

SENATE—Wednesday, February 3, 1999

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, we echo the prayer of the psalmist, "Show me Your ways, O Lord; teach me Your paths. Lead me in Your truth and teach me, for You are the God of my salvation; on You I wait all the day."—(Psalm 25:4-5. We know from experience that, when we wait on You, we do renew our strength; we are much more creative thinkers; and our relationships are more kind and caring. It is both comforting and challenging to know that You will be with us all day long. You will hear everything that is said and see all that is done. Therefore, we renew our commitment to excellence. In that spirit, we seek Your guidance in the ongoing business of the Senate today and the preparations for the next session of the impeachment trial tomorrow. The Senators need You, dear Lord. Thank You in advance for answering this prayer for Your blessing of each of them according to her or his particular need today and for the unity of the Senate as a whole. You are our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Montana is recognized.

SCHEDULE

Mr. BURNS. Mr. President, on behalf of the majority leader, today the Senate will be in a period of morning business to allow Senators to speak and introduce legislation. There are a number of Senators who have indicated a desire to speak, and therefore Senators should expect the Senate to be in full session until late this afternoon. As previously announced, the Senate will resume consideration of the articles of impeachment beginning at 1 p.m. on Thursday.

I ask unanimous consent that Senator DASCHLE or his designee be in control of the time between the hours of 12 noon today and 1 p.m. and Senator COVERDELL or his designee be in control of the time from 1 to 2 p.m. I further ask unanimous consent that beginning at 2 p.m. Senators be recognized to speak in morning business for up to 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BURNS. I thank my colleagues for their attention.

The PRESIDENT pro tempore. The able Senator from New Jersey is recognized.

Mr. LAUTENBERG. I thank the Chair.

MORNING BUSINESS

Mr. LAUTENBERG. Mr. President, it is my understanding that now we proceed directly to morning business. Is that correct?

The PRESIDING OFFICER (Mr. BURNS). That is correct.

THE CLINTON 2000 BUDGET

Mr. LAUTENBERG. Mr. President, on Monday morning just past, President Clinton submitted his annual budget to the Congress, but unlike prior submissions, this budget is much more than a plan for a single fiscal year; this is a long-term blueprint for the 21st century. It prepares for the impending retirement of the baby boomers. It ensures that younger Americans will enjoy the security of Social Security and Medicare. And it provides a \$500 billion tax cut to promote savings by ordinary Americans.

Now, importantly, it achieves these goals while increasing national savings and dramatically reducing our public debt.

Mr. President, the Clinton budget is a historic one. It begins a new era in budget policymaking and promises to shape our Nation's future for years, for even decades, to come.

The Federal Government at long last has put its fiscal house in order. Last year was the first year since 1969 that we ran a budget surplus—a unified budget surplus, I point out. This year that surplus will be even larger. And many analysts see budget surpluses continuing for years to come.

Our Government is the smallest that it has been, on a relative basis, in a quarter century, and we have improved our fiscal condition for 7 years in a row—the best record in U.S. history.

Much of the credit for this success goes to President Clinton and the congressional Democrats, but I hasten to point out that much of the impetus that brought us to the point that we are came because we did this in a bipartisan fashion. And I speak as the ranking member of the Budget Committee. The President lent the considerable force of his office and his persuasion and worked with both Republicans and Democrats to get to this fairly enviable position to produce a

balanced budget agreement. So there is plenty of credit to go around for an accomplishment that is well in place. I hope we can resume our work in similarly bipartisan and cooperative ways because there is so much left to be done.

In my view, President Clinton's budget submission provides an excellent roadmap for that work. The heart of the President's plan is its allocation of roughly 90 percent of projected budget surpluses to three key areas: Saving Social Security, strengthening Medicare, and cutting taxes to promote savings for ordinary Americans.

Social Security now is projected to be insolvent by 2032. The President's plan would preserve the program until 2055. The plan also would extend Medicare solvency from the year 2008 to 2020.

In addition, the budget includes a \$500 billion tax cut to promote savings among ordinary Americans in new "USA accounts." That is way more than a tax cut; it is a way to help all Americans invest in the private sector and share in the benefits of economic growth.

These priorities—saving Social Security, strengthening Medicare, and cutting taxes for retirement—are all designed to increase savings, and that is essential. After all, while we have a unified surplus today, our public debt—that debt owed outside our Government—is still \$3.7 trillion. That is the debt owed to the public. We will also face huge unfunded liabilities when the baby boomers begin to retire.

We need to prepare for that future, and that is why it is important that we pay off our debts, reduce interest costs, and increase private investment. Federal Reserve Board Chairman Alan Greenspan testified that that is the best way to promote long-term economic growth. And it is the only way to ensure that when the baby boomers retire we will be able to meet our obligations.

Beyond devoting most of the budget surpluses for savings, President Clinton's budget also includes some important investments in our future. All are fully offset as required by budget rules and therefore protect the budget caps.

Perhaps most importantly, the budget makes a strong commitment to quality education. It would help modernize our schools, hire more teachers, reduce class size, and improve educational standards. Together these initiatives would help ensure that Americans are equipped to compete in the global economy. Everyone is aware that this century, the 20th century, has

been defined as the American century because of the progress that we made. After winning two World Wars and having engaged in other conflicts that ultimately produced peace, American leadership was at the helm of global economic growth.

The budget also calls for a variety of other targeted tax cuts such as new credits to help families support long-term care and child care. It increases our commitment to our men and women in the military. It was made clear in newspapers across the country in the last few days that we are having significant problems recruiting and retaining those people that we would like to have serve us in the military. So it reflects the President's commitment to strengthen that; possibly to encourage young people to spend some time in the military and to encourage those who have experience and longevity to continue to do the job that they are capable of and not be attracted simply by a momentary better opportunity in the private sector.

