

Many of these taxpayers, Mr. President, are not wealthy by any stretch of the imagination. We are talking about middle-class American families here, many struggling just to raise their children. Let me give you an example from this chart entitled: The Effect Of The Alternative Minimum Tax on a Middle-Class Family of Five.

Todd and Mary Anderson live in Murray, Utah, and have three children. Their oldest daughter, Sarah, is a freshman in college. The younger two children, Mark and Marcia, are twins in the fifth grade. Todd and Mary are both school teachers and together earn \$80,000 per year. This is not a wealthy family by any measure.

However, Mr. President, this family will be paying at least \$878 of alternative minimum tax beginning in 2002. Moreover, because the AMT exemption is not indexed for inflation, the minimum tax for the Andersons will get larger each year as their income rises because of cost of living adjustments.

Perhaps almost as aggravating for this family as the higher taxes is the fact that they will need to file the alternative minimum tax form with their annual tax return. Not only does this entail mastering an 8-page set of instructions, which are estimated to require 6 hours to learn about and complete, but also preparing a 50-line form along with a 10-line worksheet.

This kind of extra complexity is simply unjustified for any taxpayer, but more especially for families like the Andersons, who have nothing out of the ordinary about their financial situation.

Mr. President, the best way to reform provisions like the individual alternative minimum tax is simply to repeal them. This is exactly what my bill would do.

As I mentioned earlier, this first installment of my simplification initiative will have provisions that are designed to simplify the tax lives of every group of taxpayers. Let me outline what the major provisions would be and who they would benefit.

For lower-income taxpayers, probably the most complex feature of the current tax law is the earned income tax credit (EITC). This credit is vital to the livelihoods of millions of working American families. Unfortunately, the computation of the credit is so complicated that many professional tax preparers do not even know how it works. My bill does two things, Mr. President. First, it would significantly simplify the credit, and second, it would enhance it so more low-income families could take advantage of it.

Besides the repeal of the alternative minimum tax, my bill will also aid middle-class taxpayers by vastly simplifying the capital gains tax. Many of my constituents were thrilled in 1997 when Congress lowered the capital gains tax rates from 28 percent to 20 percent. However, many were not as excited when they found out what the new law meant come tax return filing

time—a 54-line Schedule D accompanied by two worksheets and seven pages of instructions. This is compared to a 39-line form and just two pages of instructions prior to the change.

I plan to simplify capital gains by changing from the current maximum rate approach to a 50 percent exclusion approach, as was the case before the 1986 Tax Reform Act repealed the capital gains preference. In other words, taxpayers would be allowed to exclude 50 percent of the long-term capital gain from gross income. The remaining 50 percent would be taxed at ordinary income rates. This would do away with the need for a special computation on the tax forms. It would also result in a lower capital gains rate for every tax bracket, with those in the lowest tax brackets getting the largest rate decreases.

My tax plan would greatly simplify taxes for taxpayers in the upper-middle income and upper-income brackets by repealing two phaseout provisions that are both unwarranted and very complex. These provisions, which phase out the benefits of personal exemptions and itemized deductions for taxpayers with incomes above certain thresholds, are nothing more than backdoor tax increases Congress passed in 1990. Repeal of these provisions would make a significant contribution to simplification.

Corporate taxpayers will also find tax simplification provisions in this first installment of my tax plan, Mr. President, including a provision to equalize the interest rate that the IRS pays corporate taxpayers on overpayments with the rate that companies must pay when they owe the government. Future installments of my simplification plan will have even more corporate provisions.

Finally, each of the three installments of my simplification plan will include ten to fifteen smaller, yet important, simplification provisions that, taken together, would make a significant difference in lessening the complexity of the Internal Revenue Code.

American taxpayers are fed up with our tax system and want to see some serious changes made. Like all members of this body, I hear from my constituents each day who complain about taxes. This has been the case since the first year I was privileged to represent the State of Utah here in the Senate. Over the years, the nature of the complaints has changed, however. Years ago, I mostly heard from constituents that taxes were too high or were unfair. While I still hear plenty of complaints of this nature, I have begun hearing more and more from Utahns who are just plain sick and tired of the complexity of our tax code.

We need to take action now to reduce complexity. We should not wait for a new president, nor for a groundswell of popular support for either the flat tax or a national consumption tax. Let's start this year, Mr. President, with a tax simplification plan that begins the long process of making our current sys-

tem both fairer and simpler. In the meantime, we should also continue the national debate about how to best replace the tax code with a new system. I urge my colleague to join me in this undertaking.

I thank the Chair.

FISCAL YEAR 2001 BUDGET— Resumed

The PRESIDING OFFICER (Mr. GORTON). The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I will respond to my distinguished colleague, the chairman of the Budget Committee, who assailed my comments about whether or not there was something—let me call it surreptitious; perhaps I even suggested that—in the challenge that I raised to the so-called point of order dispute or technical change.

Once again I read, as I did before, from the concurrent resolution on the budget, page 41, line 8:

(a) FINDINGS.—The Senate finds the following:

(1) The functional totals with respect to discretionary spending set forth in this concurrent resolution, if implemented, would result in legislation which exceeds the limit on discretionary spending for fiscal year 2001 set out in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985.

That is pretty clear; it says if we exceed the "limit on discretionary spending," which we do, and the Parliamentarian confirms that because we say the "functional total." These words are very significant words. This is not happenstance; it is in here.

This is not simply a technical change. They are changing the amount substantially. My friend, the chairman, says it was approved in committee action. What was approved? The fact is, there was probably an error because these totals do break the discretionary caps and everybody knows that based on the functional totals.

Suddenly we knock off, to use the expression, \$60 billion when, in fact, it was purported to be \$4.4 billion. What do we have? It is not a technical change. That doesn't fit the definition anymore than a \$30 billion change in the highway spending was a technical change. That happened. These are not technical changes. This is the real thing.

I challenge the Republicans again in the committee. I hate being on the other side of the debate with my friend from New Mexico. He knows the subject; however, he can make mistakes as all Members can. There is definitely an attempt, in my view, to remove the 60-vote point of order in order to accomplish their goal because there are only 55 Republicans and they can't get 60 votes. They made a neat change after the committee finished its deliberation, in the functional totals, and thereby abolish the 60-vote point of order.

We are not going to stand by and let it go unnoticed whether it is comfortable or uncomfortable for the majority. They made the decision. We

have nothing to do with how this budget resolution is finally presented. We will let it rest.

The numbers are simple: \$4.4 billion expected to be a plus in the year 2001. It has a \$60 billion minus, \$59.9 in 2001. In 2002, it goes from zero allocated for that catchall account to \$59.7 billion. That is a lot of money. It will make a huge difference when we try to fund the programs we care about.

The public ought to know we are changing the totals and we are reducing the numbers of people who can be used to carry on the tasks we have assigned. That is where we are. I think it is more than enlightening that we have seen this kind of a gimmick introduced into the budget resolution.

I yield such time as the Senator from Rhode Island needs.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, today we begin our debate on the budget. I think we should begin by noting that remarkable economic progress has been made in this country over the last 7 years, since 1993. There are 20 million new jobs in this country. Unemployment is at a record low. Home ownership is expanding dramatically. Productivity has been increased significantly. Inflation remains low. All of that good news is a result of budget decisions we made years ago under the direction of President Clinton and with the support of my colleagues in the Democratic caucus.

I am afraid this budget brought to us today by the Republican majority will undo most of that good work. We can all reflect upon the nay saying that took place years ago in 1993 where, when I was in the other body, my colleagues said this Clinton proposal would cause unemployment; it would cause a huge collapse; a recession would take place.

Nothing could be further from the truth. The proof really is in the pudding. The plans the President proposed, and in which he was supported by the Democratic caucus, produced remarkable economic prosperity and recovery throughout this country.

As I said, we have gone from a huge deficit to a surplus. But now we are prepared to forget the lessons of the last several decades and embark upon another extravagant and reckless, in fact, budget plan that will essentially, through untargeted tax reductions, dissipate the surplus and miss a significant opportunity to invest in the families of America, invest in those programs that are so critical to their future, and invest in ways that will make this country stronger. I am afraid if we support this proposal by the Republican majority, we will, in fact, see the great progress of the last decade undone.

What we should be doing, instead, is investing in our people, not proposing drastic tax cuts which essentially soak up all these hard-won surplus dollars. Rather than investing in health care

and education, in those programs that are so central to the American family, this budget would result in drastic reductions in discretionary spending. At least 6 percent, or \$20 billion, in fiscal year 2001 alone would be cut away from discretionary spending. We would find ourselves unable to keep up with simple inflation. Indeed, we would find ourselves lagging behind our requirements to fund programs on just a continuing basis, let alone making those additional investments which are so critical to the future of this country—in education, in health care, in veterans' affairs, in environmental policy.

This is also particularly suspicious when you look at the last several years and the avowed purpose of holding the line on spending of this Republican Congress. In fact, under the last few Republican Congresses, nondefense spending rose 3.2 percent in 1997, 2.6 percent in 1998, 5.3 percent in 1999, and 10.7 percent last year. Somehow this budget says we will hold spending 2.7 percent less than last year's spending. It would defy the history of this Republican Congress, going back several sessions.

So we begin with a budget plan that is faulty on its assumptions and faulty on its presumptions about what we can and what we will do. What we will see, in fact, is that we will forgo billions of dollars of necessary spending that we have never been able to forgo in the past, and we will not invest additional resources in important programs. In fact, with this budget plan, I fear we will end up, as we have in several past years, where, at the end of the session, we are in almost a train wreck; we come together with an omnibus appropriations bill that pays scant attention to this budget. I hope we can do better. I hope we can invest in those programs that are going to make a difference in the lives of working families rather than dissipating roughly 98 percent of the projected surplus into untargeted and misguided tax cuts.

Also, I hope we can do those things which all our constituents are asking us to do. One is a Medicare prescription benefit. I commend Senator WYDEN and colleagues on the Budget Committee because they at least were able to put in a \$40 billion set-aside for a new Medicare prescription drug program. But, unfortunately, this initiative has been complicated, in a way compromised, because the last several years of the projected spending is tied into substantial Medicare reform. Again, given the record of this Congress over many sessions, to make a wise and necessary investment in our seniors contingent upon reform of Medicare is, to me, looking for an escape hatch rather than directly confronting this issue, directly appropriating the money, directly making the commitment of resources right now, unconditionally making that commitment.

I believe, also, we have a wealth of things to do with respect to our invest-

ment in education: reducing class size, increasing professional development for teachers, and giving the States resources for more accountability. We have, in fact, additional challenges in taking care of a generation of Americans who fought in World War II and who are now coming, with increasing numbers, to the Veterans' Administration with increased and more complex needs.

We have requirements to ensure that our natural resources are protected.

We have requirements to ensure we maintain a strong defensive posture in the world.

All of these cannot be done as well as we will and can do them if we abandon the strategy of massive tax reductions and rather look at targeted tax reductions for middle and lower-income Americans, together with wise investments across the range of initiatives.

The other aspect of this budget is a continuing need to invest in our infrastructure, not only our human capital in terms of education but our physical capital: Roads, bridges, better schools. All these things we cannot do if we essentially dissipate our resources the way this budget proposes.

There is something else we can and should do, and that is to begin to reduce our national debt held outside the Government. The President has proposed a plan to do that. Again, I think this budget represents a plan that is less adequate and less satisfactory.

For all these reasons, I urge this budget be carefully examined and then, just as carefully, rejected; that we embrace the alternative budget of my colleagues on the Democratic side. Also, in the course of this debate we have an opportunity to look at other issues which are close to all of us, issues that do not go to the financing, essentially, of the Government, but issues of importance to the time and moment of this great debate, issues such as gun control and others through which we can send a signal to the American public that we are listening.

