There, analysts were supposed to evaluate the information and send it on to Saudi Arabia—a time-consuming process in the short life of a launched missile.

On that night, analysts were so unsure of the data that they didn't even phone a warning to the Patriot batteries. There was no attempt to intercept the missile, which hit a temporary barracks, killing 28 GIs.

Surveys show that the public believes the United States can ''shoot down'' incoming missiles. But if an ICBM were fired at the United States today, here is what would happen:

A vast network of reconnaissance satellites would detect the launch, compute its speed and predict its trajectory and approximate area of impact. Ground-based radars would track it. Then . . .

Nothing.

Untold numbers of Americans might die from a nuclear, chemical or biological strike.

Surely, no treaty, no faith in our ability to see over the political and technological horizon, should be allowed to stand in the way of a missile defense that would prevent this horrible outcome.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent that I be allowed to proceed in morning business for 15 minutes.

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

MEDICARE PROGRAM

Mr. CHAFEE. Mr. President, I want to take a few minutes this afternoon to discuss the Medicare Program. Restoring solvency to the U.S. Medicare Program is the greatest domestic challenge that the Congress will face when we reconvene in January 1997.

The Medicare Program is in deep trouble. The latest report is entitled, ''Status of Social Security and Medicare Programs, a Summary of the 1996 Annual Reports.'' This is submitted by the trustees of the Medicare Program and the Social Security Program. I will restrict my remarks to the Medicare Program.

According to this report, the hospital insurance trust fund—that is the program that pays for the hospital bills for individuals on Medicare—will run out of money by the year 2001.

How far away is 2001? That is 4 years from this coming January. The trust fund is currently spending more money than it receives in revenues. Even now, more money is going out than is coming in.

According to a recent report, this shortfall is increasing at a rapid rate. The trust fund lost more than $3 billion—I would like to repeat that, Mr. President—the trust fund lost more than $3 billion in the month of August, according to the Treasury Department. That was a loss twice as high as the deficit occurred in August, 1995.

The Medicare part B program—what I have been discussing up to now is the part A program, the hospitalization. The part B program, which pays doctor's bills for our senior citizens, faces equally dismal fiscal problems. Unlike the hospitals' insurance program, this part of Medicare is voluntary. Retirees choose to participate. They then pay premiums into the system. And the premiums then go toward paying their doctor's bills.

However, the premiums paid by the participants in the part B program fall far short of paying for the cost of the program. When the program was set up it was never designed that the premiums that the retirees pay would cover the cost of the part B program, namely the doctor's bills. It started out that the individual's premiums would pay 50 percent of the cost of the program and the other 50 percent of the cost of the program would come from the general fund of the United States, from ordinary tax and other revenues that go into the general fund. That was 50–50.

Currently, by law, only a fourth of the program's costs are covered by the premiums. Twenty-five percent now is covered by the premiums that are paid by the beneficiaries. The remaining 75 percent is paid for from general tax revenues. In other words, Mr. President, we have the strange situation as follows. Income taxes paid by factory workers, or the secretary in some office, or the janitors sweeping the floors and waxing the floors, their income taxes pay 75 percent of the doctor's bills for our seniors. And this is true regardless of whether the senior is somebody living on a very modest income or a multimillionaire. So multimillionaires who are retired, on Medicare, have three-fourths of their doctor's bills paid by ordinary citizens, scrimping away, paying dutifully their income taxes.

The part B expenditures have been increasing at a rapid rate for many years, and are projected to nearly triple as a share of the Nation's economy by the year 2020. In other words, these costs are escalating as part of the total expenditures in our country. They are going up and up and up. And they will triple some 25 years from now.

Because the general fund pays 75 percent of these costs, as just outlined, the Medicare Program will drain an ever increasing amount of resources away from other important Federal programs. The more that goes out into this program for doctor's bills paid by the general fund, the less there is in the general fund to pay for education, and health care, Head Start programs, crime prevention, FBI, whatever it might be.