The budget also reflects the President's commitment to strengthening our communities by hiring more police officers, cleaning up our environment, and fighting sprawl. We cannot go into every detail of the budget here today, but overall I think this is an excellent proposal. It is bold, it is innovative, and it has the right priorities for our future.

Unfortunately, I have been disappointed that the response to the President's budget, like other things that happen in Congress, has so far been too partisan. Some Republicans have accused the President of returning to an era of big government. This claim is so preposterous it is difficult to take it seriously when we look at the amounts of moneys being spent on government and see that, relative to the GDP, it is at the lowest point that it has been since 1974. This budget, after all, would reserve almost 90 percent of the surpluses for debt reduction. It would be hard to get more fiscally responsible.

I respect the views of my Republican colleagues who have honest disagreements with the President. I hope we can work together on this budget issue. However, I do want to express my strong opposition to one element of the Republican's budget plan, and that is their proposal for cuts across the board in tax rates.

I want to emphasize that I strongly support tax relief for ordinary Americans. In particular, I support the \$500-plus billion in tax cuts for savings that are included in the President's budget for ordinary Americans. Unfortunately, the Republican position is to spend much of the budget surplus for tax rate cuts that go disproportionately to Americans with the highest incomes.

According to one analysis, the Republican proposal would provide more

than \$20,000 for those in the top 1 percent of earners who have incomes of more than \$800,000. Just look at the chart. It looks like a fairly ridiculous comparison, but the top 1 percent of those earning \$833,000—those folks are in the top 1 percent; that is not the entire 1 percent—they would get a tax cut of \$20,697, but the person who works hard and is included in the 60 percent of our American wage earners whose incomes are below \$38,000 would get a \$99 tax cut. Mr. President, \$20,000 for the high-income wealthy people, \$99 for the average American; it is not fair and I hope that it will be reconsidered by our friends on the Republican side.

Even worse, these tax breaks for the highest income Americans would come at the direct expense of Medicare. Medicare has become such an important program in our society, such a commitment, that it is valued by Americans across the board. We see its effects on the better health and the longevity that our citizens enjoy and the quality of life they experience in those longer lives in their later years. So it would be wrong to sacrifice some addition to the solvency of Medicare for a tax break across the board that gives someone earning over \$800,000 in a single year a \$20,000-plus tax break.

President Clinton's budget reflects the values and priorities of most Americans, and I hope that many of its proposals will enjoy bipartisan support. The American public loves it when we work in a bipartisan fashion, and I noted that when we got to the balanced budget agreement for fiscal year 1997. We had all kinds of comments—it is a pleasure not to see any bickering, not to see any sharp diatribes, not to see any acerbic discussions; it is a pleasure to see Senators working together on behalf of all Americans.

So this focus for this budget is on the future: saving Social Security, strengthening Medicare, providing tax cuts and promoting savings for ordinary Americans. Together these policies will help ensure a vibrant economy and a secure future for all Americans. So I hope my colleagues will support the President's approach. I look forward to doing what I can to work with them to address the serious fiscal issues facing our Nation and to prepare us for the 21st century, which I think can become the second American century.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

THE NEED FOR PRESCRIPTION DRUG COVERAGE IN MEDICARE

Mr. KENNEDY. Mr. President, senior citizens deserve coverage of prescription drugs under Medicare, and it is time for Congress to see that they get it.

Medicare is a compact between workers and their government that says,

“Work hard, pay into the system when you are young, and we will guarantee health security in your retirement.” But that commitment is being broken every day, because Medicare does not cover prescription drugs.

Prescription drug bills eat up a disproportionate share of the income of the typical elderly household. Senior citizens spend three times more of their income on health care than persons under 65, and they account for one-third of all prescription drug expenditures. Yet they make-up only 12 percent of the population.

The greatest gap in Medicare—and the greatest anachronism—is its failure to cover prescription drugs.

Because of this gap and other gaps in Medicare coverage, and the growing cost of the Part B premium, Medicare now pays only 50% of the out-of-pocket medical costs of the elderly. On average, senior citizens now spend almost as much of their income on health care as they did before Medicare was enacted.

Prescription drugs are the single largest out-of-pocket cost to the elderly for health services. The average senior citizen fills an average of eighteen prescriptions a year, and takes four to six prescriptions daily. Many elderly Americans face monthly drug bills of \$100 or more.

When Medicare was enacted in 1965, coverage of prescription drugs in private insurance policies was rare—and Medicare followed that standard practice. Today, 99 percent of employment-based health insurance policies provide prescription drug coverage—99 percent. But Medicare is caught in a 34-year-old time warp—and senior citizens are suffering as a result.

Too many elderly Americans today face a cruel choice between food on the table and the medicine they need to stay healthy or to treat their illnesses. Too many senior citizens often take only half the pills their doctor prescribes, or don't even fill needed prescriptions—because they can't afford the high cost of the drugs. Too often, they are paying twice as much as they should for their prescription drugs, because they are forced to pay full price when those with private insurance policies get the advantage of negotiated discounts. As a result, many senior citizens end up in the hospital—at excessive cost to Medicare—because they aren't obtaining the drugs they need or are not taking them correctly. As we enter the new century, pharmaceutical products are increasingly the source of miracle cures for many dread diseases—and senior citizens will be left even farther behind if we fail to act.

The 21st century may well be the century of life sciences. With the support of the American people, Congress is on the way to the goal of doubling the budget of the National Institutes of Health over the next five years. This