I hope at end of the process we can come forward with a budget that represents an investment in America, that represents a recognition we have worked hard to bring ourselves to a place where we have surpluses which can be used—we hope wisely. We do not want to undo that progress. We do not want to go back; we want to go forward into a brighter future for all the families of America.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes just to answer the distinguished Senator who just spoke with reference to Medicare and the budget resolution.

To Senator REED, I would like to suggest that things are a little bit different in the budget resolution regarding Medicare and prescription drugs, to which he has alluded. First of all, in

the budget resolution there is \$40 billion of new money for Medicare. It is put in a reserve fund and it is said it can be spent for two purposes: \$20 billion for prescription drugs and \$20 billion for reform. So, in a sense, we have done what he says he would like, and that is for there to be prescription drug money separate and distinct from reform money. That is the Snowe amendment, cosponsored by Senator WYDEN—actually, the suggested modifications made by SMITH of Oregon, that passed the committee without a dissenting vote.

I believe we have all the Medicare prescription drug language necessary for the Congress to get started. Frankly, I think it is a very good start and we are headed in the right direction.

I am going to propose a unanimous consent request. I believe it has been cleared.

I inquire of Senator REID, the minority whip, if the Senator from Texas can send her amendment to the desk, after which time we will propound the unanimous consent request which centers on that.

Mr. REID. Yes.

AMENDMENT NO. 2914

(Purpose: Sense of the Senate to provide for relief from the marriage penalty tax)

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 assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself, Mr. ASHCROFT, and Mr. BROWNBAC, proposes an amendment numbered 2914.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the 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 insert the following:

SEC. . SENSE OF THE SENATE TO PROVIDE RELIEF FROM THE MARRIAGE PENALTY.

(a) FINDINGS.—The Senate finds that:

(1) Marriage is the foundation of the American society and a key institution for preserving our values;

(2) The tax code should not penalize those who choose to marry;

(3) A report to the Treasury Department's Office of Tax Analysis estimates that in 1999, 48 percent of married couples will pay a marriage penalty under the present tax system;

(4) The Congressional Budget Office found that the average penalty amounts to \$1400 a year.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the level in this budget resolution assume that the Congress shall:

(1) pass marriage penalty tax relief legislation that begins a phase down of this penalty in 2001;

(2) consider such legislation prior to April 15, 2000.

Mr. DOMENICI. Mr. President, I want to make sure that when the Senator is finished or her time has expired the next Senator will be Senator ROBB,

who will offer a second-degree amendment.

Mr. REID. Mr. President, I say to the manager of the bill, yes, he is going to offer the amendment, but we also have somebody who wants to make brief remarks on the marriage penalty.

Mr. DOMENICI. So long as there is time remaining on the amendment or anyone wants to speak on the amendment, then that will be the case, after which we will proceed to the Robb second-degree amendment.

Mr. President, I ask unanimous consent that a vote occur on or in relation to the Robb second-degree amendment regarding prescription drugs, to be followed immediately by a vote on or in relationship to the pending Hutchison amendment, as amended, if amended, at 11 a.m. on Wednesday, and the Senate resume consideration of the pending concurrent resolution at 9:30 a.m. on Wednesday, and the time between now and 11 a.m. be equally divided between the two managers.

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

Mr. DOMENICI. Mr. President, I state on behalf of the leader, in light of this agreement, there will be no votes this evening and the next votes will occur at 11 a.m. on Wednesday.

I inquire of the minority manager if he is in any position to agree to reduce the overall time available on the budget resolution.

Mr. REID. Not at this time.

Mr. DOMENICI. I regret the minority side cannot agree to a reduction of time. I yield back any remaining general debate time allotted to the majority party, with the exception of 1 hour.

The PRESIDING OFFICER. The manager has that right.

Mr. DOMENICI. I inquire of the Chair, how much general debate time remains on the concurrent resolution?

The PRESIDING OFFICER. Twenty-two hours 22 minutes on the minority side; 1 hour on the majority side.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Parliamentary inquiry, Mr. President. Do I have 1 hour on my side?

The PRESIDING OFFICER. That is correct.

Mrs. HUTCHISON. I thank the Chair.

Mr. President, I ask unanimous consent that my amendment be sponsored by myself, Senator ASHCROFT, and Senator BROWNBAC, and be referred to as the Hutchison-Ashcroft amendment.

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

Mrs. HUTCHISON. Mr. President, this is a very simple amendment. It will express the sense of the Senate that it is time for marriage penalty relief. Why would we have a Tax Code that says a policeman and a school-teacher getting married owe Uncle Sam \$1,400 more in taxes? In fact, that is exactly what the Internal Revenue Code does, and that is exactly what we want to change.

My amendment expresses the sense of the Senate that we will start working to relieve the marriage tax penalty, and it says we will do it before April 15 of this year.

Of course, we all know what April 15 is. It is tax day. We want people who are writing their checks to pay their taxes this year to start thinking about the penalty they pay because they are married, and we want them to know that if our bill passes and the President signs it, they will be relieved of that penalty next year.

We are saying it is time for Americans to have a fair Tax Code. This is not so much a tax cut as it is a tax correction, and it is high time we do this.

It is amazing we even have to take up a bill such as this because one would think the Tax Code would not discriminate one way or the other between people who are single and people who are married. We are trying to get the fairest return for all Americans.

According to the Congressional Budget Office, 21 million married couples pay this penalty. The Congressional Budget Office estimates the penalty averages \$1,400.

The bill that will be coming from the Finance Committee next week is a terrific bill. It is very simple and very clear. It doubles the standard deduction so that every married couple will have double the standard deduction than they have today. It will be totally fair. The standard deduction will be \$4,400 for a single person and \$8,800 for a married couple.

In addition, it doubles the brackets at the 15-percent level and the 28-percent level. That takes in the large majority of people in our country who pay taxes. In fact, in the 15-percent bracket, over 6 years, we increase the amount that can be made as a couple and still pay 15 percent from \$43,000 to \$52,000. So we would have \$8,650, to be exact, more in the 15-percent bracket before one goes into the 28-percent bracket.

The 28-percent bracket today stops at \$105,000, and we take it to \$127,000, so one would still pay in the 28-percent bracket rather than going to the 31-percent bracket.

In addition to that, we take the very lowest income people who receive an earned-income tax credit and we make that credit \$2,500 instead of the \$2,000 it is today.

We are trying to do something for people in the lowest bracket and in the middle bracket. We think this is going to help the 21 million couples who are affected by this onerous tax disadvantage.

I had the privilege of meeting today with three couples, all of whom would have their marriage tax penalty totally eliminated if we pass the bill that will be before us next week.

We met with Kervin and Marsha Johnson. Kervin is a District of Columbia police officer. His wife is a Federal employee. They have been married 1 year. They are going to have to pay

\$1,000 more in taxes because they got married last year.

We also met with Eric and Ayla Hemeon. Eric is a volunteer firefighter and works for a small printing company. Ayla works for a small business. They have been married for 2 years and are going to have a wonderful event in about 1 month; they are going to have their first baby. But, unfortunately, they are paying a marriage penalty of \$1,100 that will take away from what they can do for their new baby.

We heard from a couple who have been married 25 years, Lawrence and Brendalyn Garrison. He is a corrections officer at Lorton. She is a teacher in Fairfax County. Last year, they paid \$600 in a marriage tax penalty. Mrs. Garrison is clearly a schoolteacher because she said to me: If you pass this bill, do you think we could make it retroactive? Twenty-five years? I applaud her spunk. We will not be able to do that. But we can certainly give them the next 25 years with a little more relief.

What we are saying today is, we want the Senate to vote, before April 15, before people are required to have their taxes in, in order to let them think about exactly what they are paying this year; and if they are one of the 21 million couples, they can think about how much less their taxes will be next year if we pass our legislation.

So the Hutchison-Ashcroft amendment is going to say it is the sense of the Senate that we pass this simple legislation next week. I do not see how anyone could possibly oppose having the marriage tax penalty relieved from so many of the taxpayers in our country.

Congress is trying to give relief to a lot of people in our country who have been burdened with unfair taxes. This year, for instance, we have given tax breaks to small businesspeople because we know the economic engine of America is small business. We know that the taxes and regulations hurt small business the most because they have the smallest margins. They are having a hard time making ends meet. So we have given tax relief to small businesses.

This year, we have given tax relief for parents who are trying to enhance their children's education. We are trying to give tax relief to a parent who would want to buy a computer for a child, or extra books, or perhaps a tutor, or perhaps tuition, or perhaps a band uniform. All of these things enhance education. We want people to have some tax breaks to be able to do that. Senator COVERDELL passed that bill earlier this year.

We have given medical savings accounts as tax relief for people who would build up a savings account for their medical expenses—tax free—as an encouragement to provide for their medical needs.

We have given relief to Social Security recipients who are 65 to 70 years of age who want to keep working but

heretofore have been penalized for that right.

All of these tax cuts that we have given this year—plus the marriage penalty tax relief we will give next week—total about \$136 billion over 5 years.

The budget resolution we are debating today has \$150 billion in tax cuts reserved because we are committed to tax relief for hard-working families. So we are well within this budget resolution with the tax cut bills that have been passed by this Congress so far.

So far, the President has not signed any of these bills. Some of them have not gone to the President. But we hope he will sign the Social Security bill, which will be the first one on his desk, so that Social Security recipients will have the option to work if they so choose. We hope we will put the others on his desk in due order, including the marriage penalty relief.

We have passed marriage penalty relief before, but the President vetoed it last year. We are coming back. The President said: Send me these bills one at a time. That is exactly what we are doing. We are sending him marriage penalty relief by itself to see if he really is committed to tax relief for hard-working American families.

I hope we can pass this sense-of-the-Senate amendment; it will take the first step toward saying the Senate is serious about marriage penalty relief. I believe we will be able to pass this bill next week. I think we will send it to the President. I think he will have a chance to explain to the American people that he either does support marriage tax penalty relief or he does not and, if not, why.

I urge my colleagues to support this bill. I hope they will not support any amendments that are extraneous to this amendment because it is pretty simple and pretty clear; we are seeking the support of the Senate for marriage penalty relief. I hope we can do it.

Mr. President, I yield the floor and reserve the remainder of my time.

Mr. ROTH. I rise today in support of the amendment of the Senator from Texas.

Getting married is not cheap. According to *Bride's* magazine, a couple getting married today can expect to spend \$20,000 for the big event—reception, flowers, food, dress, band, and cake. Throw in another \$4,000 for the honeymoon, and the sticker shock is complete. But it is not over. Just when the newlyweds thought their debts were paid off, tax time arrives and they are faced with a new bill—the marriage tax penalty.

Last week, the Senate Finance Committee approved legislation that will provide relief from this bliss-busting tax.

Our legislation would provide \$248 billion in relief to America's families by eliminating the marriage penalty in the standard deduction; providing broad based relief by widening the 15- and 28-percent tax brackets; expanding the earned income credit to more lower

income working families and ensuring that families can take the tax credits for which they qualify by permanently eliminating any cutbacks of the credits because of the minimum tax.

Even after the honeymoon's over and paid for, today's newlyweds are going to find their married life perpetually filled with financial challenges. That \$20,000 wedding is going to look cheap compared to saving for a down payment on a house, saving for a college education and saving for retirement. Letting families keep more of what they earn by lowering their taxes will make each of these financial challenges easier to face and, in the process, hopefully help make that wedded bliss last a little longer.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

Mr. REID. Mr. President, I say to the Senator from Texas, I am sure the minority will support her amendment.

I ask unanimous consent that, based upon the agreement we have had with the Senator from New Mexico, the Senator from Virginia be allowed at this time to offer his amendment on prescription drugs.

As I also explained to the Senator from New Mexico, we have a time agreement on when the vote will take place. Senator ROBB is here to offer a prescription drug amendment. That does not mean someone else cannot come before tomorrow at 11 o'clock and talk on the marriage penalty.

Mr. DOMENICI. That is correct.

But has the Senator completed her hour?

