

this or that about ethanol and this or that regarding helping different people, different groups. Sometimes people voting for the bill got all kinds of things implanted in the bill. That was nice. I am sure they were good things.

How does that compare to the real possibility of setting America virtually free economically, establishing our economic dominance for all time by retiring the national debt? Think how the markets would respond to that. Think how capital overseas would flow into our markets, further enabling us to go out and build an even stronger America, close the digital divide, to give everybody an equal opportunity—not guaranteeing that everybody succeeds but guaranteeing everybody has at least a chance to succeed.

I cannot allow NIH, Head Start, or education programs to take the tremendous reductions from their current level of funding by the Federal Government that would be required under the Republican tax cut. It is phenomenal to me that people have not focused on this consequence of that \$792 billion tax cut, a tax cut basically for the rich who already have it, who have already gained by the system, who have already gained through the last 8 years by the stock market increase.

What about the people who are working hard and who would receive a \$188 tax increase compared to a \$700 or \$800 tax increase for people who are very wealthy? I ask my colleagues to think about fairness. I ask my colleagues to think about the consequences of a \$792 billion tax cut, and I ask my colleagues above all and finally to think about the absolutely extraordinary power of what would happen in this country if we actually reduced the national deficit to virtually zero—deficit and then debt. We can do both. Therefore, we shouldn't do the Republican tax cut.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I ask unanimous consent to proceed as in morning business for 15 minutes.

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

TAXES

Mr. DURBIN. Mr. President, I commend the Senator from West Virginia. His has been a lonely struggle on the Senate Finance Committee in the minority. I know what he has said today on the Senate floor is an expression of his personal commitment and philosophy in the Senate Finance Committee.

It is such an alluring possibility for politicians to vote for tax cuts. Can you think of two more exciting words for politicians to say other than: I'm going to cut your taxes—tax cuts? Yet we know it may not be the most responsible thing to do on behalf of families across America and the state of our economy.

What the Senator from West Virginia has said during the course of his re-

marks bears repeating. Look to the question of fairness. We have heard statements on the floor from Members of the Senate who have suggested that taxes have gone up on American families.

It is interesting that when looking at facts we find something different. A median-income family of four currently pays less Federal taxes as a percentage of its income than at any time in the last 20 years.

This data comes from the Treasury Department and the Congressional Budget Office. Lower-income families at one-half the median income level face a Federal tax burden which is the lowest in 31 years, according to the Treasury Department. A family of four can make up to as much as \$28,000 a year without paying Federal income taxes. For a family of four at twice median income, that would put them in the middle-income category. The average Federal tax rate will be its lowest in over a decade.

That is not to suggest families do not face a tax burden. They do. Many still pay the payroll taxes, some Federal income taxes, and State and local taxes.

The general increase in revenue to the Federal Treasury really is evidence of a strong economy where people are working, making more money, and perhaps doing better in the stock market than they had in previous years.

When we talk about tax fairness, many of us believe if there is to be any tax cut, it should be directed to the people in the lower- and middle-income groups. Those are the first who should be served.

This chart illustrates what I mentioned earlier.

Mr. ROCKEFELLER. Will the Senator yield?

Mr. DURBIN. I will be happy to yield.

Mr. ROCKEFELLER. I have one quick point. People say we ought to have a tax cut and we ought to give it back to the people who earned it. In other words, it is not the Government's money; it is their money.

I think one thing is interesting: How much is it their money as opposed to their children's money and their children's children's money. In other words, when we talk about protecting money for future programs, such as Social Security and Medicare, we are not just talking about those who pay taxes, whether they be rich or poor, but whether or not their children and their children's children are going to have a reasonable shot at life. It is not just that we do not have money because we are living now and others are not, but we have to keep looking toward the future and our responsibility to that future; is that not right?

Mr. DURBIN. The Senator from West Virginia hits the nail on the head. If we were to abandon our commitment to education, for example, in the country, it would be the most shortsighted thing in the world. It may reduce Government spending; yes, it may reduce taxation; but does anyone believe

America would be a better country for it? I certainly do not.

When we say to families we can give them a tax break this year, a tax cut this year or we can take the money and reduce the national debt, and by reducing that debt say to their children and their grandchildren, you are going to have less to pay in taxes for interest on the debt we accumulated in our lifetime, that to me is the most popular thing I have found as I have gone around the State of Illinois.

People are saying: Senator, before you start talking about new programs or massive tax breaks primarily for wealthy people, shouldn't you accept your responsibility to bring down this national debt that is over \$5 trillion, a national debt that costs us \$1 billion a day in interest payments that are paid primarily to foreigners who hold the national debt of the United States in Treasury securities and the like?

