

**FOR IMMEDIATE RELEASE**  
February 10, 2006

**CONTACT:** Laura Capps/Melissa Wagoner  
(202) 224-2633

**SENATOR KENNEDY'S FLOOR STATEMENT ON PRESIDENT BUSH'S BUDGET CUTS  
AS PREPARED FOR DELIVERY**

I thank the chair. Mr. President, I want to talk for a few moments about the budget that has been submitted by this administration in the last few days and how it addresses the needs of the people of this country, or how it fails to address those needs. Effectively, what we are being asked in that budget that the President has set up, that we are going to see very serious and significant decline in supporting some enormously needed programs that help and provide opportunities for so many of our people in this country such as education programs and health programs. In order that we provide a tax break for individual Americans up to \$46 billion this year. That's what a budget is about, about priorities and Mr. President, when I go back to Massachusetts, one of the first orders of business that people are talking to me about is, what in the world did the congress ever do in passing that prescription drug program?

Mr. President, I take pride in the fact that we passed here in the United States Senate a very good prescription drug program with Senators Grassley and Baucus, and we received over 70 votes here in the United States Senate and we built it on the Medicare system. The Medicare system, which is tried, tested and depended upon by millions of Americans. Medicare which was defeated in 1965 and accepted in 1965 in the United States Senate and right after that they accepted the Medicaid program to look after the neediest people in our society, primarily children and women, to take care of the poorest of the poor. Those programs were implemented in 11 months. It's been over a year for this program to be implemented and they didn't have a computer in 1965 to work on it, because it worked on a principle of building on a Medicare system similar to social security. American people had confidence in it and it worked. Well, we went to conference with the House of Representatives and that is when the influence of the insurance and drug industry came to play. They basically hijacked what was going to be a drug program for the senior citizens and drafted that to serve not the senior citizens but to serve the special interests. And I opposed that here on the floor of the Senate, our Republican friends forced that on through and now it is chaos in my state of Massachusetts with the prescription drug program. Why at least didn't our Republican friends say all right, let's have some real competition? Let's put the private sector and Medicare and let them compete and let our senior citizens make the choice. Do you think they would do that? No. They wouldn't bring a program back here that was built on the Medicare system. They wouldn't permit the citizens in my state make a choice.

They say we trust Medicare, it provides for our doctor's bills, it provides for our hospitalization. In 1964 and 1965, when you passed that, you didn't include prescription drugs because 97% of the private sector didn't include drugs. Why didn't we do the prescription drug program just like we did the Medicare program? Simple, workable, understandable, finished. No, no, we can't do that. We have to do it through a different way. We're going to have, instead of the Medicare system which is tried and tested and people understand, we're going to give the seniors of Massachusetts 45 different programs with different co-pays, different formularies, different deductibles and there's mass confusion Mr. President with that program. Not only is there mass confusion but you have extraordinary circumstance that when a senior says I like this formulary can I afford this deductible, I can afford this co-pay I think I'll go into this because of the cost of prescription drugs, they sign into it. Enormously interesting fact is that the company who they sign up with can change their formulary, can change the deductible and co-pay. Do you think the senior can get out of that program without paying a penalty? Of course they can't. What kind of business is it? They feel that the private sector can do it so well why don't we have competition? Why did we have to provide a 7% inflator coast for

all the H.M.O.s when people in HMOs are 8% healthier than they are in Medicare, add that together, 15% more if you're in the H.M.O. than if you're in a Medicare system. Why? Well, if that is the private sector, why isn't the private sector able to compete? Because this amounts to about a \$46 billion subsidy. Do you hear me? \$46 billion subsidy. Just like it is about \$139 billion subsidy for the drug industry. People wonder why the co-payments are higher. There it is, my friends. With all the reform we hear about out here, do you think we're going to get a chance to support a change in that program by just adding, build it on Medicare. Let's just do that. Let's just add that. Have a real even competition and see what happens out there, many of my colleagues feel that way. We're going to press to try to do it. The point I'm making, Mr. President, is I care deeply about these asbestos victims. It's enormously important we get it right. This bill doesn't do it. But we are not in this congress on a Friday at ten minutes of eleven, an empty chamber, why aren't we dealing with the challenges and the problems of the people back at home? I can tell you what they are concerned about. Why aren't we debating this Medicare? Today, this afternoon, why are we so busy with what we're doing and not dealing with this issue?