Mr. REID. No.

Mrs. HUTCHISON. I reserved the remainder of my time.

Mr. DOMENICI. You would reserve it, even if a second-degree amendment were going to be offered now? Is that what the Senator wants to do?

Mrs. HUTCHISON. Mr. President, I have other speakers who wish to speak on my amendment.

Mr. DOMENICI. Mr. President, if the Senator reserves her time and the second-degree amendment is offered, does that impact on her reservation at all? Does she still have time?

The PRESIDING OFFICER. It depends on the nature of the unanimous consent by the Senator from Nevada.

Mr. REID. I say to my friend, the manager of the bill, Senator ROBB would offer his amendment on prescription drugs. After he completes his statement, someone from the majority can come and speak on the marriage tax penalty, or maybe we could. We have a time agreement when the votes will take place on these two matters, so I do not think anyone would be advantaged either way by his stepping forward at this time. There is no one else on the floor at this time.

The PRESIDING OFFICER. If that is the unanimous consent agreement, the Senator from Texas would retain her time.

Mr. DOMENICI. There is no such unanimous consent request. But if you

are construing that to be a request, I have no objection to that.

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

The Senator from Virginia is recognized.

AMENDMENT NO. 2915 TO AMENDMENT NO. 2914

(Purpose: To condition Senate consideration of any tax cut reconciliation legislation on previous enactment of legislation to provide an outpatient prescription drug benefit under the Medicare program that is consistent with Medicare reform)

Mr. ROBB. Mr. President, under the unanimous consent agreement just reached, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The senior assistant bill clerk read as follows:

The Senator from Virginia [Mr. ROBB] for himself, Mr. KENNEDY, Mr. WYDEN, Mr. GRAHAM, Mr. BRYAN, Mr. DORGAN, Mr. BAUCUS, Mr. BINGAMAN, and Mr. JOHNSON, proposes an amendment numbered 2915 to amendment No. 2914.

Mr. ROBB. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, add the following:

SEC. ____ . REVENUE REDUCTION CONTINGENT ON OUTPATIENT PRESCRIPTION DRUG LEGISLATION.

(a) FINDINGS.—Congress finds that—

(1) a Medicare outpatient prescription drug benefit should be established before exhausting the on-budget surplus on excessive tax cuts;

(2) while the Senate budget resolution provides a date certain for the consideration of \$150,000,000,000 in tax cuts, it does not include a similar instruction for the enactment of an outpatient prescription drug benefit;

(3) all seniors should have access to a voluntary, reliable, affordable Medicare drug benefit that assists them with the high cost of prescription drugs and protects them against excessive out-of-pocket costs; and

(4) 64 percent of Medicare beneficiaries have unreliable or no drug coverage at all.

(b) POINT OF ORDER.—It shall not be in order in the Senate to consider a reconciliation bill resulting in a net reduction in revenues unless Congress has previously enacted legislation that—

(1) provides an outpatient prescription drug benefit under the Medicare program consistent with Medicare reform; and

(2) includes a certification that the legislation complies with paragraph (1) of this section.

(c) SUPERMAJORITY WAIVER AND APPEAL.—The point of order established in this section may be waived or suspended in the Senate only by an affirmative vote of $\frac{2}{3}$ of the members, duly chosen and sworn. An affirmative vote of $\frac{2}{3}$ of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

Mr. ROBB. Mr. President, today, we begin our annual debate over our Nation's budget. This is an important debate. Because when you set aside the partisan squabbling and political posturing, this debate is crucial: it is

about establishing our priorities as a nation.

Throughout my career, I have fought for fiscal discipline and tried to stop the Federal Government—and during the time I served as Governor of my State, State government—from spending more than it takes in.

Maintaining fiscal discipline means meeting Government obligations without borrowing from future generations. The budget resolution allows us to determine the nature and extent of our obligations by establishing our priorities. The question, then, is, What sort of priorities will Congress set for the American people this year? Will we opt to continue our path of fiscal discipline? Or will we enact a budget that ignores our \$5 trillion-plus debt in our haste to provide politically appealing tax cuts? Will we choose to make new investments in education? Or will we simply decide to maintain the status quo? Will we modernize and strengthen Medicare? Or will we choose instead to use those dollars on a risky tax cut that endangers Medicare and erases the surplus?

These are the sort of decisions the Senate will make over the next few days. I believe we need a budget that will make America stronger and one that will address our most vital priorities.

I rise at this time to speak on the second-degree amendment I just offered, an amendment that will address one of our most pressing priorities—the need to bring Medicare into the 21st century. It is very similar to an amendment I offered last year.

This amendment states, simply, that if Congress is going to consider tax cut legislation, it must first pass legislation that will modernize Medicare through the creation of a prescription drug benefit.

Thirty-five years ago, President Lyndon Johnson signed Medicare into law. At the time, our country transcended politics and put our differences aside to come together, as a nation, to do the right thing with regard to acute care for our Nation's seniors. Few programs in our Nation's history have had such a lasting, positive effect on so many lives. Poverty among seniors, for example, has fallen nearly two-thirds since Medicare was first created in 1965.

Today, seniors live longer and better than they ever have before. But while Medicare is still a success today, the program has become hopelessly outdated. New technology and new health practices have changed medicine. The private sector has responded by integrating them into modern medicine. Perhaps the greatest change has been the emergence of prescription drugs as an integral part of modern medicine. Today, thanks to years of biomedical research funded by both Government and the private sector, prescription drugs have enabled us to treat, and often cure, all sorts of ailments and sicknesses in ways we could only dream of back in 1965. Yet while Medi-

care will pay for so many other parts of medicine—surgery, visits to the doctor, physical therapy, durable medical equipment, et cetera—Medicare has stayed wedded to the 1965 model of not paying for prescription drugs, even when the drugs clearly help prevent seniors from having more complicated and expensive health problems. That doesn't make sense.

Think about it. While our engineers used slide rules in 1965, we certainly would not expect them to go without the latest computer technology today. Likewise, medical equipment has advanced by leaps and bounds. We would not think of using a 35-year-old heart monitor on a patient; nor would we think it is sound policy to deny a patient access to a CAT scan simply because the technology wasn't around in 1965. Yet today many seniors are forced to go without needed medication because Medicare offers no coverage for outpatient prescription drugs.

To illustrate this point, I want to share with colleagues a letter I received 2 weeks ago from a constituent in Williamsburg, VA, a veteran who served our country in Vietnam. He writes:

I have gone for almost two months without my blood pressure medicine . . . because I can't afford the \$150 a month to get it refilled . . . I constantly feel feverish and have a splitting headache. I'm afraid I'm going to have a stroke.

Another woman from St. Stephens Church, VA, writes:

My husband and I are both retirees and rely on Social Security and Medicare. Recently we both had to go to our family doctor and the drugs that were prescribed for us would cost us out of pocket approximately \$300 per month. Due to the cost of the two prescriptions, we are forced to choose not to take the medication and live with the illness.

It is time we did something to change this. While over 90 percent of the private sector employees with employer-based health insurance have prescription drug coverage, the 38 million-plus Medicare beneficiaries in America today have no basic prescription drug benefit. At the same time, the average Medicare beneficiary fills 18 prescriptions each year and will have an estimated average annual drug cost of nearly \$1,100 this year.

We have an obligation to our seniors, and future generations of seniors, to strengthen and modernize Medicare by adding a prescription drug benefit. Unfortunately, the Republican budget resolution does not require that Congress spend a dime on this vital benefit. However, their resolution does require that we pass \$150 billion in tax cuts. This is an issue where we need to reassess our priorities.

Let me state for the record that I am not opposed to all tax cuts. This past Congress, I have introduced or supported several targeted tax cut proposals, including bills to repeal the estate tax, eliminate the true marriage penalty, repeal the 3-percent telecommunications excise tax, and extend

the R&D tax credit, among others. What I am opposed to, however, is using our surplus for tax cuts before we have also addressed our other critical obligations—because a surplus, by definition, is what you have left over once you have met all your obligations.

The question is, Do Senators want tax cuts, or do they want to help our Nation's seniors? Our friends on the other side say they would like to do both, but the language in the budget resolution suggests differently.

Reading their resolution, they require the Finance Committee to report out a giant tax cut bill by September 22. Yet when it comes to adding a prescription drug benefit for seniors, there is no such requirement—although the resolution has a reserve fund that would allow the Senate to consider a drug bill on the floor if the Senate Finance Committee has not reported a bill by September 1.

This resolution makes the Republicans' priorities very clear: The Senate must pass tax cuts, and as for prescription drugs, well, we hope we can find some time to take it up later in the year. Maybe we can take it up if we have any money left after the tax cuts.

My friends on the other side of the aisle have suggested this is not the case. They have said they want to pass a prescription drug benefit this year. They have claimed there is ample money in their budget resolution to add a drug benefit to Medicare and enact their massive tax cut.

But a close examination of their budget resolution reveals that it would be impossible for them to do anything but enact a massive tax cut this year. The Republican budget resolution assumes \$150 billion in tax cuts over the next 5 years. Combined with the interest America will pay from this revenue loss, the total budgetary impact will be \$168 billion. Given that their budget resolution only assumes \$171 billion in total surplus over this same time period, all but 2 percent of the on-budget surplus will be devoted to tax reduction. This leaves virtually nothing for prescription drug coverage, much less other priorities, such as defense or education, unless Congress makes deep cuts in other domestic discretionary programs.

As we have seen in past years, these cuts are simply unrealistic; they will never materialize, and they pose a real threat of a raid on Social Security.

How do they propose to help our seniors access prescription drugs when they have devoted 98 percent of the surplus over the next 5 years to tax cuts?

We ought not to be enacting major tax cuts until we have first fulfilled our obligation to our seniors to add a prescription drug benefit to Medicare. Let's get our priorities in order and put seniors before tax cuts.

I urge all Senators to support this amendment.

Mr. GRAHAM. Mr. President, I thank Senator ROBB, for introducing this important amendment.

Today, we have before us the opportunity to achieve our collective goal of reforming the Medicare program. To do so, we must both realize and accept the fact that the face of health care has changed since the inception of Medicare in 1965.

In 1965, America's health system focused upon the inpatient setting, reacting to both acute and chronic conditions. In turn, Medicare followed this model.

Today, our health care system benefits from the advantage of new technologies, preventive measures and prescription drug therapies. Unfortunately, Medicare does not share these advantages, due to our inability to put reform first.

Mr. President, my colleagues have spoken eloquently about the need to include a prescription drug benefit in the Medicare package—certainly before we turn to tax cuts. This benefit would be an essential part of updating Medicare to adequately service the health care needs of today's seniors.

Currently, private health care plans cover medication because it is a vital component of modern health care. Prescription drugs are viewed as integral in the treatment and prevention of diseases.

Accordingly, we must find an approach to a Medicare prescription drug benefit that will best provide the most meaningful coverage for the most beneficiaries. And, I would argue that we take one step further and recognize that the development of a prescription drug benefit for Medicare beneficiaries is directly related to the need for preventive care.

As one of the primary guardians of the Medicare program, the Senate has the sobering responsibility to design a program that focuses on health promotion and disease prevention for all Medicare beneficiaries. This approach will slow the growth in costs to the program in the future, and, more importantly, will improve the quality of life for older Americans.

It has been proven time and time again, that a combination of preventive services and appropriate medication can reduce the incidence of stroke, diabetes, and heart disease among other serious and costly illnesses.

Detailed programmatic changes—changes based upon the realization that prescription drugs and preventive services go hand in hand—are necessary to convert the current Medicare system into one that will best serve our seniors.

Mr. President, I am not convinced that the tax cut that is incorporated into this budget resolution will achieve our goal of muchly needed reform.

Our seniors have been pleading with this Congress to create a drug benefit. And, maybe it is because I hail from a state where nearly one-fifth of the population is over age 65 . . . but I have not heard such impassioned pleas for tax cuts.

