sensibly; whether it is fair; whether we had a vision for what we want the future to be. Americans are going to ask whether or not this document represents an antivision, or a vision. I am confident that, because it represents an antivision, the President of the United States will ultimately veto it, because it is not bipartisan, because it is not reflective of the higher plane of vision of what this country ought to be and what we want it to be.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

#### MEDICARE

Mr. FRIST. Mr. President, I rise today to join my colleagues who earlier discussed what is truly a historic budget reconciliation that will be coming to the floor in the morning. This is legislation that will balance the Federal budget in 7 years, and that is the issue before us; that will reform welfare, and that is the issue before us; that will save Medicare from bankruptcy, because that is the issue before us; and which will provide much needed tax relief to American families.

The Social Security and Medicare programs were reviewed in a document.

The trustees, there were six in all, three of whom were on the Clinton administration's Cabinet, made it very clear that the issue before us in Medicare is to save it from bankruptcy, to save the entire program—not just a part of it, not just one trust fund, but the entire program.

On the first page of the report of the trustees—and, again, the trustees, three of whom are from Clinton's Cabinet—it says very clearly, "The Federal Hospital Insurance Trust Fund will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range. The trustees believe that prompt, effective and decisive action is necessary." And that action we have in this reconciliation package.

On page 13 of this same report it spells it out very clearly that, "both the hospital insurance trust fund and the supplementary medical insurance trust fund show alarming financial results." That is part A and part B; not just part A, as we so often hear from the other side of the aisle.

I continue reading from page 13, "The HI trust fund continues to be severely out of financial balance and is projected to be exhausted in 7 years. The SMI trust fund [which is part B, the physician part] shows a rate of growth of cost which is clearly unsustainable."

Again, reading the exact words, these words are from Sanford Ross and David Walker, the two public trustees, "The Medicare program is clearly unsustainable in its present form." Not just the part A trust fund but the Medicare program. Again, we hear from the other side of the aisle we can put another Band-Aid on this program. We can do what we have done in the past and ratchet down a little more on the hospitals, because it is not a crisis. It is not all that urgent. "We have seen it before over the last 10 years," the other side of the aisle says. Yet the trustees say, "We strongly recommend that the crisis presented by the financial condition of the Medicare trust funds [both funds] be urgently addressed on a comprehensive basis."

These are the trustees' words. I point that out because, again, we hear every day and several times a day, "Let us just put another \$100 billion into the program and that will take care of it for another couple of years." No, the trustees say we need to address part A, and part B, hospitals and doctors, the program overall, and not just one aspect of that program.

So, we make the case. The trustees have made the case that Medicare is going bankrupt if we do nothing. The American people did not know that 1 year ago, or even 8 months ago. Now our senior citizens recognize that. Our individuals with disabilities recognize that. And they recognize that we are going to have to change the system, bring it up to date, to 1995 standards. It is a good program. As a physician I have seen that it has cared for millions and millions of our senior citizens in

an effective way. But, as the trustees said, it cannot be sustained. It needs to be modernized.

We pointed out again and again that we are going to increase spending in the Medicare program. Just a few moments ago we heard, when you adjust it on a per beneficiary, or per capita, or per person basis we are really not increasing it. That is not true. On a per capita, per person, per senior citizen, we are spending \$4,800 a year this year and that is going to increase next year and that is going to increase the year after that, and increase the year after that to, by the year 2002, just 6½ years from now, we are going to be spending \$6,700, almost \$2,000 more than we are spending today. And that is not a cut.

It is going bankrupt if we do nothing. We have heard no alternative, reasonable alternative that addresses the overall program from the other side of the aisle.

Second, we are going to increase spending, not cut.

And, third is something that I am most excited about, again because of my past experience as a physician, as one who has taken care of thousands of senior citizens. When I close my eyes I do see faces, individual faces of mothers, of grandmothers, of fathers, of grandfathers, of individuals with disabilities. We cannot just throw more money at the problem, more Band-Aids. We have to strengthen the system.

We have not given enough attention publicly to what we are doing in strengthening this system, in improving it, in giving our seniors and individuals more options that meet their individual needs. That is where we are giving them the right to choose, empowering them to choose a plan which might better meet their needs but at the same time allowing them to keep exactly what they have today if they wish.

Let me refer to this chart, just to explain what I mean by that, how we are strengthening the program. Just focus on the top part of this part. Today we have fee for service, traditional fee for service, where you choose your own physician, you pay your physician in a very direct fashion for the services delivered, and about 91 percent of the 37 million people on Medicare today are in a fee for service system.

About 9 percent of those 37 million people are in an HMO. It is a very limited model. It is a very closed model today, but that is an option for 1 out of 10 of our citizens. On the other hand, in the State of Tennessee there are no HMO's in the Medicare system. Everybody, the number actually in Tennessee of all those 37 million people, for the most part are in just this fee-for-service system.

We are going to hear the plan laid out a little more over the next few days. But what does it do for our senior citizens? As I said, our senior citizens can stay in fee for service, keep their same physician today, not be forced