That to me is eminently sensible because when that debt comes down, we reduce the need for \$1 billion a day in taxes being collected across America for interest and we reduce the Federal demand for money. When the Federal demand for money goes down, the cost of money—that is, the interest rate—comes down. Families benefit twofold: There is less of a burden when it comes to taxes for interest and paying off the national debt and lower interest rates, which means homes are more affordable and small businesses and farmers can at a lower cost borrow money necessary for their businesses. That to me is a sensible approach. In fact, let me go out on a limb and say it is a conservative approach.

The Democratic plan we are putting forward is the fiscally conservative approach to deal with the national debt. I am heartened by the earlier statement of the Republican Senator from Ohio when he agreed with us. He believes, as I do and as Chairman Alan Greenspan of the Federal Reserve Board has said, that our first priority should be the elimination of that debt and keeping our commitment to Social Security and Medicare.

Do not be misled as you hear some of my colleagues say we have \$3 trillion in surplus and we ought to be able to at least give a third of it back to the American people. They do not tell you the whole story. Almost \$2 trillion, \$1.9 trillion of the \$3 trillion, is really money that we virtually all agree should be dedicated to Social Security. We do not want to raid the Social Security trust fund. People have that money taken out of their payroll for the purpose of making certain Social Security is there in the future. Those who are counting that as some sort of surplus really are not dealing fairly with the most important social program in America. So take off the table of this \$3 trillion surplus \$1.9 trillion, leaving you a little over a trillion dollars.

Of that amount, how much are we going to dedicate for some very important things—paying down the debt or

Medicare? The Medicare system, if we do not touch it, by the year 2015, is going to be out of money. We have to decide whether or not we will dedicate a portion of our surplus to Medicare. Do we need to do more for Medicare? Of course, we do. Beyond giving money to retire the debt and Medicare, we have to make some structural changes that may be painful, but they will be ever so much more painful if we do not dedicate a portion of our surplus to Medicare.

Also, we have to look to the basic needs of Government. The Senator from West Virginia has made this point. Every American expects the Federal Government to meet certain responsibilities:

National defense, of course; transportation.

We know what the Interstate Highway System has brought to America and the demands for a more modern transportation system in every State—better highways, mass transit.

Fighting crime: The Federal Government played an important role with 100,000 new cops, and we will continue that.

The whole question of what we are going to do in the area of medical research.

I commend my colleague, the Senator from West Virginia. It is an area near and dear to the hearts of everyone with whom I have spoken that the Federal Government press forward looking for cures for asthma, diabetes, cancer, heart disease, AIDS, and the many things that challenge us and our families.

We expect that Federal commitment and other regulatory responsibilities. When we open that medicine cabinet, we hope, the Food and Drug Administration has done its job, that every prescription drug there is safe and effective and that they have money to do it. The food we eat is still the safest in the world and will continue to be.

If we go down the track that is proposed by the Republicans in their trillion-dollar tax cut, we literally will imperil these programs. It is a fact of life. It will be Pollyanna-ish to suggest we can make a cut of \$180 billion a year, as the Republicans have proposed, without having some impact on veterans programs, on Head Start, on transportation, and medical research. That becomes a major part of this discussion.

Let's take a look for a moment, if you will, at what some of the economists have said about the Republican tax bill. Fifty economists, including six Nobel laureates, have said:

An ever-growing tax cut would drain Government resources just when the aging of the population starts to put substantial stress on Social Security and Medicare.

That, of course, means as we have more and more people reaching retirement age and wanting to live their lives comfortably and independently, Social Security and Medicare absolutely have to be there.

The Republican approach to this, sad to report, not only does not protect the Social Security trust fund; if you will look at this chart, when it gets into the red ink, it means the Republican tax break plan has finally broken through and started using money from the Social Security trust fund. At the year 2005, the Republican tax breaks would raid the Social Security surplus. After all of the speeches they have given about lockboxes and protecting Social Security, they in fact turn to that money and pull it out in 2005, for what? To give tax breaks to the wealthiest among us.

There is a commentator named Kevin Phillips who for years was identified as a Republican. I do not know what his partisan identification is, honestly, but I can tell you what he had to say yesterday on National Public Radio. It is something that every American should hear. He was introduced by Bob Edwards, a familiar voice on National Public Radio, who said:

The Republican Party last week had its tax reduction proposal passed by the House of Representatives. Commentator Kevin Phillips says it's the most unsound fiscal legislation of the last half century.

I go on to read quotes from Mr. Phillips.

... that's because the cuts are predicated on federal budget surpluses so far out, six, eight or ten years, that it would take an astrologer, not an economist, to predict federal revenues.

