The Senate, by its overwhelming vote, obviously decided with the Congressional Budget Office and not with the White House Office of Management and Budget.

Second, the White House produced an analysis claiming that the original Graham-Miller-Kennedy bill would ''bankrupt'' the Medicare trust fund—when this drug benefit, like the drug benefits in the Republican plan, is funded through a distinct fund that has nothing whatsoever to do with Medicare's Part A.

Third, just this month, OMB made its midsession review look substantially more rosy by including only $190 billion for prescription drugs, despite the fact that the Secretary of Health and Human Services, former Gov. Tommy Thompson, stated before Congress in April:

Congress has seen fit to raise the funding for prescription drugs to $350 billion, and I came here today to indicate to you that the administration wants to work with that latter number.

This administration has not demonstrated in actions or words that it prioritizes State fiscal relief. As such, its concern for States, as expressed on this distorted chart, is a new revelation, only emerging when it is seeking an excuse to oppose an amendment to provide significant prescription drug assistance to America's seniors.

Less than a week ago the Administrator of Medicare, Mr. Tom Scully, stated the administration opposed increasing the Medicaid matching rate even temporarily, an amendment which has been aggressively sought by the States in order to receive some relief from rapidly escalating Medicaid costs. The administration opposed that amendment. The Senate, by an overwhelming vote last week, adopted it.

I might say that during the consideration of the tax bill, I was concerned that the proposal of the White House was to accelerate the repeal of the State's portion of the estate tax at a substantially faster rate than the repeal of the Federal estate tax. In fact, the State's portion of the estate tax will evaporate in approximately 3 to 4 years, while the Federal Government's share of the estate tax continues until the year 2010.

The effect of that early acceleration of the repeal of the State component of the estate tax will have a significant adverse financial effect on the States beginning this fiscal year.

The 47 percent of Medicare beneficiaries with incomes below 200 percent of poverty would have gained comprehensive drug coverage had the Graham-Smith amendment been adopted. Seniors in all States would have been helped. Seniors in all States would have been given the peace of mind that if they suffered a debilitating illness or disease or accident that they would have been helped with their catastrophic drug costs, and the States would have been helped by getting relief through the Federal assumption of costs that they are currently bearing.

I conclude by saying that I hope in future debates on the Medicare prescription drug benefit that we will all rely on the facts, not on incomplete and distorted analysis. Our seniors deserve better than what we have done to date, because what we have done is talk about, talk about, talk about, the need for a prescription drug benefit. We have not yet delivered, delivered, delivered a responsible prescription drug benefit.

It is going to be our challenge over the next few weeks, working with the facts and with honest analysis of those facts, to arrive at a prescription drug plan that will meet the needs of our seniors, will provide us with the basis of integrating a prescription drug benefit into a comprehensive health care program for older Americans, and to find the political will to act this year.

That will be our challenge and that quest will be advanced if we all agree that we are going to differ in our opinions, yes, but that we will all agree that we would use the same set of legitimate facts.

I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. NELSON of Florida. Madam President, I wish to speak on a matter of great importance to this country, keeping the soundness of Social Security—and I say to my colleague from Florida how much I appreciate the great leadership that he has given to the Nation in the last several weeks as he has led the effort to try to honor the senior citizens of this country with a prescription drug benefit that would modernize Medicare to provide for what senior citizens ought to have in the year 2002.

It has been my privilege and pleasure to support him in his efforts. It is beyond me why we could not get the 60 votes. Some of the misinformation that was distributed, as the senior Senator from Florida has explained, is part of the reason. Part of the reason I happen to think has something to do with partisan politics as well, unfortunately, during an election year.

I want him to know my profound appreciation for him as a colleague, as a friend, and as a leader for this Nation in offering a needed change to Medicare for a prescription drug benefit.

SOUNDNESS OF SOCIAL SECURITY

Mr. NELSON of Florida. Mr. President, tonight I want to discuss another subject which is near and dear to our hearts, particularly the two of us coming from Florida, on the attempts to privatize Social Security. In fact, it even comes down to the fact that in the State of Florida, the pension program for Florida retirees was changed within the last 2 years by the legislature of Florida to basically allow a privatized element, other than a defined benefit element for all Florida's 600,000 retirees.