Early next century, starting in 2000, just some 4 years from now, the baby-boom generation will begin to reach retirement age and, as a consequence, start to demand benefits from the Medicare Program. They will reach 65. They will want what others have. The current Medicare Program, however, will be unable to meet those demands. It is essential that we begin to reform Medicare next year. We cannot wait any longer. So the changes we put in place can be instituted over a relatively long period. The longer we wait, the harder it is to institute the reforms that are necessary under Medicare.

If we make these changes starting next year, it will have two important benefits. It will allow future retirees to plan for the new system, in other words, if there are going to be changes then those about to retire can make some plans; and, second, as I mentioned before, it will provide some lead time so that the savings needed to restore solvency can be achieved.

It is also imperative that any reform of the Medicare Program be done on a bipartisan basis. The political stakes are simply too high for this program to be left at one party or the other's doorsteps. We have to be in this together. All of us, Democratic and Republican Senators, are going to have to take difficult votes on Medicare if the program is going to survive. Both parties, away from the campaign trail, do now recognize the need to reduce the Medicare spending.

For example, the President's last balanced budget proposal included reforms to Medicare that would have yielded $124 billion of savings over 6 years. That was the President's program, $124 billion of savings over 6 years. The final Republican plan proposed savings of $168 billion. The President's savings, $124 billion; the Republican final plan, $168 billion. Obviously, there is a figure somewhere in the middle of this range on which Republicans and Democrats can agree.

There already has been put together a bipartisan plan. That was the centrist coalition balanced budget plan which Senator BREAUX and I and others offered earlier this year. Some 20 of our colleagues joined with us to submit this program with important programmatic reforms to the Medicare system.

What did it do? It opened avenues for savings by allowing seniors to choose private managed care plans. And it created a new payment system to encourage the growth in the availability and accessibility of such plans. It called for slower growth in payments to hospitals, physicians, and other service providers. It called on higher income seniors to pay a greater share of the costs of the part B program. No longer, it seems to me, can a multimillionaire have the taxpayers pay for his or her doctor's bills just because he or she is on Medicare.

Finally, it increased the Medicare eligibility age to conform with the increase in the Social Security eligibility age which will begin in the year 2003. Starting in 2003, the age for retirement under Social Security will go up gradually. And we increase the eligibility age for Medicare to conform with that.

Together these reforms would reduce Medicare expenditures by $154 billion over the next 7 years. This was a fair

and a balanced plan. I am pleased it received bipartisan support. And 46 Members of this body, 46 out of the 100 Senators, voted for that plan: 22 Republicans, 24 Democrats.

Mr. President, I am delighted that it appears that we can once again next year convene our centrist coalition with the able leadership of Senator BREAUX on the Democratic side, while I will be pleased to rally the Republican Members. I am convinced we can once again come forward with constructive solutions to the Medicare challenges.

Mr. President, in closing I would stress this. Members of this body are now scattering to 50 different States. All of them are going to be involved in the campaigns either as candidates themselves, or as helping those from their parties in their own States.

It is my earnest hope, Mr. President, that the Senators seeking reelection and, indeed, all Senators will not lock themselves into such positions that would prevent them from taking the necessary votes that are going to be required if we are going to reform the Medicare Program next year.

If we do not reform this program, if no one wants to touch it because it is too much of a hot potato, if it is regarded as the third rail which nobody can touch, leave it alone, then absolute disaster will face Medicare—the Medicare Program in the future.

So I again urge all my colleagues, those seeking reelection, those who are not even Senators yet but are challengers, not to get themselves into such a position that they are prevented from taking the tough votes that are required to reform the Medicare Program so that it will be there for future beneficiaries.

Mr. President, I see that no one else is desiring to speak at this time and, therefore, 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. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BREAUX. I ask unanimous consent to that I be recognized for 10 minutes as in morning business.

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

BIPARTISAN LEGISLATING

Mr. BREAUX. Mr. President, I take the floor to first commend one of our previous speakers this afternoon, the Senator from Rhode Island, the distinguished JOHN CHAFEE, who worked as one of our leaders in a truly bipartisan fashion in the last Congress in our mainstream coalition, the so-called Chafee-Breaux coalition. We had an equal number of Democrats and Republicans who really worked very hard together to try to address some of the problems facing this country with the inability of the Congress to really come together in any kind of a bipartisan fashion.