He goes on to talk about the fairness of the tax cuts. Kevin Phillips:

... Democrats are certainly correct about the imbalance of benefits by income group. Treasury figures show that the top 1 percent of families, just 1 percent, would get 33 percent of the dollar cuts, the bottom 60 percent of families get a mere 7 percent.

So if you are in the category of a Donald Trump or a Bill Gates, or someone else, this is worth a lot of money. The Republican tax break plan literally could mean \$10-, \$20-, or \$30,000 a year. But if you are a working family, struggling to make ends meet, putting some money together for your kid's college education or your own retirement, it turns out to be in the neighborhood of \$20 or \$30 a year. That, unfortunately, says a lot about what the Republican proposal would mean to the average family. To endanger our economic expansion, to possibly raise interest rates on home mortgages, business loans and farmers' loans, and to provide tax breaks which are amusing, at best, for average working families, that does not sound like a very sound deal.

The Senator from West Virginia made the point, and effectively. We should be dedicating these funds to retiring this national debt. It is still hard to believe that only 2 years ago we were talking about amending the Constitution for a balanced budget amendment because we were so hopelessly ensnared by deficits—it was the only way out. Now we are talking about giving money away at such a fast pace that

we can endanger the economic recovery we have seen in the United States.

Let me read Kevin Phillips' conclusion in his remarks on National Public Radio's "Morning Edition" on Monday, July 26:

We can fairly call the House legislation the most outrageous tax package in the last 50 years. It's worse than the 1981 excesses, you have to go back to 1948, when the Republican 80th Congress sent a kindred bill to President Harry Truman. Truman vetoed it, calling the Republicans bloodsuckers, with offices on Wall Street.

Not my words—Kevin Phillips'.

Not only did [Truman] win reelection, but the Democrats recaptured Congress.

I think that puts it in a perspective that we should all be willing to acknowledge. If we are going to deal responsibly with tax cuts for working families, we have to do it in a way that does not tip the scales too heavily on the side of the wealthiest in America.

This is a good illustration: For the top 1 percent of wage earners in America, under the Republican tax break plan, a \$22,964 average payment; for the bottom 60 percent, families making less than \$38,200 a year—hold on to your hats, America—the Republican tax break plan gives you \$139. That is a little over \$10 a month. But look what Bill Gates and other folks are coming out with. It is the same old story.

Take a look at when the Republican tax break plan starts to bite. If you are in the baby boom generation, thinking about an idyllic retirement someday, right about the time you start to retire, the Republican tax breaks explode.

What does it mean? It means that, frankly, there will be less money around for the basics of life that we expect from the Federal Government. It is hard to imagine that we are in a position, as we are today with this economic expansion, of jeopardizing it with this kind of a tax break plan. I think it is far better for us to take an approach which the President and the Democrats support—I am beginning to believe some Republicans support—which suggests that our priorities should include Medicare, Social Security, and paying down the national debt.

The Republican approach literally provides no money, no money whatsoever, for us to take care of our Medicare obligation. I think it is just disingenuous for the Republicans to argue that they are only spending 25 percent of the surplus because we know that the unified surplus is, in fact, including the \$1.9 trillion in Social Security trust funds. They talk a lot about lockboxes and protecting Social Security, and yet when it comes right down to it, when you look at the money available outside of Social Security, the actual surplus that we hope to imagine, 97 percent of it goes to the Republican tax cut and little or no money for Medicare and other national priorities.

This debate this week is critically important for all American families to

sustain the economic expansion which we have seen for the last 7 years.

I yield back the remainder of my time.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I ask unanimous consent that I be allowed to speak for 10 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT addressed the Chair.

Mr. ROCKEFELLER. I yield to the majority leader.

Mr. LOTT. I thank the Senator for yielding.

We are working on a unanimous consent request that we might want to try to get cleared in the next 6 or 7 minutes. So if that should occur, I would ask the Senator to yield me time to do that. But we would do it in such a way where his remarks would not be interrupted.

I thank the Senator for yielding to me.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank the majority leader for his courtesy.

VETERANS HEALTH CARE

Mr. ROCKEFELLER. Mr. President, I had not expected to talk this afternoon. But I am here. The Senator from West Virginia is here. I am the ranking Democrat on the Veterans' Committee. I am overwhelmed with the sense of urgency, and almost despair, about the condition of health care for veterans in our country.

Because of caps, the veterans health care budget, which is really the most important part of the veterans operation—benefits are important but what they really care about is, is health care going to be there if they need it?—has been flat-lined for the next 5 years. By flat-lined, I mean there is no increase. Even though there are more expenses, there is more requirement for their services, there is no more money.