We are very fortunate to be living in an age of prosperity. But, I cannot sit

idle while this Congress squanders our good fortune on the folly of tax cuts.

Instead, I implore you to take advantage of these good economic times and use the dollars that are available to us today to implement change that will benefit us tomorrow.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. REID. Mr. President, will the Chair inform us about how much time is left on the second-degree amendment on our side?

The PRESIDING OFFICER. Eighteen minutes 25 seconds.

Mr. REID. Under the time of the minority on the bill, we yield an additional 12 minutes to the Senator, for a total of 30 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Chair. I don't believe I will need all of that time. But I appreciate leadership yielding the time.

Mr. President, first of all, I thank the Senator from Virginia, Mr. ROBB, for offering this amendment. I welcome the chance to join with him and my colleague and friend, Senator WYDEN of the State of Oregon. I commend him for the way this amendment has been fashioned and for the excellent presentation and compelling case he made in favor of this amendment.

When you get right down to it, as he said so well, this is really a question about priorities. As the Senator from Virginia pointed out, if we reject this amendment, we are putting tax breaks before our senior citizens. If the Senate accepts this amendment, it is putting our senior citizens, their health and their well-being, ahead of tax breaks for the wealthy.

As we start this debate on the budget, we have an issue that makes a great difference to millions of senior citizens and their families—because so often elderly people need assistance from their family members in order to purchase their necessary prescription drugs. This is a significant drain on both the senior citizen and their family's income.

I again commend the Senator from Oregon, Mr. WYDEN, for the superb presentation he made in the Budget Committee, and for his outreach to Members on the other side of the aisle. I admire their strong willingness to support the Wyden proposal because I think it will make a difference in the lives of many of our seniors.

As I mentioned, a budget is a statement of our national priorities. There is no more important priority than Medicare coverage of prescription drugs. Our amendment puts the Senate on record that quality health care for senior citizens is more important than new tax breaks for the wealthy.

The need for action on prescription drugs is as clear as it is urgent. Too many elderly Americans today must choose between food on the table and the medicines they need to treat their illnesses. Too many senior citizens can

only take half the pills their doctor prescribes, or must forego needed prescriptions, because they cannot afford the high cost of prescription drugs. Too many senior citizens are paying twice as much as they should for the drugs they need because they are forced to pay full price when almost everyone with private insurance coverage has the benefit of negotiated discounts. Too many senior citizens end up hospitalized, at an immense cost to Medicare, because they cannot afford the drugs they need or can't afford to take them correctly.

As numerous discoveries in recent years have made clear, pharmaceutical products increasingly offer cures for many dreaded diseases. Far too many senior citizens are being left out and left behind because Congress has failed to act.

I strongly believe this century is going to be the life-sciences century. We know about the extraordinary possibilities for breakthrough prescription drugs. We know, for example, if we were to have a breakthrough drug for delaying the onset of Alzheimer's disease, half the nursing home beds in my State of Massachusetts would be empty. The impact on quality of life would be significant. At the same time, we could save the Medicare system money.

I want to take a moment of the Senate's time to review why this amendment is so important.

There is a drug crisis for senior citizens: Coverage is going down, and costs are going up.

I want to take a few moments to review for the Senate exactly what is happening across America.

We have 36 million American seniors, as this chart indicates. We are finding that 12 million of them have no coverage whatsoever; 11 million have employer-sponsored coverage. I will come back to that. Three million have Medicare HMOs. Four million have Medigap coverage. Four million have Medicaid coverage. This is the only group, the poorest of the poor, in America that have reliable prescription drug coverage. Three million have coverage as veterans or through other programs.

This is what is happening in America today. We know a third of all seniors have no coverage whatsoever. Let's take a look at seniors with employer-sponsored; they represent about one-third of all seniors.

Look at this chart. From 1994 to 1997, we see a precipitous drop in employer-sponsored coverage. We see a drop of 25 percent over the 3 years from 1994 to 1997.

If 1997 and 1998, coverage is dropping like a stone. A third of all the elderly people have no coverage; another third have employer-sponsored coverage, but that number is dropping rapidly.

What is happening in Medicare HMOs? This is what is happening to Medicare HMO drug coverage: It's inadequate and unreliable. First of all, the drug benefit is only offered at the op-

tion of the HMO. More than 325,000 Medicare beneficiaries lost their HMO coverage this year—325,000 have been dropped.

The Medicare HMOs are also reducing the level of drug coverage. Seventy-five percent of all the Medicare HMOs will limit prescription drug coverage to less than \$1,000 this year, an increase of 100 percent since 1998. In 1997, 37 percent of Medicare HMOs had caps of less than \$1,000; in 1998, this number increased to 75 percent. Thirty-two percent of Medicare HMOs have now imposed caps of less than \$500 for prescription drugs.

Twelve million seniors with no coverage, 11 million and dropping with employer-sponsored coverage, and 3 million with coverage through Medicare HMOs, and we find that the HMOs are setting caps of \$500 or less. This suggests very poor, unreliable prescription drug coverage for our senior citizens.

Four million seniors have prescription drug coverage through Medigap. Look at what is happening to the cost of Medigap plans with drug coverage—\$2,600 for someone who is 75 years old; \$2,600 a year in Delaware; New York, almost \$2,000; Iowa, almost \$2,000; Maine, almost \$2,500; and almost to \$2,500 in Mississippi—and many seniors are not even eligible for Medigap drug coverage. You can only purchase the Medigap plans that include prescription drug coverage at the time you first become eligible for Medicare. These plans are incredibly expensive. The cost of Medigap which includes prescription drugs is unaffordable and unavailable for most senior citizens.

Again, the level of Medicare HMO drug coverage is dropping drastically. We see the collapse of coverage for seniors with employer-sponsored plans, for seniors in Medicare HMOs, and for seniors with Medigap. This effectively leaves persons with Medicaid as the only seniors with reliable drug.

At the same time coverage is collapsing, drug costs are growing at double-digit rates: a 9.7 percent increase in 1995; 10 percent in 1996; 14 percent in 1997; 15 percent in 1998; 16 percent in 1999.

What about the rates of inflation? Inflation was 2.5 percent in 1995; 3.3 percent in 1996; 1.7 percent in 1997; 1.6 percent in 1998, and 2.7 percent in 1999. In other words, drug costs are going up significantly faster than the rate of inflation. Coverage is collapsing, and costs are going through the roof. We are not meeting the needs of our elderly people.

That is why we on this side of the aisle believe, unlike the other side of the aisle, we should have agreement on the principles for a quality Medicare prescription drug benefit. There should be coverage for all seniors, coverage must be basic and catastrophic, and it should be affordable both to the Federal Government and to the individual. These principles were not recognized by the Budget Committee.

These two charts demonstrate what the budget resolution has done for

taxes and what it has done for prescription drugs. Section 104: "Not later than September 22, 2000, the Senate Committee on Finance shall report to the Senate a reconciliation bill proposing changes"—that would be tax cuts for the next 5 years.

Note the words, "shall report."

Regarding the reserve fund for prescription drugs: "The Senate spending aggregate and other appropriate budgetary levels and limits may be adjusted and allocations may be revised for the legislation reported by the committee on . . . to provide a prescription drug benefit for fiscal year 2001, 2000, and 2003."

See the difference? That is why we are offering this amendment. We are treating tax breaks the same as prescription drugs—the other side of the aisle is not. That is why the Robb amendment is before the Senate. There is one criteria for tax breaks for wealthy individuals and another criteria for our elderly Americans. That is the issue we are addressing.

The tax measure is a permanent measure. Can we say that about the prescription drug measure? No, no, no, it only goes on for 3 years. After 3 years, it only continues "if legislation is reported by the Senate Committee on Finance that extends the solvency of the Medicare Hospital Insurance Trust Fund without the use of transfers of new subsidies from the general fund."

It says, "that extends the solvency of the Medicare Hospital Insurance Trust Fund without the use of transfers . . ."

Why is the Budget Committee saying we cannot use any of the surplus? That is what this provision says. You are not able to use any surplus to extend the solvency of the Medicare trust fund. This says "that extends the solvency" "without the use of transfers of new subsidies"—that is the surplus "from the general fund."

They are saying after the first 3 years you cannot have funds for the fourth or the fifth year unless you have a complete revamping of Medicare. And you cannot use any surplus money to extend solvency.

How does that translate? To the senior citizens it means there will be a cut in Medicare benefits. If you are going to have prescription drug coverage, you will have to cut your Medicare benefits or raise the payroll tax. Those are the options the Budget Committee is leaving for prescription drug coverage.

They don't set that criteria for the tax breaks. They say you "shall." It is permanent. It will go on ad infinitum. But not for prescription drugs. We may provide coverage for 3 years, but we will not extend coverage beyond that unless there is a complete revamping of the Medicare system. And we can't use any surplus funds—as President Clinton and AL GORE suggest, and as every Member on this side believes can and should be used.

They are saying no, no, you cannot use any of the surplus for Medicare solvency. And you will only be able to get

a prescription drug benefit if you either cut Medicare benefits or increase the payroll tax.

What does this mean for senior citizens? This means they have a very poor deal on prescription drug coverage. It is a better deal than we had last year and we are encouraged that we have made some progress. But this does not give the assurances that our elderly people need that they are going to have affordable, reliable prescription drug coverage.

No matter how many times they say it, the language is very clear. The Robb amendment is very clear. It says we want a prescription drug benefit that is worthy of its name, that covers all seniors, that is affordable to both beneficiaries and the Government, and we will do that before we cut taxes.

This \$20 billion for years 4 and 5 will not be adequate because we are seeing a phasing in of the coverage over a period of time. The money for the fourth and fifth years is completely inadequate. The cost of the President's plan is up to \$31 billion, 50 percent higher, and that was without catastrophic coverage. The cost of the President's program is about \$200 billion over 10 years. That is a sizable amount, but it is a good program. It will make a major difference in the lives of our seniors. It will relieve many of our elderly citizens from the anxiety they currently face.

This amendment is of enormous importance and consequence. I cannot express my appreciation enough to the Senator from Virginia. Everyone in the State of Virginia, every elderly citizen and their family, will be affected by this effort that the Senator has put forward. It will affect the seniors not only in his State but in my State of Massachusetts and all across this country.

This is the first opportunity we have had—since the President of the United States identified prescription drugs in his State of the Union a year and a half ago—to have this debate and to have a rollcall on a measure that can make such a difference in so many lives. The Senator from Virginia is offering this opportunity. Tomorrow at 11 o'clock this Senate will have the chance to say whether it wants to put the interests of our elderly people first, or if we want tax breaks for wealthy people to come before them.

It is very clear from the presentation that has been made by the Senator from Virginia and the Senator from Oregon where they stand. I am proud to stand with them. I hope the Senate will stand with them tomorrow also.

I yield back my remaining time.

The PRESIDING OFFICER. The Senator has consumed his time on the amendment. The Chair recognizes the Democratic whip.

Mr. REID. Mr. President, what the manager and I would like to do is enter into a unanimous consent agreement so we know what is left for this evening. It is my understanding the

Senator from Massachusetts has completed his statement for today.

Mr. KENNEDY. Yes. Thank you.

Mr. REID. What we would like to do is recognize, next, Senator GORTON, to speak for up to 12 minutes; Senator FEINGOLD, to speak for up to 7 minutes; Senator ASHCROFT, up to 10 minutes; and Senator BRYAN for 10 minutes. After that, we would be out until the morning—at 9:30?

Mr. DOMENICI. Let's leave that up to the leader.

Mr. REID. I thought that was what it provided. All it says is back in at 9:30.

Mr. DOMENICI. Does it provide for a closing, or is it up to the leader to provide for a closing?

The PRESIDING OFFICER. That would be up to the leadership.

Mr. REID. Fine. We will end at that, when Senator BRYAN completes his statement. Whatever the leadership wants to do, we can do.

