

Mr. BREAUX. Mr. President, I ask unanimous consent to speak as if in morning business.

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

#### SOCIAL SECURITY

Mr. BREAUX. Mr. President, it is always interesting in the morning to start your day by reading the newspapers. I did that as well this morning. I think that most of the things that we read are pretty accurate and pretty correct. But every now and then I think what we read, while it may be accurate and correct, doesn't tell the entire story. I think this morning, if you look at the papers around the city, most of the headlines that I saw were accurate in the sense that they talked about Social Security and the condition of Social Security. The stories in the press this morning dealt with that. That was all based on the recent Social Security report.

It talked about the good news dealing with Social Security. I look at the headlines in the Washington Post, "Forecast Brightens for Social Security." The Wall Street Journal headline was "Economy gives Social Security a Reprieve." A New York Times article, "Surging Economy is Lifting Social Security, U.S. finds." The headline in the USA Today was "Social Security Wins Three-Year Reprieve."

All of that is very accurate. All of it is very, very true. All of it is based on the Social Security trustees' annual report that they give to Congress and to the American people and to the President of the United States.

If you just read those headlines, you will say, "Well, things are really good in the area of Social Security." The good news, I think, was based on the fact that the trustees' report pointed out that the payroll tax that we pay every month will be able to cover Social Security benefits through the year 2013 as opposed to the early projections that the payroll tax is only going to be enough to pay for benefits through the year 2012. They say that when you combine the payroll tax and the interest paid on the reserves that are in the Social Security trust fund, that would be enough money to cover the benefits to retirees through the year 2021 instead of just through the year 2019.

They further point out that it is good news that the Social Security trust fund, when you add everything up, will not be depleted until the year 2032 instead of the year 2029. All of that is good news. The President correctly spoke about the fact that we added 3 more years to the Social Security program because of the strength of the economy basically. But the reason I take the floor today is to point out "the rest of the story," as the words go, in other areas, because there is another part of the story that didn't seem to get the attention that I think it should have gotten from the press, because the stories don't highlight the

other trust fund that I think is equally important and was also released yesterday by the trustees' report. The other trust fund that I am referring to is the Medicare trust fund, the Medicare part A trust fund, which basically pays the expense of 38 million Americans going to the hospital to receive health care.

But the story that is only sort of mentioned as a footnote is that not only have we not run a surplus in the Medicare trust fund since 1995, including deficit spending of \$9.3 billion last year, they did not point out that the part A trust fund is going broke 2 years earlier than we had anticipated just this past January.

What the report says is that instead of going broke in the year 2010, it is going to be depleted in the year 2008. And the numbers I just cited for Social Security, talking about 2032 and 2013, those are dates that are at least a little bit further out. But the report said that we are going to be going broke in the Medicare trust fund 2 years earlier than they had in January. I think that is incredibly significant.

Prior to the balanced budget bill that we passed last year, the hospital insurance fund, which pays for Medicare hospital coverage, was estimated to become insolvent in the year 2001, just around the corner. So last Congress we struggled and did what I call the "SOS" approach, "same old, same old," by essentially reducing reimbursements to doctors and hospitals. And particularly in addition to that, what we did to sort of save the program in Medicare was to transfer home health care from part A to part B, at least we transferred part of it. We transferred about 60 percent of it, which amounts to about \$174 billion over the next 10 years. We just took it out of this column, which was having a lot of trouble being paid for by the payroll tax and moved it over to part B, which is 25 percent paid for by a premium, and then the 75 percent is paid for by the General Treasury of the country out of general revenues.

So what we did, we put a Band-Aid on Medicare. We tried to save it from going busted in the year 2001 and we extended it out to the year 2008.

It is interesting that the Congressional Budget Office earlier this year had said, well, we thought the trust fund was going to be solvent until the year 2010. But now we have this new report just out yesterday, brand new, overlooked generally by the press, in my opinion, that said the Medicare trust fund was going to be insolvent not in the year 2010, but that the trust fund will be depleted in the year 2008. So unlike Social Security, where people are saying it is getting better than we first thought, Medicare is getting worse, and it is getting worse more quickly than was originally anticipated even in January of this year.