The Veterans' Administration is the largest health care system in the country. The only difference from any other health care system is that it is entirely a Government health care system. Therefore, the Government determines what it can spend and what it cannot spend. Unlike the private health care systems, it cannot spend a dime over what it is appropriated. So the Balanced Budget Act of 1997, which capped all discretionary programs—which said they could not increase—obviously, therefore, included the veterans health care budget.

I cannot tell you the damage that is being done to our veterans across this country. We talk about veterans, and we talk about them in very florid terms because they deserve that. Those who use the veterans hospitals, who have been in combat, who have sac-

rificed for their country—America kind of entered into a compact and said that these people will be treated with a special respect, special honor, and special care, and that they will get the health care they need under all conditions and at any time.

The Republican tax cut, along with any other that might be suggested, including the one that is being talked about at \$500 billion, would make a mockery of that commitment to the American veteran. I want people to understand that very clearly.

I will talk specifically about some particular types of needs, such as spinal cord injuries, injuries resulting in blindness or amputations, post-traumatic stress disorder. Beginning in October of last year, I asked my committee staff to undertake an oversight project to determine if the Veterans' Administration is, in fact, maintaining their ability to care for veterans with these kinds of special needs.

PTSD, posttraumatic stress disorder, we always associated with the Vietnam war. We have discovered it is not just that war; it is the gulf war, it is the Korean war, it is the Second World War, and it even goes back to the First World War. It is an enormous problem and a special need.

This oversight project, which I asked my staff to do, reviewed 57 specialized programs housed in 22 places around the country.

I say at the outset that the VA specialized services are staffed with incredibly dedicated workers, people who could be working for higher pay in private situations, private hospitals. They are trying to do more, and they are trying to do it with increasingly less. They are often frustrated in their desire to provide the high-quality services that they went to the Veterans' Administration to provide in the first place. I salute them.

I will mention three of the findings in this oversight effort, and then that is all I will do.

First, the Veterans' Administration is not maintaining capacity in a number of specialized programs and is barely maintaining capacity in a number of others. Despite resource money shortfalls, field personnel have been able—but just barely—to maintain the level of services in Veterans' Administration prosthetics, blind rehabilitation, and spinal cord injury programs.

Staffing and funding reductions have been replete. The VA's mental health programs are no longer strong. For example, my staff found that veterans are waiting an average of 5 and a half months to enter posttraumatic stress disorder programs. This is completely unacceptable for a veteran.

Secondly, the VA is not providing the same level of services in all of its facilities. There is wide variation. Staff found this variation from site to site in capacity in how services are provided. The availability of services to veterans seems to depend on where they reside, not what they have done but where

they reside. In my view, all veterans are entitled to the same quality of service regardless of whether they live in West Chester County or in Berkeley, WV. It should make no difference. They all have suffered the rigors of combat. They have all earned it. We promised it to them. We are not delivering it to them.

Third, and finally, competing pressures on Veterans' Administration managers make it virtually impossible for them to maintain their specialized medical program. Hospital administrators particularly are being buffeted by competing demands because from central headquarters comes the lack of money, from the veterans comes the demand for services, which used to be there and which now aren't, and they are, therefore, caught in the middle. In many cases, they are suffering across-the-board cuts and have been for a number of years.

I can tell Senators that under neither Democratic nor Republican administrations has the veterans' health care program been adequately funded and funded up to the cost-of-living increase and the so-called inflationary aspect, which reflects what actually true health care represents. We are robbing Peter to pay Paul in many of our veterans' hospitals and to maintain other services on which a higher priority is placed.

Mental health services, I come back to it. Why is it in this country that we will not put down mental health as a disease? Why is it we do not consider it as a medical condition? Why is it that we put it off in the category of human behavior as opposed to something that has a cause in something, such as posttraumatic stress disorder. For veterans, to blindside mental health, to push mental health to the side is beyond comprehension and beyond humanity.

In summary, it is imperative that we all understand what the budget crunch has meant to each VA health service. I say all of this because, again, of the \$792 billion tax cut. If that takes place, everything I have talked about not only continues to be true but grows somewhere between 15 and 30 percent worse, not if we are to increase programs, but taking already that we are funding below where programs ought to be, where we have shortchanged veterans' health care services for years, and now we are going to cut billions and billions of more dollars out of that over these next years. That is absolutely intolerable.

I ask unanimous consent to print a copy of the summary of the committee minority staff report in the RECORD at this point.

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

MINORITY STAFF REVIEW OF VA PROGRAMS FOR VETERANS WITH SPECIAL NEEDS BACKGROUND

From its inception, the Department of Veterans Affairs (VA) health care system has