Mr. DOMENICI. I thank all the Senators for not taking any more time. There is more time tomorrow. There are events planned by the leadership for tonight. Senators, if they wanted to listen to us, could go on to their events and still have heard what we have to say. I wish to make one observation and then I will agree to the rest. It will just take me 1 minute.

I, first, want to remind the Senate and anybody listening, in the Senate Budget Committee, regarding the reserve fund of \$40 billion for Medicare and prescription drugs, the cosponsor of that was a Democrat Senator named WYDEN who was praised in our committee by Senators LAUTENBERG and CONRAD as doing the right thing for Medicare. I think we have done the right thing.

Our budget says: Do prescription drugs first. That was because of the language offered by the distinguished occupant of the Chair, which said by September 1 we would have to have a package on the floor or we could offer it on the floor. And, incidentally, it then says taxes would be considered on the 22nd day of September, almost a month later. So our approach was Medicare first, tax cuts almost a month later—about 17 days later. I think that is the way it ought to be.

The Robb amendment is nongermane and is unnecessary, but we will make that case tomorrow before we vote. I am going to leave the floor. I thank everyone again for the discussion. I thank Senator ROBB for the way he has handled the amendment.

I yield the floor.

The PRESIDING OFFICER. Is there objection to the motion?

Mr. DOMENICI. I reserve the right to object.

Mr. ROBB. Reserving the right to object, and I will not object, I would like to respond to my distinguished friend from New Mexico and say, if that is the intention of the Senator from New Mexico and others on the other side of the aisle, this amendment should not be a threat. I hope, in that case, the

majority party, and all of those who are members of the majority party, would support this amendment.

I thank my distinguished colleague from Massachusetts for laying out the case in eloquent detail with some very informative charts and for making what I think is a very persuasive case. But if it is the intention of the majority to follow through with the plan they have outlined, then this amendment should pose no threat to them whatsoever. I hope, then, we would have this amendment approved by unanimous consent.

With that, I do not object.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. DOMENICI. I had objected to the time scenario until I clarified something.

Mr. KENNEDY. Can I clarify something with the Senator? Is there any guarantee in the budget instructions that we will have prescription drug legislation on the floor by September 21?

Mr. DOMENICI. No. It says the 60-vote point of order against any such legislation will disappear on the date I just described, which was the date suggested by the occupant of the chair. So if the Senator wants to offer a bill on the floor after that date, that budget resolution, it will not be subject to a point of order under the Budget Act. It will be permissible, with prescription drug and/or reform.

Mr. KENNEDY. I thank the Chair.

Mr. DOMENICI. Mr. President, I objected to the scenario because I did not understand.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. Let me ask a question. I don't want to have to object. When the Senate recesses tonight, there should be 90 minutes, as I understand it, equally divided in the morning.

Mr. REID. I am sorry. Will the Senator repeat that?

Mr. DOMENICI. When the Senate recesses, there should be 90 minutes left for tomorrow morning. That would be to debate on the Hutchison and the Robb amendments. If not, the Senate intends to remain in session until the time is used or yielded back.

Mr. REID. It is my understanding, after we complete the statements tonight, hoping to finish around 6 o'clock, that tomorrow morning we will come in and each side will have 45 minutes to debate either the Hutchison amendment or the Robb amendment.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Without objection, the unanimous consent request is agreed to.

The Senator from Washington is recognized.

Mr. GORTON. Mr. President, yesterday, a bus load of seniors traveled from Seattle to Canada to buy prescription drugs. Just a short drive from where these seniors live, they can buy the medicine they need to stay healthy for much lower prices than they would pay at their neighborhood pharmacy.

Why? Because our own U.S. manufacturers sell exactly the same product to Canadian pharmacies for much less than the price they charge drug stores in the United States. Americans end up going to Canada and Mexico in order to afford to buy products that were discovered, developed and manufactured in America. Shocking? Yes. But every day U.S. based drug companies sell identical FDA approved, U.S. manufactured products in Canada and Mexico

at discount prices unavailable to American purchasers in the United States.

Here are a few examples:

The Pecks from Tacoma, Washington recently saved \$600 by going to Canada to buy a three month supply of blood pressure, stomach and sinus medications. Tomaxifen to treat cancer costs \$15 for a one month supply in Canada and \$95 a month in Vermont. Prozac to treat depression, is just .95 cents a pill in Mexico and costs \$2.21 in the United States.

These price differences are by no means unusual. I was astounded to learn that for the top ten most commonly prescribed drugs, average prices are 64 percent lower in Canada than in Washington state.

I ask unanimous consent a copy of a survey of price differences be printed in the RECORD.

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

GORTON TOP TEN PRESCRIPTION DRUG PRICE DIFFERENCES BETWEEN WASHINGTON AND CANADA¹

	Premarin (.3 mg)	Synthroid (.05 mg)	Lipitor (10 mg)	Prilosec	Norvasc	Prozac (10 mg)	Clairitin (10 mg)	Zithromax z-pak, 6 tablets	Zoloft	Glucophage (1000 mg)
Spokane	\$25.69	\$15.02	\$68.12	\$111.25	\$51.69	\$81.62	\$79.69	\$47.42	\$83.69	\$26.72
Bellingham	26.69	16.69	75.69	150.69	78.69	91.98	80.69	89.69	87.69	60.69
Vancouver, WA	25.69	16.69	75.69	132.88	51.69	90.69	79.69	52.69	83.69	60.69
Tacoma	25.69	50.98	75.69	119.68	46.52	90.69	79.69	52.69	75.32	60.69
Vancouver, B.C.	11.63	9.54	61.48	N/A	48.69	63.52	N/A	39.48	35.70	² 15.88
Vancouver, B.C.	9.00	11.11	67.64	³ 73.00	49.00	65.74	⁴ 13.99	44.31	46.56	17.00
Calgary, Alberta	10.57	12.50	61.95	³ 75.00	49.00	45.20	33.98	40.70	35.00	² 18.20
Victoria, B.C.	11.00	10.00	65.00	³ 81.00	54.00	50.00	N/A	N/A	30.00	17.00
Washington State	25.94	24.84	73.79	128.63	57.15	88.75	79.94	60.62	82.60	52.19
Canada										
(in U.S. \$)	10.55	10.78	64.02	73.50	48.96	16.12	33.98	41.50	39.08	17.02
	(7.17)	(7.33)	(43.55)	(49.98)	(33.29)	(10.97)	(23.11)	(28.23)	(26.50)	(11.58)
Savings from U.S. price	72%	70%	41%	61%	42%	88%	71%	53%	68%	78%

TOTAL AVERAGE SAVINGS=64%

¹ Based on 30-pill orders and the lowest mg. available in each drug. Prices are based from Rite Aid Pharmacies in WA state, Alberto Pharmacies in Vancouver, B.C., and ABC Pharmacy in Calgary, Alberta #403.228.7065. Prices based on Senior Discount's in the WA pharmacies. Top ten most commonly prescribed drugs in 1999 from Medical Economics Company Inc.

² 500 mg.

³ "Losec".

⁴ For a 12-pack.

Mr. GORTON. Let me repeat—64 percent lower. That is outrageous.

A major reason for this disparity is that foreign governments have implemented price control policies that tempt—successfully I may say—U.S. drug companies to discriminate against American consumers. Other countries offer to pay the nominal costs of manufacturing a drug, some profit and little else. Our drug companies agree because they can still make a profit, leaving our citizens to pay the high costs associated with research and development of new drugs. And where has the Clinton/Gore Administration been? In my opinion it has done a wholly inadequate job of protecting Americans from this form of price discrimination—it simply ignores the problem.

I believe it is time to change the law so that Americans are no longer discriminated against with respect to the cost of prescription drugs. The best way I know to do that is to prevent drug companies from selling any product in Canada or Mexico at a lower price than they sell it for in the United States.

These are the principles found in the Robinson-Patman Act, a law Congress passed more than 60 years ago to address price discrimination in the United States. That act simply tells manufacturers that they can't act to undermine one business by selling the same product to a competitor at discounted rates, unless the price difference is due to legitimate quantity discounts.

What will this proposal mean? Once drug companies have the incentive to charge non-discriminatory prices overseas and other countries pay a fare

share of drug research and development costs—people in Washington state and across the country will pay lower prices for prescription drugs.

Let me speak briefly about what I am not trying to do. I am not telling drug companies what price they have to charge for their product. I am simply saying that manufacturers can no longer discriminate against American consumers by charging Canadian and Mexican pharmacies lower prices than they charge Americans for precisely the same product.

It is not my intent to harm the research going on in the U.S. Drug companies should be able to recoup the research and development costs for both unsuccessful and successful new drugs. But my constituents in Washington and other Americans should not be forced to pay all of those costs for the rest of the world.

I have talked to seniors, doctors and others in our health care system about these pricing problems, but I wanted to hear from the industry as well. So last week, I asked the President of PhRMA and representatives from most of the big drug companies why Americans pay more than people in Canada or Mexico for the same exact drug. They told me that they shared my concern that American consumers pay most of the research and development costs associated with making new medicines. I was pleased to hear that we were on common ground in that area.

Unfortunately, I was left with the impression that the pricing issue is not a top concern to the drug companies. Instead of engaging me in a real discussion about the pricing issue and the vast difference between the cost of

drugs in Canada and the cost of drugs here, I learned about the companies' commitment to having drug coverage extended to Medicare beneficiaries. They have a point on that issue, and I am working with my colleagues on such an extension.

But still this so-called solution is just one piece of the puzzle. Expanding Medicare coverage will help some people, but it doesn't help everyone, and it seems more like an effort by the drug companies to increase their markets at high prices, as opposed to dealing head on with policies that encourage them to charge Americans more for prescription drugs than they charge people in Canada and around the world.

While I did not hear much about this issue in my meeting, or in the days following our meeting, I still want to hear from the drug companies on this question. It is a vital one that needs to be addressed, and since they are the experts on this matter, I hope that they will come to me in the next few days with alternative ideas for correcting this injustice. It may well be that there is a better idea than my own. If so, I am anxious to hear it from the drug companies or from anyone else. One company incidentally has already made a constructive suggestion.

Fortunately, I have also heard from several of my colleagues on this idea, and the news is good for American families frustrated by this inequity. Several Republican Senators have committed to supporting my idea and the majority leader has expressed interest. I suggest that this is serious incentive for the drug companies to develop some ideas. Otherwise, I am prepared to introduce my proposal promptly.

Let me be clear that I recognize the importance of biopharmaceutical research. Some of the cutting-edge research going on today may one day open up new avenues of science that will help crack the code of complex human illness and aid in finding treatments and cures for those in need of improved medicine. The United States is the global leader in biotechnology. As we work on proposals to help the American consumer afford prescription drugs, I will be mindful of the fact that we don't want to undermine this important industry.

That said, the current system hurts a lot of people, and leaves a lot of Americans feeling ripped off. The list of those who are discriminated against because of these unfair pricing policies includes the 40 million Americans who are uninsured and those seniors without drug benefits who pay higher prices at the drugstore cash register than just about anyone else in the world. It affects the cost of health care insurance and also is a growing problem for our doctors, hospitals, and nursing homes as more of the total of health care spending is allocated to drug costs.

The other group that gets hurt is the drug companies themselves. Because of these backward pricing policies, the drug companies have become the new "health care villains." In my State, I hear constantly from constituents who rail against the drug companies for charging them hundreds of dollars more than what they would pay in Canada. For years, the drug companies were respected for their innovative products, the risk they were willing to take to improve our health, and the medical advances they created. Those good feelings have been earned, and while they have not been destroyed, that reputation is at risk by the companies' unwillingness to step forward on the pricing issue.

And specifically, their reputation is at risk when they do not speak out loudly against policies that cause harm to their very best customers—American families.

