

most effective national defense system possible. The future of our great nation literally depends on it.

Mrs. HUTCHISON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

Mr. DURBIN. Mr. President, it is my understanding I have been given some 10 minutes in morning business, but I am coming up against an 11 o'clock scheduled floor debate. If the manager of the bill is not on the floor, I would like to proceed with my 10 minutes in morning business.

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

Mr. DURBIN. Thank you, Mr. President.

THE SURPLUS, SOCIAL SECURITY AND MEDICARE

Mr. DURBIN. Mr. President, I just left a hearing of the Senate Budget Committee, and I thought it was ironic that we are now in a debate over the disposition of America's surplus. I am sure the President will recall that 2 years ago, almost to the day, we were here on the floor of the U.S. Senate where the chairman of the Senate Judiciary Committee, Senator ORRIN HATCH of Utah, brought out virtually every budget report from the last 30 years that he believed to be in deficit, in red ink, and stacked them up. They were higher than the height of the Senator from Utah, and he is a tall man, making the point that we had been embroiled in deficit spending for so long we had no recourse, nothing we could do, other than to amend the Constitution of the United States and to give the Federal courts the authority to force Congress to stop spending, to stop deficits, with the so-called balanced budget amendment. That amendment lost by 1 vote 2 years ago. It was the hottest item on the Senate calendar 2 years ago.

Today, we are deeply embroiled in a debate in the Senate Budget Committee on how to spend the surplus. We have turned the corner as a nation, and the President has come forward and said, "I think we should take this surplus and use it in a sensible way for the future of America." I hope we engage in debate here in the 106th Congress, House and Senate, Democrats and Republicans, in a way to do that responsibly.

I think we should take the President's advice that at least 62 percent or so of this surplus be dedicated to Social Security, to retire the debt in Social

Security, to give it a longer life. But then we seem to break down after we kind of reach that agreement on 60 percent or so of that surplus, and it is that breakdown I would like to address for just a few moments on the floor of the Senate this morning.

One of the things that concerns me is that there are other programs in need of help, not just Social Security, not the least of which is Medicare. And after we have taken some 60 percent of the surplus and spent it to solidify Social Security, the President is suggesting we take some 15 percent of that surplus and invest that in Medicare, adding about 10 years to the Medicare Program.

We have to do more. Just putting that money in may buy some time. We know the fundamentals of the program need to be addressed. And if I am not mistaken, this week, or soon, we will have a report from a bipartisan commission on what to do with the future of Medicare. It won't be easy, whatever it might be.

But I am concerned that the Republican Party, in addressing this same surplus, does not speak to the need for more money into Medicare. Instead, what they are proposing is \$776 billion in tax cuts. I cannot think of two more popular words for a politician to utter than "tax cuts." People just sit up and listen. "Are you going to cut my taxes? I want to hear about it." It is a very popular thing to say.

But I hope we will step back for a moment and realize that a program like Medicare needs an infusion of capital to make sure it can survive. Gene Sperling, the economic advisor to the President, said the other day, in a bipartisan meeting, he is hoping the Republican leadership will join us in not only dedicating surplus to Social Security but also to Medicare because so many millions of Americans are dependent on that.

I might also say that I think there is need and room for some tax cuts after we have taken the surplus and put it into Social Security and Medicare, things we need to do. But I do not believe the tax cut which has been proposed, at least initially, by the Republican Party is one that is fair, because, frankly, it is not progressive. Inasmuch as it is not progressive, this chart demonstrates what happens.

For the bottom 60 percent of wage earners in America, those making \$38,000 a year or less, a 10-percent across-the-board tax cut means a savings of \$99 a year, about \$8.25 a month—hardly enough to pay the cable TV bill, let alone change a lifestyle—\$99 in tax cuts for the bottom 60 percent of wage earners in America.

The same Republican tax cut, though, for the top 1 percent of wage earners, those making over \$833,000 a year—over \$833,000 a year—for them the Republican tax cut is worth \$20,697.

Ninety-nine dollars for 60 percent of America; for 1 percent of America, \$20,000 in tax breaks.