We look at the year 2021 as the key year in Social Security because that is the year when you add taxes and the

interest in the trust fund. It will no longer be enough to cover Social Security benefits. That is the year we all talk about Social Security, that we are not going to have enough money to pay benefits—when you add money coming in plus the interest on that money, we are not going to have enough to pay the benefits in the year 2002.

I want to tell my colleagues that we passed that point in Medicare a long time ago. Medicare is already passed the point where the money coming in and the interest on the money coming in is not enough to pay for the benefits. We passed that in 1995 when the accumulated taxes and interest in Medicare were no longer enough to pay the benefits of Medicare. So we are not talking the year 2021 as in Social Security. We are talking about we already passed that point when it comes to Medicare. That is how much more difficulty the Medicare system is in than the Social Security system. We have been running a deficit in the program since 1995. Last year, it was \$8.3 billion more in benefits than we had in money coming in and the interest in the trust fund. It is obvious we cannot continue that.

I would like to quote a couple of the other highlights from the report which I think are significant. The trustees' report says that to bring the health insurance Medicare part A trust fund into balance over the next 25 years under their intermediate assumptions would require either that outlays be further reduced by 18 percent, or that taxes be increased by 22 percent or some combination of the two over that period. That is, they say, "the current HI payroll tax of 1.54 percent would have to be immediately raised to about 1.81 percent or the benefits reduced by a comparable amount."

I haven't heard anyone in my State of Louisiana that I have the privilege of representing telling me to raise their payroll tax by 22 percent, and I have not heard a single person come in and say, "Senator, would you please cut my benefits by 18 percent." More of what I hear is, "Don't increase my taxes and don't decrease my benefits."

But I will say to all of our colleagues that that is not an option. That is not an option. The report further says that prior to the Balanced Budget Act of last year, the part A expenditures were estimated to grow at an average rate of about 8 percent a year in Medicare. From 1998 to the year 2002, what we did last year in the balanced budget amendment reduces annual growth to an estimated average of 3 percent. Thereafter, however, expenditure growth is expected to return to the level of about 7-percent increases every year in Medicare costs.

The report further says that "the balanced budget provisions are estimated to substantially reduce the gap between income and expenditures over the next 5 years, but with a return to steadily increasing deficits in the year 2003 and later. After 2002, the gap between income and expenditures will

widen steadily so that by the year 2007 there would be a \$26 billion shortfall in that year alone."

Those are very sobering statistics. Unfortunately, I think they are very accurate. I have long been very concerned that we in the Congress and the public have this sort of false sense of security that because every year I get my Medicare benefits and I still get the coverage I need, there really is not a problem; that the people who are talking about a problem are sort of like Chicken Little who ran around the country saying, "The sky is falling. The sky is falling." It never fell, and they didn't believe Chicken Little any longer. I think people don't believe Congress anymore. If you look at the headlines I talked about, I think they miss the point about Medicare which is much more immediate. It is around the corner, good news and bad news. Good news that Social Security is in pretty decent shape. We made 3 more years extra out of the program. But the bad news and the very legitimate concern we should have is that Medicare is predicted to go insolvent even earlier than before, 2 years earlier than we had previously predicted.

So I hope that more people will take a look at the trustees' report. It is a good report. It is a sobering report and one that every American, whether they are on Medicare or whether their parents are on Medicare or their grandparents are on Medicare, should take a look at and know that there must be a growing awareness among all people in our country that if we are going to continue to have the greatest system of health care for America's seniors, we have to start making decisions now and recommendations now if we are going to prevent what this report says is going to happen in the not too distant future.

The trustees' report noted—I will conclude with this:

More far-reaching measures will be needed to prevent the trust fund's depletion as the baby boom generation starts reaching age 65 and starts receiving their benefits. . . . In this regard, the work of the Bipartisan Commission will be of critical importance to the Administration, the Congress and the American public.

I could not agree more. I commend this very sobering report to all Americans, because it, indeed, is a wake-up call as to what this Congress needs to be seriously considering in the very short period of time we have left.

I yield the floor.

#### PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND THE CZECH REPUBLIC

The Senate continued with the consideration of the treaty.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent the pending amendment be laid aside.

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

#### EXECUTIVE AMENDMENT NO. 2317

(Purpose: To establish a formal process within the North Atlantic Treaty Organization for the resolution of disputes among members and between members and non-members)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes an executive amendment numbered 2317.

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

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

The amendment is as follows:

At the appropriate place in the resolution, insert the following:

#### NEGOTIATION WITH ALLIES REGARDING THE ESTABLISHMENT OF A PROCESS TO RESOLVE DISPUTES AMONG OR BETWEEN ALLIES.

(A) Prior to the first deposit of any of the United States instruments of ratification of any of the Protocols, the United States representative at the North Atlantic Council will introduce at the NAC a proposal for consideration by all allies and aimed at establishing a process for dispute resolution among allies. The proposal shall be limited to addressing those disputes—

(i) between or among allies that are within the collective security purview of the NATO alliance and address territorial or other such disputes within the alliance's area of operations and responsibility, and;

(ii) in response to which at least one disputant has credibly threatened the use of military force.

Mrs. HUTCHISON. Mr. President, my amendment is very simple. It requires the U.S. Representative to NATO to make a proposal to our allies regarding the resolution of disputes that fall short of article V conflicts.

Before discussing what my amendment does, I would like to say what it does not do. It does not require that NATO adopt a dispute resolution process, although I think it should. It does not tell the President what his ambassador to NATO should propose, although I hope the administration will take the opportunity to provide meaningful leadership in this area. It does not treat new members of NATO any differently from current members. In fact, that is the premise of the amendment, that there be a dispute resolution process that applies to all members, current and prospective, so there are no surprises should a dispute arise.

I think it would show strong leadership to anticipate that there might be disputes in Europe where we have seen disputes of varying kinds over the course of history. But to have a dispute resolution process that is not looking at two particular countries and individual personalities, but rather to have a dispute resolution process so everyone knows what the ground rules are and everyone would comply with those,

having had a say in the way they are drawn up.

Why is this needed? Simply put, because the history of the 20th century demonstrates clearly that great conflicts can arise from small disputes. If we are going to expand NATO to include an ever-growing number of new countries, it is simply folly to pretend that no such disputes will ever occur within the alliance, or that they would not affect the alliance in its ability to stay together.

According to the Congressional Research Service assessment of a number of sources, there are at least 11 ongoing disputes in Europe that have a moderate or high potential for violence or escalation. Some of those are listed behind me.

For example, three involve Albania. While Albania is not being considered for membership in NATO today, many have said that it should be considered in the next wave of new members. So I think if we set something in place now, we are not saying that it would apply just to Albania; we are not making it personal. But what we are saying is "let's recognize the obvious. NATO currently has no process to peacefully resolve disputes, which will only grow in number as the alliance enlarges." We have had a conflict involving Greece and Turkey for most of the history of the alliance.

Opponents to my amendment would say that this proves that we don't need a dispute resolution process, because we can handle future conflicts the way we have handled the Greece-Turkey conflict. Mr. President, we have not handled the Greece-Turkey conflict. We have avoided handling it. In 1974, these two supposed NATO allies almost went to war over the island of Cyprus. That conflict continues today. Each country regularly threatens the other with war over sea and airspace violations, weapons proliferation, and the treatment of each other's compatriots in Cyprus.

If the best that my opponents can say of my amendment is to point to Greece and Turkey as proof that we don't need it, then there really can be no opposition to it at all. The fact is, the cold war imposed a discipline on the alliance that probably did keep such conflicts in check. That discipline is no longer in place. If we do not at least discuss a process by which NATO can peaceably resolve disputes, then the alliance will lose credibility as we turn a blind eye to a growing number of disputes similar to that of Greece and Turkey. Such a process might even have ended that conflict, permitting both of those countries to move on and focus on their own strengths and their own economies.

In a letter to the President last summer, I joined with nearly two dozen Senate colleagues to raise this and a number of other questions regarding NATO enlargement. We asked the President about the importance of border-dispute resolutions and should we