I hope they will speak out. But Congress can no longer allow other countries to get away with policies that force drug companies to discriminate against American consumers by charging dramatically lower prices in Canada and Mexico and thus higher prices here at home. Other countries must pay a fair share of the research and development costs for new drugs. Seniors, the uninsured, and every other American should be able to walk into their neighborhood drug stores and buy the medicines they need at affordable prices.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the time come off the time for general debate of the resolution rather than the pending amendment.

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

Mr. FEINGOLD. Mr. President, America's economy is strong. The Nation is enjoying the longest economic expansion in its history, at 107 consecutive months and counting. Last Friday's papers reported that the fourth quarter of 1999 grew at a blistering 7.3 percent, the fastest quarterly rate since 1984. We have the lowest unemployment rate in three decades, and home ownership is at its highest rate—at 67 percent—on record.

As the old saying goes, "[V]ictory finds a hundred fathers but defeat is an orphan." There is an economic corollary: The advocates of hundreds of policies claim to have fathered economic growth, but none admit to have spawned recession.

While certainly several causes contributed to the current economic expansion—among them technological innovation, free markets, and harder- and longer-working workers—there can be no denying that a key contributor to our booming economy has been the Government's fiscal responsibility since 1993.

In 1992, the Government ran a unified budget deficit of \$290 billion and a non-Social Security deficit of \$340 billion. When President Clinton took office in 1993, the Congressional Budget Office greeted him with a projection that the unified budget deficit would climb to \$513 billion in 2001. Instead, CBO now projects that in fiscal year 2001, the Government will run a unified budget surplus of \$181 billion and a non-Social Security surplus of \$15 billion.

Our responsible fiscal policy means that the Government has borrowed less from the public than it otherwise would have, and indeed has paid down debt held by the public. No longer does the Government crowd out private borrowers from the credit market. No longer does the Government bid up the price of borrowing—interest rates—to finance its huge debt. Our fiscal policy has thus allowed interest rates to remain lower than they otherwise would be, and millions of Americans have realized savings on their mortgages, car loans, and student loans. In this favorable credit market, businesses large and small have found it easier to invest and spur yet more new growth.

But just as victory engenders multiple claims of fatherhood, a surplus seems to breed ready ways to spend it away, and the greatest single threat to that surplus, to responsible fiscal policy, and to the strong economy to which it has contributed is represented by the budget resolution before us today. This budget would spend away all of the non-Social Security surplus in one fell swoop on a massive tax cut plan reminiscent of the early 1980s. The budget would launch this irresponsible tax enterprise before having taken any steps to save Social Security or to reform Medicare or to lock away on-budget surpluses to pay down the debt.

This budget does more than merely portray those tax cuts. This budget resolution would create a fast-track

reconciliation vehicle to move that massive tax cut bill through the Congress. As my colleagues know, reconciliation comes with a 20-hour limit on debate, so that no one can debate it at length. Reconciliation bills can pass with a simple majority, so the majority does not have to reach consensus or compromise with others, as the rules of the Senate otherwise require. The reconciliation process prevents bringing up any tax cut that the majority of the Finance Committee does not bring up for us. In terms of real world consequences, the only value of this budget resolution is as a tax cut delivery device.

Sadly, as well, this budget continues the gimmickry of the last few years in connection with the annual appropriations process. We all have seen this pattern before. The budget resolution begins with an unrealistic appropriations level to pave the way for fiscally irresponsible tax cuts. The appropriators try to live within it by using one gimmick after another, and then, at the end of the year, the President and Congress negotiate a final spending package far above the levels originally provided for in the budget resolution.

I am sorry to say, we are well down that road again this year. This budget resolution advertises appropriations levels—at \$596 billion—halfway between a freeze and what is needed to fund current services. But the resolution actually gives the Appropriations Committees a much lower level than either of these with which to work. Read the fine print in section 209 of this resolution, in the numbers in function 920, and on page 2 of the committee report. As our ranking member on the Budget Committee, the distinguished Senator from New Jersey has already pointed out, there we find that this resolution actually gives the Appropriations Committee \$541 billion, the cap levels for fiscal year 2001. That is \$45 billion less than a freeze. What is this?

This is a recipe for gridlock, just like last year, and the year before. This budget resolution simply invites a giant, omnibus appropriations measure at the end of the year, instead of working our way carefully through the 13 regular appropriations measures. This budget resolution invites even more budget gimmickry than last year, in order for the appropriators to live within these unrealistic levels. And it does so simply to advance a tax cut that is too big and would stick our kids with the bill.

I would suggest, this is no way to govern. Rather than playing another year of budget chicken, Congress should work with the President to reach a consensus on fiscal policy. Rather than force a giant train wreck at the end of the year, Congress should work on a responsible budget at the beginning—right now.

Mr. President, regrettably, this budget resolution is yet another missed opportunity. I urge my colleagues to oppose it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2914

Mr. ASHCROFT. Mr. President, I believe that at this time it is appropriate for me to make remarks about the marriage penalty reduction. I am pleased to have this opportunity. I thank my colleagues for making it possible to have this time scheduled.

Before I begin my remarks, I ask unanimous consent to add Senator SESSIONS as a cosponsor of the amendment.

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

Mr. ASHCROFT. Mr. President, the budget resolution before us is a responsible framework for spending. I believe sincerely that Senator DOMENICI has done a superb job in creating this budget. He deserves our praise. His budget will fully protect Social Security over 5 years while balancing the important goals of debt reduction, tax relief, and prudent spending levels.

One of the important goals allowed by this budget resolution is the reduction of the marriage penalty. I rise in favor of the Hutchison-Ashcroft-Brownback amendment calling for marriage penalty relief.

I am happy to report that the relief called for in this amendment should be arriving very shortly. Just today, the Finance Committee filed a plan to increase the marriage penalty relief passed by the House. Some people have referred to this as a tax cut for married individuals. Frankly, I like the way Senator HUTCHISON labels this particular measure. She calls it a tax correction.

This is an effort which is designed to take some of the penalty out of being married. The Finance Committee plan, which the budget resolution anticipates, makes the income brackets for couples in the 15-percent and 28-percent tax brackets double that of single filers. It increases the standard deduction and alleviates marriage penalties in the EITC, the earned-income tax credit, and the AMT, the alternative minimum tax. This plan, passed by the committee, improves upon the initial finance bill which, in turn, improves upon the bill passed by the House.

As a result of these improvements, more people will receive more needed relief from the marriage tax penalty. We need this relief because our Tax Code discriminates against the fundamental societal value of marriage.

I would like to pause for a moment to say how important it is for us to have, as policy in this country, an approach to institutions that are crucial to our success and survival which is non-discriminatory and not hostile. I cannot think of any institution that means more to the future of the United States of America than the institution of the family. There is very little that could possibly mean more to a family than the potential of having marriages.

When we find ourselves in a setting where the Tax Code of the United

States penalizes persons for tying the knot, for becoming committed in the durable, lasting relationship of marriage, we find ourselves in a very sorry state.

We need to provide relief. We need to correct this terrible mistake in our Tax Code which discriminates against the fundamental societal value of marriage. The Tax Code simply must stop penalizing Americans just because they make the right decision and they choose to get married.

Incidentally, this isn't only a penalty on young people. Frequently, this penalty hits older Americans as well. In my home State of Missouri, there are 573,000 couples affected by the marriage penalty in the Tax Code.

This bill is a raise in pay for the 25 million hard-working families nationwide who have been paying a penalty because they have been married. It is time for us to signal to that population that no longer will we take it out on you. Because you have had the honor and the integrity and the foresight and the commitment to each other, and the good will to foster a family, no longer will we penalize you taxwise. In my own State, it will put more money in the household budgets of those half million or so married couples.

We hope to pass this needed tax relief by tax day when millions of Americans feel the tax burden most acutely.

I predict that the President, when he gets this bill, will not veto it. I predict that he will, instead, recognize the need to help keep hard-working moms and dads in a position to provide for their children and not to discriminate against them merely because they are married.

When the time comes, I believe the President will choose to liberate American families from paying an outrageous \$29 billion per year fine for being married, for having that durable lasting commitment in our culture.

I look forward to a future in America where men in this country will no longer have to visit an accountant before they ask the woman's father for the daughter's hand in marriage.

I think it is time for us to say we do not want the Government standing between individuals who might otherwise be married and charging a toll that does not just last like the few days of a marriage license but becomes a recurrent toll that, on average, in this country constitutes about \$100 a month for married couples who suffer this penalty.

I rise to support this amendment. It is an amendment that should harmonize the Tax Code of the United States with the culture of this country and with the values of this country.

It is outrageous, to say the least, that when couples want to get married they have to pay the equivalent of a tax fine or a tax penalty in order to get married.

We need to have families with durable, lasting relationships. Families are the best department of social services,

they are the best department of education, they are the best department of health and assistance that we could ever expect in a culture. They are the core of what our civilization is all about. For us to charge extra to individuals who form these families is simply wrong.

This is a measure which brings common sense to the Tax Code, as strange as that may be. We need more common sense in the Tax Code. We need less of the pernicious discrimination against wholesome, healthy institutions such as marriage.

It is with that in mind that we should work to mitigate the damage imposed on America by the marriage penalty in the tax law. As a result, we have offered this amendment and look forward to its adoption by the Senate, and eventually to its signing by the President of the United States, liberating individuals who deserve to have the resources they earned to support their families left in their hands and not confiscated as a result merely of their marriage by the Federal Government to spend in its programs.

That will be a happy day not only for the married people who will be released from this kind of penalty, but it will be a happy day for this culture because it will signal that, indeed, we favor an institution that means so much to us: long, durable, lasting relationships, through the commitment of marriage, which provides the basis for our best families. It is with that in mind we have sponsored this amendment. I look forward to its adoption.

I yield the floor.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. The Senator from Nevada is not here, so the Senator from Oregon, Mr. WYDEN, will speak, as if he were next. His time and that of Senator BRYAN will be taken off the Hutchison amendment.

I also ask unanimous consent that following Senator WYDEN and Senator BRYAN, Senator BROWNBACK be recognized for 15 minutes.

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

The Senator from Oregon is recognized.

AMENDMENT NO. 2915

Mr. WYDEN. Mr. President, the Robb amendment on prescription medicine tells senior citizens and families across this country that the Senate is listening to them.

This amendment tells those seniors and all of those families—and I have been contacted by more than 4,000—that getting prescription drug coverage for older people under Medicare is a priority of this Congress and a priority that has to be addressed now. Pass the Robb amendment and you don't get into a situation where, at the end of the session, somebody says, gee, there just wasn't enough time; we just weren't able to address that prescription drug issue; it's too bad, we will have to wait until the next Congress.

I think it is particularly important to pass the Robb amendment now because it builds on the important work, the important progress that was made in the Budget Committee.

I particularly commend my colleague from Oregon in the chair today, Senator SMITH, and also Senator SNOWE, for their courage. The two of them have worked with me and others for more than 15 months as a result of the concern of older people. We thought it was time to come together on a bipartisan basis and get this relief for older people now.

I have come to the floor more than 25 times in the last few months to describe the problem of seniors who are supposed to be taking three pills but they can only afford two. They are breaking their Lipitor capsules—the ones that help lower cholesterol and various blood pressure problems—in half because they can't afford their medicine.

So in the Budget Committee, as a result of the work of my colleague from Oregon, Senator SMITH, and Senator SNOWE, we have made a good bipartisan start. We locked in \$40 billion to spend on prescription drugs, and we said there was a sense of urgency because the Senate Finance Committee ought to act on or before September 1, and if they didn't, it would be possible to come directly to the floor of the Senate and bring this issue up so that the American people could see who was on the side of covering prescription drugs for older people.

The older people, right now, get shelled twice. Medicare isn't covering these important therapies. There is not a specialist in health care, Democrat or Republican, who would not offer this coverage if they were reinventing Medicare today. But in addition to not getting coverage, those older people and their families are subsidizing the big buyers. If you are in a small pharmacy in rural Oregon or rural Minnesota, or in another community across this country, in effect, if you don't have prescription drug coverage, you are out there subsidizing the big buyers, the health maintenance organizations and the health plans that do.