It sounded awfully good while the stock market was doing so well, but now in the last few months, the stock market has not been doing well. Lo and behold, would you believe that out of 600,000 retirees in Florida on the Florida retirement system, the State pension, only 3,000 retirees out of 600,000 have signed up for the privatized retirement plan. That should give us a clue as to why we should not be privatizing Social Security.

I do not want to hold my colleague on the floor, but before he left the floor, I wanted to share that with him as I get into my comments on Social Security.

Mr. GRAHAM. Will the Senator yield?

Mr. NELSON of Florida. With pleasure.

Mr. GRAHAM. The Florida retirement plan, prior to its modification, was in what would be called a defined benefit plan that gave security assurance to Florida's retirees as to what they would have in retirement, what they could count on, what they could sleep comfortably at night knowing was going to be available to them.

Mr. NELSON of Florida. That is exactly right. It was a defined benefit. Every retiree did not have to worry about the vicissitudes of the stock market and part of their retirement suddenly disappearing overnight.

Mr. GRAHAM. Is that not the same basic structure that we have had from the very beginning with Social Security, that it also provides the same level of security and peace of mind to its beneficiaries because it also is a defined-benefit program?

Mr. NELSON of Florida. It certainly is—the same system that has been in place in Florida for years, the system over which the senior Senator from Florida presided as Governor, and therefore the chairman of the State Board of Administration that oversaw the State retirement system, and when I had the pleasure years later, as the elected State treasurer, of being one of the three trustees of the State pension fund.

Mr. GRAHAM. Finally, does not the Senator think there are ample opportunities available for a person who wishes to take the risk and assume the chance that they may be buying into a stock market which is not always going up, they might be buying into a stock market such as in recent months it seems that goes down more than up, that they have plenty of opportunities with their savings, and if they have an individual retirement account or a 401(k) to take some risk, but with the core of

their retirement, Social Security and the basic retirement through their employer, that they would be well served to have the confidence and assurance of knowing what they are going to do and not be on the Wall Street roulette wheel as to what their retirement benefits will be?

Mr. NELSON of Florida. The Senator has said it very well, and Social Security is a social safety net. The retirees, the senior citizens of this country, should know that it is a defined benefit that is going to be there when they need it and it is not subject to the roulette wheel, as the Senator has suggested, in the case that the stock market is suddenly in a downward trend. So, too, the State retirement system of the State of Florida was a defined benefit in the past, when the two of us had the opportunity of being part of the governing body of the board of trustees, and it gave confidence because there was a defined benefit.

So there is an exact parallel between what we have seen in the State of Florida and what we want to talk about tonight, which is President Bush wanting to privatize a part of Social Security and transfer a trillion dollars out of the Social Security trust fund over to private individual accounts that the individual would then invest in the stock market. That sounded like a good idea to a lot of people when the stock market was going up, but now that the stock market is going down, it is beyond me that the President is still insisting, as recently as last week, that he have Social Security privatized.

That is what I wanted to talk about tonight, and I am so delighted I came to the Chamber before my colleague from Florida left so that he could engage in this colloquy and dialogue with me. I thank him for that.

Mr. GRAHAM. I thank the Senator.

Mr. NELSON of Florida. Madam President, I will summarize my remarks because Senator GRAHAM and I have pretty well covered it in the discussion we had, that one only has to look back a couple of years. The Nasdaq has fallen by 75 percent, and the broader S&P has dropped more than 40 percent, and given this market downturn, as we say in the South, it is beyond me, I am surprised that the Bush administration is sticking by its proposal to allow workers to divert some of their Social Security into private accounts of the stock market instead of there being a defined benefit that would give the Social Security retiree the security, the knowledge, the confidence that when their retirement years came, they knew they had a certain amount they could rely on, even though most retirees are going to have to supplement that Social Security benefit, but at least they would know that benefit was there and was not going to evaporate if, in fact, the Social Security privatized account was invested in stocks that had suddenly taken a turn going down.