That offends me. And I think it is worthy of a debate. I think it is more sensible for us to focus tax breaks on working middle-income families—families who are trying to pay for day care, families who are trying to save a few dollars for their kids' college education, families who are trying to get by. Keeping this kind of a tax break for the wealthiest of Americans may make them happy but I do not think it is good for this country.

I think the single best thing for us to do with this surplus is to retire our public debt. The President's proposal of focusing 62 percent of it in retiring the debt in Social Security and another 15 percent into Medicare is eminently sensible. Before we take the money that could be used to save Medicare and give it away in tax cuts that really benefit the wealthiest of Americans, I hope we will stop and think twice and remember that only 2 years ago we heard passionate speeches on this floor that, without an amendment to the Constitution of the United States giving the Federal courts the authority to clamp down on Congress' runaway spending, deficits would loom for generations to come.

We have turned that corner. With the leadership of the administration, with the cooperation and leadership of a bipartisan Congress, we are here today discussing surpluses. Let us do it in a sensible way—retire the national debt, take that burden off future generations, put the money into Social Security and Medicare, so that those programs will be sound for generations to come.

I yield back the remainder of my time.

ADDITIONAL COSPONSORS—S. 311

Mr. WARNER. Mr. President, I ask unanimous consent that Senators INOUE, KENNEDY and FEINGOLD be added as cosponsors to S. 311.

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

ADDITIONAL COSPONSOR—S. 258 AND S. 312

Mr. WARNER. Mr. President, I ask unanimous consent that Senator FEINGOLD be added as a cosponsor of S. 258 and S. 312.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

**SOLDIERS', SAILORS', AIRMEN'S
AND MARINES' BILL OF RIGHTS
ACT OF 1999**

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 4, which the clerk will report.

The bill clerk read as follows:

A bill (S. 4) to improve pay and retirement equity for members of the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I first wish to inquire of our colleague if he felt he had adequate time to conclude his remarks. If not, I think we could accommodate him. Could someone ask the Senator to return momentarily?

Mr. LEVIN. If the Senator will yield, the Senator from Illinois did indicate to me he had completed. Thank you for your concern.

Mr. WARNER. Thank you.

Mr. President, we are ready to resume. I see the Senator from Texas.

Mrs. HUTCHISON. I think the Senator from Idaho has an amendment, after which I would like to be recognized to talk about an amendment as well.

Mr. WARNER. I thank the distinguished Senator.

Mr. President, fortunately we have a flurry of activity on this bill. We have an amendment to be offered momentarily by our distinguished colleague from Idaho. There are some 21 amendments that have been made known to the managers, Mr. LEVIN and myself. And I am confident we can make some strong gains today on this bill.

The leadership—and I presume in consultation with the Democratic leader—desire a vote at the conclusion of our two luncheon caucuses today. So after further consultation with the leadership, I think they will direct me to seek from the Senate an understanding that we will vote at about 2:15 on the amendment of the Senator from Idaho.

Mr. President, before we proceed further on the bill this morning, I would like to—each day as the bill is brought up, I am going to address what I call the overnight constructive criticism that is brought to bear on this piece of legislation. And I ask unanimous consent to have printed in today's RECORD an editorial from the Washington Post, dated Tuesday, February 23, 1999, entitled "Bad Bill in the Senate."

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

[From the Washington Post, Feb. 23, 1999]

BAD BILL IN THE SENATE

The Senate this week is scheduled to debate a showy military pay and pension bill whose enactment many members realize would be a mistake but which no one in ei-

ther party seems prepared to oppose. The Republican leadership ordered it split off from the rest of the defense authorization bill to make it the first substantive bill of the year.

The goal is to demonstrate that Republicans do indeed have a legislative agenda, and to take back from the president a defense spending issue that Republicans regard as their own. He too proposed pay and pension increases in his budget. His were already more generous, particularly as to pensions, than military personnel needs can justify. No matter; the bill, which most Democrats as well as all Republicans on the Armed Services Committee supported, is more generous still.

The services are having trouble with both recruitment and retention in a strong economy. The pay raises in the bill may well be justified in light of this, and help the services compete. The pension proposals are the problem. They would undo a hard-won reform that Ronald Reagan joined in enacting in 1986, one purpose of which was to save money, another to improve retention. The system this bill would restore was dropped because it was thought to encourage experienced people to leave the serve, not stay.