So the start we made in the Budget Committee by making sure there would be an adequate amount of money to put this program in place, to make sure we had a timetable to get the job done, so that Congress could not duck this issue and would have to see action by the Finance Committee or face the prospect early this fall of dealing with it on the floor of the Senate—that progress in the Budget Committee is something we would build on with the Robb amendment.

The Robb amendment makes it very clear that Congress cannot duck this issue, and budgets are about more than numbers; they are about more than charts and graphs and cold figures. The Robb amendment reflects the hopes and aspirations of our seniors and our working families—the ones my col-

league and friend, Senator SMITH, and I have met at townhall meetings who came to us and told us, as so many seniors have said to me: I cannot make ends meet. My Social Security went up by only a little bit, and my prescription drug bill went up hundreds of dollars during that period of time.

The Robb amendment says that we have been listening to those older people; that we understand this issue is a priority for them, this issue is so important that Congress is not going to go home until it has been addressed. I was very proud of what was done in the Budget Committee. I think my colleague from Oregon and Senator SNOWE, because of the many discussions we had, were under a tremendous amount of pressure when that discussion came up because it was a very tense moment.

I think my colleague from Oregon said it well, and the Robb amendment reflects this also: This is time to be on the right side of history. This is time to revolutionize American health care. In effect, the revolution in American health care has bypassed the Medicare program. These medicines today help older people stay well. They help folks lower their blood pressure and cholesterol. Now we have a chance, using competitive marketplace principles, to come together and put this program in place.

Senator DASCHLE has emphasized in talking to me on almost a daily basis how he wants to bring the Senate together on this issue. The chairman of the Budget Committee was very patient in working with us as we tried to deal with this issue in committee. The Robb amendment compliments those efforts, builds on those efforts by making it clear that Congress should not leave for this session until we have put this important program in place.

For the older people of this country who average 18 prescriptions a year, 20 percent of whom spend over \$1,000 a year out-of-pocket on their medicines, when they see the Robb amendment get passed by the Senate, they will say, finally, Congress is listening to us. My friend and colleague from Oregon and I have had the experience where seniors brought their bills to us at these sessions. When we pass the Robb amendment, we will make it clear to those seniors and working families that we have heard them. There is not a specialist in the health care field, Democrat or Republican, who now doesn't believe that prescription drugs ought to be part of this program. This is a chance to revolutionize American health care, to concentrate on keeping people well.

Just one brief example: If we can get anticoagulant medicines covered for older people, which is something the Robb amendment would make possible, it might cost \$1,000 a year for seniors to get help with that medicine, and we could end up saving \$100,000 in costs incurred by Part A of Medicare, the hospital program, when an older person

suffers a stroke because they could not get their medicine on an outpatient basis.

I am going to wrap up by describing what really brought this problem home to me and my friend from Oregon, Senator SMITH. We have been to Hillsboro in our State many times. Recently, I got a letter from a physician in Hillsboro who told me he had to put a senior citizen in a hospital for 6 weeks because that older person could not afford their medicine on an outpatient basis. When the physician in Hillsboro, in our home State, put the older person in the hospital, they were able to get help under Part A of Medicare, the hospital portion of the program. But the Government could have saved money with the effort that is behind the Robb amendment and what we tried to start in the Budget Committee. We could have gotten help for that senior in Hillsboro, OR, in a most cost-effective way, more quickly, and in a way that would have left the older person more comfortable because they would have been in the community rather than in a hospital.

So I only ask, as we continue this debate—and I gather it will go into tomorrow—that we focus on building on the progress that was made in the Budget Committee, to a great extent because two of my colleagues, Senator SNOWE and Senator SMITH, showed real courage in working with us. If we pass the Robb amendment, we build on that important progress and again demonstrate to the older people and the working families of this country we are listening to them.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I rise in strong support of the amendment offered by Senator ROBB, the effect of which would be to tie the consideration of any tax cut to enactment of legislation to provide a prescription drug benefit under the Medicare program.

For many in the viewing audience, this process may seem obscure and convoluted, but the budget is really an opportunity for us as a party and as individuals to make the case in terms of our priorities. We have a fundamental philosophical difference with our friends on the other side of the aisle who have offered a majority resolution which, in my judgment, does not reflect the priorities of the country.

In my view, our priorities ought to be to reduce the national debt. We have made enormous progress in the last 3 years. We have an opportunity to continue that progress.

Parenthetically, virtually every economist, as well as the Chairman of the Federal Reserve Board, has made the case to us in the Finance Committee, on which I am privileged to serve, in the Banking Committee, and generally before other committees in this Congress, that the most important thing we can do is to reduce the national debt. But I believe it is entirely

appropriate to take some of that surplus and provide a prescription drug benefit.

The budget resolution before us offered by the majority would dedicate 98 percent of that surplus to finance tax cuts. In my view, that is not an appropriate priority. The priority, in my judgment, is to provide a Medicare program with prescription drug benefits.

In 1956, when Lyndon Johnson and Congress enacted Medicare, it reflected a comparatively contemporary program. Prescription drugs were not a major part of the health care of Americans. Today, nobody would argue, if we were adopting Medicare, that it should exclude prescription drug benefits. Older Americans deserve the same benefits of modern science the rest of us enjoy.

Prescription drugs are frequently the best and indeed the only way to treat many of the diseases faced by the elderly. They have become an integral part of the health care system—every bit as important as doctor visits, hospital stays, and other health care services. Yet many seniors don't have prescription drug coverage, and most of those who do often have inadequate coverage. Thirty-four percent have no coverage at all—more than one-third of those on Medicare have no prescription drug coverage at all. And another 42 percent lack meaningful coverage. By that we mean the benefit is so modest, it still requires a substantial amount of out-of-pocket dollars to purchase the prescriptions which their physicians have prescribed for them.

Many beneficiaries have chosen managed-care plans for access to drug coverage. What is occurring is most destructive: 325,000 beneficiaries lost their HMO coverage this past year. For those who have not lost it in its entirety, many are left with very skimpy plans. Seventy-five percent of Medicare HMOs will limit coverage to less than \$1,000 this year, and 32 percent have imposed caps of less than \$500. That is not meaningful coverage.

With 22 million beneficiaries spending more than \$500 annually on prescription drugs, and drug costs topping \$9,000 for those seniors with cancer or chronic diseases such as diabetes and heart disease, the current HMO coverage can hardly be considered adequate by any standard.

Retiree coverage and Medigap are frequently no better. Retiree coverage is declining dramatically, and Medigap policies are out of reach for many seniors, with premiums averaging \$1,360 a year. Indeed, in some States premiums greatly exceed that. For example, a 75-year-old Mississippian faces a Medigap premium of \$2,379. That is a lot of money. Most beneficiaries do not have the ability to pay that.

Over half of the Medicare beneficiaries without prescription drug coverage are in the so-called middle class. I think it is important to note what we are talking about by "middle class." That is a couple earning greater than

\$17,000 annually. I don't think anyone would conclude that \$17,000 of total annual income for a couple is adequate, and few I think would consider themselves securely entrenched in the middle class if they were making \$17,000 a year combined. This is yet another reason we need universal coverage—a policy that is affordable with Medicare prescription drug benefits.

Medicare is an extremely popular program. Prior to 1965, seniors faced a great deal of uncertainty when they needed medical care. The private sector had not responded by providing adequate, affordable insurance options, and indeed almost all of the elderly in America in 1956, 35 years ago, before the enactment of Medicare, had no coverage at all. They were uninsured.

With the creation of Medicare, we made a promise to our seniors that they would have affordable, adequate health care coverage.

While the program has been immensely successful, Medicare today is in need of reform both to strengthen and to modernize the program. We have fallen behind in our commitment to those promises. We are once again faced with a situation in which the private sector has not provided adequate, affordable insurance options for prescription drugs, and three-fourths of the Medicare beneficiaries lack meaningful drug coverage.

The addition of an affordable, universal Medicare prescription drug benefit is only one step necessary in reforming the program, but it is a crucial step. Medicare prescription drug coverage is necessary to update the program and to keep pace with the times. It is critical to keep our promise—access to necessary care and protection from financial ruin—to the Nation's Medicare beneficiaries.

If we were creating Medicare today, no one would suggest we should create a program without a prescription drug benefit. Anyone who votes against this amendment will need to explain to his or her senior constituents why we, as Senators, have a prescription drug benefit but the more vulnerable seniors among us do not.

It is critically important for this Congress to provide prescription drug benefits. We have the opportunity to do so. We have the circumstances with respect to the budget that will permit us to follow our priorities of reducing the national debt and providing a prescription drug benefit as well. We should do so, and we should do so this year.

I thank the Chair.

I yield the floor.

AMENDMENT NO. 2914

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Thank you very much. I thank my colleague from Nevada for his comments.

I want to address the Hutchison amendment. I ask that my time be charged to that amendment.

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

Mr. BROWNBACK. Mr. President, I rise today to speak on the issue of the marriage penalty. And to speak in support of the pending amendment to the budget resolution offered by myself and by my colleagues, Senator KAY BAILEY HUTCHISON, and Senator JOHN ASHCROFT.

I have addressed this issue often, and I think Senators are familiar with it. This is a sense-of-the-Senate resolution.

Our sense-of-the-Senate is simple. It simply states that the Congress should pass marriage penalty tax elimination legislation that begins a phase-out of this penalty in 2001. That the marriage penalty tax legislation considered does not discriminate against stay at home spouses and that the Congress should consider this legislation before April 15, 2000.

In our resolution, we note that the marriage penalty tax affects nearly half of married couples in America.

I have a chart behind me that enumerates some of those States hit by the marriage penalty tax. You can see Kansas with 259,904; in Oregon, 329,289 couples. That is times two-plus frequently because they will have children.

We just heard from the Senator from Nevada—146,142 in that category.

You can see this is a broad-based tax, a broad-based penalty. This penalty needs to be eliminated. It is time we do it. We have the chance to do that now in this body within the next couple of weeks. I hope it doesn't get hijacked by partisanship. I hope that can be avoided so we can move on.

I applaud the chairman of the Finance Committee, Chairman ROTH, for his important work on this legislation. Last week, they considered and passed a bill providing important marriage penalty tax relief to millions of the families suffering under this. They only provide this relief in some narrow areas because the marriage penalty is throughout the Tax Code in about 66 different places. We do not get it all. We do get at key ones.

First, the standard deduction. We get 59 in that area of the marriage penalty. This year, for single taxpayers it is \$4,400. However, for a married couple filing jointly, the standard deduction is only \$7,350. Our bill is simple, clear, and fair: doubling the standard deduction, making it \$8,800 for married couples filing jointly. This change begins for filers in 2001.

Second, our bill widens the 15-percent tax bracket. Under current law, the 15-percent bracket for a single taxpayer ended at an income threshold of \$26,250; for married couples, it is \$43,850, less than double. If our bill were fully phased in this year, the 15-percent bracket would extend upward to an income of \$52,500. In other words, it doubles the 15-percent bracket. Whether single, or married and filing together, taxpayers get the same total amount that fits under the 15-percent bracket. Again, it seems fair and equitable to do it that way.

Third, our bill applies the same principle of bracket widening to the 28-percent bracket as I enumerated and listed in the 15-percent bracket.

Fourth, our bill increases the phase-out range for the earned-income tax credit. This is another way that most people do not realize that the marriage penalty is impacting couples. The low-income families with children can incur a significant marriage penalty because of current limits on the earned-income tax credit. If both spouses work, the phaseout of the EITC on the basis of their combined income can and does lead to the loss of some or all of the EITC benefits to which they would be entitled as singles. Our bill works to begin fixing this problem, as well. Our bill helps families at all income levels.