That is the essence of what I wanted to share. I will be speaking frequently on this matter when we resume in September, because this issue has had scant attention—an article here, an article there, about how the Bush White House is so intent that it wants to privatize these accounts. Clearly, if the times had not been of the economic downturn and the suffering that so many people have had in the stock market, perhaps they would have been lulled into a false sense of security. But with the stock market doing what it has done—a reflection, by the way, of the corporate scandals that have come to light and therefore a lessening of the confidence of the investing public of America in those corporations—if that had not come, the governmental decision process might have been seduced into going for this privatized part of Social Security. Clearly, that is not, in my judgment, in the best interest of our senior citizens.

That is what I wanted to share tonight. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

LEGISLATIVE ACTION

Mr. NICKLES. Mr. President, as we wrap up this summer session prior to the August break, I want to make a few comments. Several of my colleagues have discussed different issues.

First, let me state that I am very pleased that this Congress was successful in passing trade promotion authority and the Andean Trade Preferences Act. Both of those are vitally important and long overdue. The Andean Trade Preferences Act should have been passed by the end of last year. Unfortunately, the majority said it had to be packaged with trade promotion authority and with trade adjustment assistance. I have no objection to passing trade adjustment assistance; I think we should. We have always done it. I happen to agree with it.

Unfortunately, the majority—in this case the Democrats—said, in addition to trade adjustment assistance, we want to put in new entitlements and expand trade adjustment assistance not only for individuals who might directly lose their job to imports, they also said indirectly. That is an expansion. They also said we want to include agricultural workers. You might have every agricultural worker in America who says they lost a job, that it was due to imports because we are in an international market and prices go down. Now they want Federal assistance.

Then we also made a mistake because there was a new benefit added that said, in addition to trade adjustment assistance, in other words, being trained to pick up a new job, now the Federal Government is going to pick up 65 percent of the health care cost, an advanceable, refundable tax credit. We don't do that for somebody employed. We don't do that for a lot of people. But we will do it for somebody who says, I was unemployed because of trade. And they will be eligible to receive that for 2 years.

Then in conference, inexplicably, it was suddenly altered to qualify those now receiving benefits under the Pension Benefit Guarantee Corporation, if they are between ages 55 and 65, to receive the tax credit. That little amendment which didn't pass the Senate is going to cost over $2 billion.

So the entitlement portion of the trade adjustment assistance has more than doubled, and I am constantly amazed at the number of people who always say: Wait a minute. Spending is going up, we should not be spending here, but it is fine if we do it in entitlements. They insist we do it in entitlements. That is real money. And a lot of times entitlements are hard to roll back.

I wanted to express my displeasure with the almost frivolous way we have greatly expanded the Trade Adjustment Assistance Program and then held trade promotion authority hostage to get this kind of expansion.

That being said, the good of trade promotion authority and the Andean Trade Preferences Act outweighed the negative of the expansion of the entitlement. So I voted for it. I am pleased we were able to pass it. It is a very significant accomplishment.

Chairman Greenspan said we could do two things to advance the economy in this country, one of which was to show fiscal discipline—we have not done that—two, he said, to expand trade. By passing trade promotion authority, we have made it possible for this country to regain its leadership which we had lost. We lost it during the Clinton administration. Every previous President, going all the way back to Jerry Ford in 1974, had trade promotion authority. Bill Clinton had it in his first 2 years of office. He did not get it extended in 1996.

He was running for office. It expired in 1994. He didn't ask for an extension until after his reelection in 1996. At that time he couldn't get it through the House. The House was controlled by the Democrats. It was controlled by the Democrats when he was in power the first 2 years. He didn't get it extended then, and he couldn't get it extended later. In the Senate we had the votes to extend it. He wasn't able to get it.

Now this President, President Bush, is going to get it. I am glad. I think that will help expand trade and again regain our leadership role as it has been, as it should be, as really the promoter, the leader, the cheerleader, frankly, for international free trade. Ronald Reagan helped expand it in the