I have been in this business a relatively long number of years, and I think it becomes increasingly evident to me, and I think to many others, what the American people want us to do is to resolve our differences in a manner that makes sense, that is fair to the average American, and that gets the job done. More and more, people back home in my State of Louisiana want Congress to just make Government work. They elect us to do that. Yet they see so many times we seem to be engaged more in partisan battles that end up in stalemates and Government shutdowns, and people back home wonder whether what we do up here makes any sense at all.

One of the bright spots in this Congress was the opportunity that I had to work with many of my colleagues on this side of the aisle as well as on the Republican side of the aisle in that mainstream coalition, the so-called Chafee-Breaux organization. I think we really made some progress. We came very close to actually adopting a budget. We got 46 votes in the Senate on a package that was a real effort in Medicare reform, Medicaid reform, and it had a tax cut in it. It had an adjustment to the Consumer Price Index, which most economists agree is incorrect and does not properly state the amount of inflation for the entitlement program adjustment.

So we really, I think, went a long way toward getting a job done. We brought that package to the floor. It had welfare reform in it. It was debated. We had a surprisingly large number of votes from both sides of the aisle that said, yes, it is about time we move in this direction.

I was very proud of that effort, and I commend the Senator from Rhode Island and everybody who worked in that effort. Unfortunately, many of the Members who worked with us are not going to be back in the next Congress because they have decided to voluntarily retire from Senate service, and they are going to be missed. Each and every one of them was a major contributor to this effort. While their physical presence may be missed, I think the work they have helped us begin will still be with us in the next Congress. Their advice and assistance and recommendations, I hope, will still be forthcoming because they were very valuable members of our group this year and can be of very valuable assistance in a positive fashion in the next Congress.

So, having said that, I wish to also point out that there will be another day to bring this effort to the floor in the next Congress. We certainly intend to continue our organization, to continue our group, to see if we cannot bridge that gap between the two different aisles to form coalitions from the center out. I am absolutely convinced that the only way we solve difficult problems in any kind of a parliamentary body is by working from the center out in order to form a majority coalition. I am absolutely convinced that you can never start from the far left and hope to get a majority, nor can you start from the far right and ever hope to put together a majority on just about anything. But if you start from the middle and work out and gradually pick up more and more people, one day you find you have a majority, which is what a democracy demands from all of us. The people demand we make Government work. Hopefully, in the next Congress, we will be able to continue that effort and be even more successful than we were in this endeavor in this Congress.

My colleague from Rhode Island talked a little bit about Medicare. That is one of the real challenges we are going to face in the next Congress. Medicare is so easy to politicize, and both sides have contributed to that effort. We have scared people about the collapse of the Medicare system. We have scared people about not adequately funding it. People must be very confused.

I remember the story quite well when we were doing the debate on health care reform and we had the Clinton plan and there was a lot of discussion about it being too large, too much too soon, and all of those things.

I remember coming back home to New Orleans and having a lady come up to me in the airport and say, ''You are all working on that health care reform back in Washington?'' I said, ''Yes, ma'am, we are.'' She said, ''Whatever you do, don't let the Federal Government take over my Medicare.'' I said, ''OK. We won't let that happen.''

Medicare is a Federal program. It was passed under the administration of 1965. It is run by the people in Washington. It is totally a Federal program. She loved it, but she sure did not want the Federal Government having anything to do with it, although the Federal Government had everything to do with it. So people are very concerned about this issue, and I think that we have to be careful and try to not politicize it as we are all guilty of doing too often.

The facts are very scary. These are the facts. They are not Democratic facts or Republican facts. These are just facts about what is going to happen to Medicare from which so many seniors and their children benefit directly because mom and dad and grandfather and grandmother are taken care of.

We have a heck of a problem facing us. The hospital insurance fund, the so-called part A of Medicare that pays for the hospital insurance, which is financed by a 2.9-percent payroll tax, which is awfully high, equally divided between workers and their employers—part B, of course, covers doctor bills—the latest figures we have show that