Finally, our bill permanently extends the provision that allows the personal nonrefundable credits to offset both the regular tax and the minimum tax.

That is the nuts and bolts. I think the best way to talk about the marriage penalty is from people who contact my office and write in, the people I meet with who talk about the marriage tax penalty. They are fed up with it. They don't see it as fair; it doesn't make sense. They wonder why on Earth their Government penalizes them for the privilege of being married; Isn't it tough enough without this?

Listen to some of the letters I have received. They are clear in asking: Why am I being penalized for being married?

TOPEKA, KS.

DEAR SENATOR BROWNBACK, I am a college student at Washburn University. My girlfriend and I have been thinking about getting married for several months.

As part of the planning we went through our finances. I checked our taxes and found that if we were married this year, we would have paid \$200 extra in Federal taxes.

Granted that may not sound like much, but at \$9 and change an hour, \$200 is a lot of money.

I calculated how much we could be making in a few years and found that we will pay \$600 more for being married than just shackling up.

Basically, we have to pay \$600 for the privilege of being married.

I always thought the government tried to reward constructive, positive behavior through the tax code, but it is punishing one of the most socially stabilizing behaviors, marriage.

We don't think we or anybody else should be punished for being married and hope you can do something about it.

DAVID.

DEAR SENATOR BROWNBACK: I am writing to express my support for The Marriage Tax Elimination Act recently passed in the House of Representatives and to urge you to vote in support of this measure when it comes to the Senate.

This legislation would address a serious inequity in current tax law by eliminating the disparity that exists with respect to the total "standard deduction" allowed two married taxpayers versus the total "standard deduction" allowed two single taxpayers. Tax policy should not discriminate either in favor of or against two individuals with respect to their decision to be married (or not be married). Rather, the same total itemized

deduction amount should be allowed married taxpayers who choose to file jointly as two individuals who file separately.

Thank you for your attention to this matter.

Sincerely,

MARK.

That is basic and makes pretty good sense.

Another letter:

DEAR SENATOR BROWNBACK: I would like to thank you for expressing your ideas and opinions on the marriage penalty tax to the senate on behalf of the Kansas taxpayers.

Doubling the standard deduction for married couples, and doing so as quickly as possible, lessens the blow with which nearly 21 million couples are hit every year. I have seen many people struggle with their taxes each year and I am writing on behalf of these people to recognize you for your tremendous effort to make their lives easier.

I have a number of letters from different individuals. Any Member in this body checking their e-mail inbox will find the exact same thing. People know about the tax and don't think it is fair and we cannot explain why it is right because it isn't right.

It is time we do away with this penalty. We have a chance this week to pass the budget resolution and to send a sense-of-the-Senate resolution to the rest of the body next week to pass this bill. This is only a prelude to next week when we get a chance to actually pass the elimination of the marriage penalty.

I call on my colleagues to support this underlying resolution by Senator HUTCHISON from Texas, Senator ASHCROFT, and myself, and next week to vote in favor of eliminating the marriage penalty. It is time to do it.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. KYL. Mr. President, I will comment briefly on the budget resolution generally, but I also recognize Senator HUTCHISON, primarily, and many others who have been working a long time for the repeal of the marriage penalty which this budget accommodates.

We will have a historic vote in the Senate tomorrow morning. I think our leadership—the Senator in the Chair, the Senator from Texas, and many others—deserves a lot of credit for bringing to fruition our efforts to eliminate this marriage tax penalty. I think tomorrow, as a result, will be a historic day.

The budget resolution that we began considering will result in a balanced Federal budget now for the third year in a row. As in the budgets of the past 2 years, it will also balance the budget without relying on one dime of the Social Security surplus. The last time Congress balanced the budget 3 years in a row without raiding the Social Se-

curity trust fund was in the period of 1947 to 1949. Again, I think this will be a historic year.

It is worth recalling where we were only 5 short years ago, to put this in perspective. At that time, President Clinton, after shepherding through the largest tax increase in the history of our country, sent Congress a budget in 1995 that would have spent every penny of the Social Security surplus and still left annual deficits stuck at about \$200 billion for the foreseeable future. That includes this year. In other words, the Clinton tax increase of 1993 only paid for new spending. According to the President's own budget in 1995, it did not bring and never would bring the budget even close to balance.

The Clinton budget of five years ago projected a deficit that would have amounted to roughly \$289 billion this year alone, not counting Social Security. I recall that the Senate unanimously rejected this proposal on May 19, 1995. Congress then went on to chart a different course, and, as a result, we managed to balance the budget, protect the Social Security surplus, begin paying down the public debt, provide modest tax relief, and free up additional resources to devote to other national priorities, like health care, education, and defense. Balance was even achieved four years earlier than initially anticipated under the alternative budget we adopted in 1995.

But there is still much to do. The resolution reported by the Budget Committee builds upon past progress by ensuring that we will protect the entire \$976 billion surplus that is expected to accrue to the Social Security trust fund over the next five years. Setting this precedent against using the Social Security surplus for other things is perhaps Congress' greatest accomplishment during the last two years.

The FY2001 budget would cut the public debt by an additional \$184 billion in fiscal year 2001, and by nearly \$1 trillion over the five-year period. It would accommodate a modest amount of tax relief—\$13 billion next year—still leaving over \$2 trillion flowing to the Treasury. After accounting for the proposed tax relief, non-Social Security surpluses would still amount to \$8 billion next year and \$20 billion over the next five years.

Let me stop for a moment to discuss taxes more fully. According to the non-partisan Tax Foundation, the total tax burden dipped slightly in 1998. That's the good news. The bad news is that Americans still spent more on federal taxes than on any of the other major items in their household budgets. For the median-income, two-earner family, federal taxes amounted to 39 percent of the family budget—more than what they spent on food, housing, and medical care combined.

According to the Tax Foundation, the total tax burden is still very high in historical terms. In 1955, the total tax burden was about 17.9 percent compared to the 39 percent it totalled in

1998. The largest growth occurred in payroll taxes, and state and local taxes. Adjusting for inflation, the total of all taxes paid by the two-earner family in 1998 was 4.9 times greater than in 1955.

These year-to-year comparisons provide a useful gauge, but ultimately, the goal should be to set tax rates as low as possible after the federal government has met its obligations. The substantial surpluses that are projected alone suggest that we can and should provide additional tax relief.

Another observation: According to Census Bureau data, the labor-force participation of married women, as a proportion of all married women, has nearly tripled from 23 percent in 1951 to 62 percent in 1997. Some of that increase, no doubt, can be attributed to women pursuing their career goals, and that is a good thing. We want our mothers, wives, and daughters to pursue their dreams and fulfill themselves in the workplace. But I suspect that a good part of the increase can also be attributed to the need for many families to earn extra income to pay their bills, including their tax bill.

More people in the labor force means that tax rates do not have to rise substantially to produce more revenue for the government. But when more families have to have two wage earners because they cannot make ends meet, no one is left home with the kids. That is not such a good thing. Providing tax relief will give more families the choice and opportunity to have one parent stay home to raise the children.

As for defense, the increase allowed in the Committee budget is certainly not enough to repair the harm done by the Clinton Administration's underfunding in previous years, but it builds upon the start we made last year.

Since the fall of the Berlin Wall 10 years ago, the strength of our nation's military forces has shrunk from 2.1 million to slightly under 1.4 million active-duty troops. Spending on the military has declined 29 percent since 1989, while spending on almost all other areas of government has gone up. Defense spending has shrunk at the same time that our military has increasingly been called upon to carry out global peacekeeping, domestic disaster relief, the war on drugs, and other less traditional missions.

While many of these objectives are important, they are often pursued without regard to the wear and tear they inflict on our troops and equipment. If we continue to simultaneously increase demand on our forces and cut their budget, we will leave our country vulnerable to potential aggressors. Indeed, according to a review conducted last year by the Pentagon, the U.S. could not today muster a force equal to that which won the 1991 Persian Gulf War so rapidly and decisively.

Last year, Congress reversed this trend by approving an \$18 billion increase in defense spending to: improve the pay and benefits necessary to at-

tract and keep qualified people in uniform; purchase badly needed new equipment, spare parts, and maintenance; improve training; and defend the United States from the growing threat of ballistic missile attack. Yet even this increase merely kept defense spending on pace with inflation.

So the Budget Committee's recommendation to put more money toward defense in this next budget represents a step in the right direction and a good effort to set priorities.

The Committee identified other high priorities, as well, and recommended allocating significant increases toward them. For example, the Committee budget would fund education at a level that is \$13 billion higher than last year—\$600 million more than the President requested. It would increase spending on veterans health by \$1.1 billion, and provide a like increase for the National Institutes of Health for medical research. It would reserve \$40 billion over five years for a new Medicare prescription drug benefit. These are things the American people are telling us are most important to them and they want funded. We do that, in this budget.

Of course, providing these increases in high priority areas will mean that spending on other, less important activities will have to be restrained. But unless we want to return to the days when Congress raided Social Security to pay for other programs, or to the days of big budget deficits, prioritizing spending is key. We have come too far to abandon the discipline that has finally restored some order to the budget process.

I will conclude by talking just briefly about one other aspect of this resolution. To ensure that we ultimately do what we say is intended here, the budget includes some important enforcement provisions. It would establish a 60-vote point order—that is, it would effectively require a supermajority vote to run an on-budget deficit and thus make it harder to raid Social Security in the future. It would similarly require a supermajority vote to declare spending as an emergency that is exempt from spending limits. It would establish a firewall to ensure that we abide by spending limits for defense and non-defense activities. And finally, it would make it much harder to shift appropriations into future years in order to avoid current-year spending limits.

I commend the Chairman and members of the Budget Committee for their work on this resolution, and particularly acknowledge the work of Senators GRAMM, NICKLES, GREGG, and GRAMS, who helped hold the line on spending and ensure that many of the budget gimmicks employed by Congress and the President in recent years were not employed again. As a result of their efforts, I think we have a much better budget.

I urge support for this spending plan.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I ask unanimous consent to speak in morning business for up to 20 minutes.

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

Mr. KYL. Mr. President, might I ask what the subject matter is?

Mr. KERREY. Nuclear weapons, the Senator's favorite subject.

Mr. KYL. I have no objection.

The PRESIDING OFFICER. Without objection.

Mr. KYL. Mr. President, might I ask the indulgence of the Senator from Nebraska to read some brief remarks for the leader regarding the remainder of the day?

Mr. KERREY. I am pleased to yield the floor.

MORNING BUSINESS

Mr. KYL. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

FAIRNESS IN ASBESTOS COMPENSATION ACT

Mr. LOTT. Mr. President, I have been asked whether I intend to call up for consideration on the Senate floor legislation that has been introduced in the Senate with respect to asbestos. After conferring with the chairman of the Senate Judiciary Committee, and the chairman of the subcommittee with jurisdiction of this issue, it is clear that a markup has not yet been scheduled, and that extensive work would be needed before the bill is ready for Senate floor action. I have also conferred with the sponsor of the bill who informs me that since the bill was introduced, the consensus regarding this legislation, S. 758, between industry, the plaintiffs, and other concerned parties, and among industry itself, appears to have deteriorated substantially. This bill is not ready for Senate floor action. The Senate will soon be occupied with budget, appropriations, tax and other legislation. For these reasons, and in all candor, the necessary floor time will not be available to act on the Senate asbestos bill this year.

Mr. ASHCROFT. Mr. President, I appreciate the majority leader's comments and candor on this issue.

Last year I introduced S. 758, the Fairness in Asbestos Compensation Act in response to two Supreme Court rulings urging Congress to act on national legislation that would fairly and efficiently compensate victims of asbestos. As U.S. Supreme Court Justice David Souter wrote for the court in *Ortiz* versus *Fibreboard*: "The elephantine mass of asbestos cases . . . defies customary judicial administration and calls for national legislation . . . to date Congress has not responded."

It was my hope that this bill could serve to bring all parties together to