The estimated cost when fully effective is in the neighborhood of \$5 billion a year. The effect, if it happens, will be to squeeze other parts of the military budget that themselves are already tighter than they should be. The current uniformed chiefs, who support the step in part as a way of boosting morale, may not regret it, but their successors will.

Last year the leaders of the Armed Services Committee cautioned against a costly pension increase until the issue could be studied. Several major studies are soon to be completed, yet, for the flimsiest political reasons, the bill is being rushed to a vote without them. A hurry-up vote on an enormously costly bill with little to back it up can't possibly be good politics. It surely isn't good policy. It's especially not good defense policy. A vote in favor will make the opposite of the showing the leadership intends.

Mr. WARNER. I will not take up too much time of the Senate here today, but I welcome constructive criticism, such as forwarded by this piece and others. And I am ready to meet it head on and reply and explain exactly what it is that this Senator intends to achieve through this bill.

We are faced every day that we get up with fewer and fewer young men and women willing to sign on the dotted line and take up an initial career in the U.S. military, and it is very serious for all the services. Every day we wake up, fewer and fewer men and women who have been in the services, who have received—in many instances, pilots the most notable—an extraordinary taxpayer investment in their training, are not seeking the opportunity to remain in the services. We have to address these two "hemorrhaging" problems. That is the purpose for driving this bill through.

I am confident when we emerge in conclusion of this bill, and we come to the final passage, we will probably have a better shaped instrument than is before the Senate at this time, but that shaping has to take place on this floor with constructive criticism such as the editorial sets forth.

This bill was driven by the testimony of the Chairman and the members of the Joint Chiefs in September and again in January.

I ask unanimous consent to have printed in the RECORD statements of the Chairman and Members of the Joint Chiefs of Staff.

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

RETIREMENT

GEN. HENRY H. SHELTON, USA, CHAIRMAN OF
THE JOINT CHIEFS OF STAFF

September 29, 1998

First, we need to fix the so-called REDUX retirement system and return the bulk of our forces to a program that covers our most senior members—that is, a retirement system that provides 50 percent of average base pay upon completion of 20 years of service.

If we fail to address these critical personnel issues, we will put at risk one of our greatest achievements for the last quarter century, the all volunteer force.

It is the quality of the men and women who serve that sets the U.S. military apart from all potential adversaries. These talented people are the ones who won the Cold War and insured our victory in Desert Storm. These dedicated professionals make it possible for the United States to accomplish the many missions we are called on to perform around the world every single day.

I assure you, Mr. Chairman, that the troops and their families appreciate this very much. But as I have noted that alone will not be enough. As we develop the Fiscal Year 2000 budget proposal, we will take a hard look on what must be done on core compensation issues such as pay and retirement to maintain the quality of the people in the military. No task is more important in my view.

January 5, 1999

The ideal here would be the full retirement system. However the triad that we referred to we consider to be very important, and the reason in our recommendation initially was to go with the 50 percent retirement with the COLA, the CPI minus 1 percent retirement with a 2 percent floor, was because the full retirement was a very expensive system to restore and we wanted to make sure that we, in fact, could have money to apply to pay reform because we think that is very important too, that we reward performance vice just longevity and put it in those mid-grades in the enlisted force as well as the officer force where we have got retention challenges today in addition the standard across the board raise of 3.6 in '99 and 4.4 percent in '00.

Chairman, this Congress has already taken an important step in this process by supporting the 3.6 percent pay adjustment for the military in 1999, preventing the pay gap from growing any wider still. And as the President has pledged support for a 4.4 percent pay raise in the Fiscal Year 2000 budget and for adjustments in subsequent years at the ECI rate, this will at least prevent a widening of the gap.

Senator Kempthorne, there was no specific agreement on that particular issue because, as we pointed out during the session with the President, there is a number of ways that this issue can be addressed. We are currently looking at various options and what the cost of this would be, not just for a single year, for '00, for example, but across the FYDP. So we had not reached that level of specificity when we met with the President. That is currently being worked within the Department of Defense.