Why aren't we dealing with the home heating oil and the priorities for this? Here we have the President in his budget has recommended for this year \$500 million less for home heating oil than even last year with record profits of the oil industry. Unconscionable profits of the oil industry paid for by who? Average Americans. Unconscionable. Why doesn't this President today on Friday bring head of corporations, bring in the executives of oil companies saying you've drunk from that trough long enough. There's people in New England and around this country that can't afford on a fixed income with the explosions of the costs because of the war in Iraq. \$60 oil barrels. They didn't have anything to do with it and the oil companies are reaping profit because we have a challenge of turmoil in the Middle East. We're doing nothing about that this afternoon except facing a budget that's going to make it more difficult. In my state the average home uses three tankfulls a year, three tankfulls a year of oil they are getting those, the neediest in our state that qualify for this program they are going to get one tank full. What is the prospect for next year with the home heating oil crisis that we have today, they are not going to get a full tank for the next year.

Mr. President, we're talking about priorities. We're just giving you the examples of what has been happening in terms of cost of the LIHEAP and fuel assistance programs. Here are the costs going right up through the roof and we've got the challenges that we have been facing out in the Middle East. Why are people so concerned about a corruption of culture that has taken over here in Washington? Why are they so concerned about lobbyists? Why are they so concerned about special interests? We have that debate, we're going to try and get action on this, which I will certainly support what we haven't talked about is what those lobbyists have been doing, what the impact has been on various programs that are affecting working families in the middle class.

I'll give you one example: Higher Education. The bill that came out of the United States Senate had \$8 billion in student aid. The bill that came out of Conference had \$3.8 billion in student aid and provided \$12 billion in tax breaks for the wealthy people of this country. I call that a tax on middle class people, my friends, in order to give a tax break to the wealthiest individuals. The lobbyists were able to make the student loan program work for the banks and the wealthy in this country at the expense of the middle income families who are paying those debts now for their children to go on to college. In my state, the majority of the children that go to college get student aid and assistance. They need these programs. We've seen an explosion of student loans in the last five or seven years. Who has been working on that and profiting from it? It has been the banks. There's that cozy relationship that exists now with Sallie Mae and the loan industries that pay their executives hundreds of thousands of dollars, contribute millions and millions of dollars, and they are getting their way. The American people ought to understand that lobbying has direct results.

President Bush, in his last campaign and his campaign previously, said we were going to get Pell Grants up to \$5,100. In last year's budget, he only had it going up to \$4,500 over 5 years. Do you

think that even \$4,500 is in his budget this year? No. Do you think that's in there? No.

So, Mr. President, if you're talking about what is bothering people, talking about even the issues in today's newspapers, here it is: mining fines among the smallest- laws limit size and allow reduction. This is the difference between the mine penalties and the fines that are paid for other consumer product safety. The violation of the FCC, EPA, even OSHA. That might not have saved all the lives or even half of those miners' lives who have been lost but why aren't we debating what's on the minds of people in West Virginia, Pennsylvania and other states today? Why aren't we dealing with their business? Here we have on the front page of another newspaper, "White House knew of the levee's failure night of the storm." This is all about Katrina. Sure we've had some hearings, but why aren't we talking about that? This is on the minds of people. Why aren't we doing some of that business? And then, if you look over here in the *Washington Post*, ex CIA official false US Data on Iraq. Heres, the official coordinated intelligence in the Middle East until last year accused the Bush Administration of cherry picking intelligence. This goes all the way through, basically saying the official intelligence was influenced, but even with the flaws it was not what led to war. Instead, he asserted the Administration went to war without requesting and evidently without being influenced by any strategic level assessments of any aspect of Iraq. People want to know. American sons and daughters are dying over there, why aren't we talking about this? My point is, Mr. President, that this budget that the President has put forward is not what the American people expect. It's not what they deserve, not what they are entitled to. And many of us are going to work in every possible way. It's the allocations of resource, money doesn't solve everything but it's an indication of a nation's priority. A nations priority for higher heating oil, a nation's priority in terms of lower drug costs, a nation's priority in terms of education cost, a nation's priority in an increase in the minimum wage. These are the things that are of concern to people Mr. President, and I would just hope that we would get back to the nation's business and get back to it soon. Americans are entitled to it and we have waited too long to be able to do it.

##