



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145

WASHINGTON, THURSDAY, APRIL 22, 1999

No. 56

Senate

The Senate met at 9:37 a.m. and was called to order by the Honorable RICK SANTORUM, a Senator from the State of Pennsylvania.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, Dr. Jack C. Bishop, Jr.

PRAYER

The guest Chaplain, Dr. Jack C. Bishop, Jr., pastor, First Baptist Church, Waynesville, NC, offered the following prayer:

Our gracious Lord, Your word declares, "They that wait upon the Lord shall renew their strength." You summon us to reverence and honor this day as in every day. By seeking Your wisdom, we can make wise and fair choices. By trusting Your love and justice, we can aspire to a democracy that protects and provides for all citizens. By accepting Your forgiveness and grace, we can be forgiving and graceful ourselves. What a blessed Nation we are!

In the stillness of Your power and glory, may Your spirit prevail upon these national leaders. Give them the steady assurance of Your will and goodness in the most complex of matters they will consider this day. Give them devout courage, humility, and vision for their tasks. Give them fantastic energy from their fellow citizens who wear no badge of honor but who pray for them every day. Protect the Senators from disillusionment and invigorate them with the progress of Your righteousness. Let them see Your glory when people freely do good and serve others. Let the nations see the glory of the God-given democracy where equality and justice abound.

O Lord, we are particularly mindful of the grieving community in Littleton, CO, and the burdens of our Nation considering war. Deliver our world from violence and war that through You we might be peacemakers and keepers.

Thank You for the gifts of these national leaders, their service to our Na-

tion, and their faith in You. Be with their families and let them all feel appreciated. O God, You are the Author of liberty, both now and forevermore. In Your holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 22, 1999.

TO THE SENATE: Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICK SANTORUM, a Senator from the State of Pennsylvania, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. SANTORUM thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. ENZI. Mr. President, this morning the Senate will immediately resume debate on the Social Security lockbox legislation with a vote on cloture at 11:30 a.m. Pursuant to rule XXII, Senators have until 10:30 a.m. to file second-degree amendments to the Lott amendment. Following the vote, if cloture is not invoked, it is the intention of the leader to proceed to the important Y2K legislation. The Senate may also consider any other legislative or executive items cleared for action.

As a reminder, the Senate will not be in session on Friday due to the NATO summit taking place in Washington throughout the weekend.

I thank my colleagues for their attention and, Mr. President, I yield myself such time as might be necessary.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 2 hours of debate, equally divided, on amendment No. 254 to S. 557, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 557) to provide guidance for the designation of emergencies as part of the budget process.

The Senate resumed consideration of the bill.

Pending:

Lott (for Abraham) amendment No. 254, to preserve and protect the surpluses of the social security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

Abraham amendment No. 255 (to amendment No. 254), in the nature of a substitute.

Mr. ENZI addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I rise in support of the Social Security lockbox amendment as offered by the distinguished majority leader, Senator LOTT, and the Budget Committee chairman, Senator DOMENICI.

You can't spend IOUs. Right now, Social Security is a marked trust fund,

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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but it is a box of IOUs. This amendment represents an unparalleled commitment by the Senate to pay off some IOUs, truly lock the Social Security money up and thereby assure present seniors and following generations of seniors that their Social Security benefits will be there when they need them most. When Social Security first started, there were 45 people working to take care of one person who is retired. It has been a huge pyramid, but it is now becoming inverted. We are fast approaching a time when only two or three people will be funding the one who is retired. If you have kids, think about how you would feel about making your children pay your Social Security by themselves out of their paychecks. That is what the future looks like. You can see what a bite out of a paycheck that is going to be for two or three people to be able to pay the monthly benefit of one retiree.

Being fiscally responsible is one way to remedy this problem. Passing this lockbox amendment is a means to avoiding a last-minute Draconian event. As an accountant, I have an appreciation and respect for numbers. They can be just as misleading as they are truthful. But there should be no misconception about what our Nation's budget projections tell us. The surplus we expect to get over the next 15 years is Social Security revenue.

This is an important point to understand. Budget surplus revenue, during the next 15 years, comes from mandatory Federal payroll taxes paid by working Americans. What is paid into the Federal Government as FICA taxes goes towards keeping the Social Security program running. What is paid in by the people working gets paid out to the people who are on retirement, and there is a slight excess at the moment. It just happens to match up with what we called the surplus last year.

I have never seen an administration squeeze so much political mileage as there has been on the budget surplus. That is not hard to do when folks are promised funding for every popular Federal program, including a few that don't even exist at the moment. Unfortunately, I am unable to look people in the eye and tell them that the budget surplus is America's "golden calf." Not only is it unconscionable, it is simply not true.

These empty promises are how folks get the impression that the budget surplus is based on general revenue. It could be in just a few years, if we only respect and act on what the numbers really tell us, that the current surplus isn't general revenue but actually Social Security receipts. There can be some surplus if we have some discipline. If the Senate adopts the Social Security lockbox amendment, Congress could be debating what to do with true general revenue surplus shortly.

For now, we have a duty to do what is right, preserve Social Security by retiring part of the \$5.5 trillion debt and locking out the spending of Social Se-

curity money. Even though the economy is strong, I am surprised that so few people are aware that we, as a Nation, are in danger of passing on to our kids and our grandkids a \$5.5 trillion debt and a potentially bankrupt Social Security system. Our society has become so tied to the immediate gratification received from spending money that we fail to recognize the danger that looms from this Federal credit card spending.

Congress has no room to talk. Our massive Federal debt and ever-changing demographics will place a tremendous amount of pressure on our young workforce. Future generations deserve the same opportunities we demand for ourselves. Neglecting our responsibility to ensure Social Security solvency for future retirees begs distrust from our kids. We must not leave a financial burden we created for them to repay and no Social Security. If this amendment fails, we will continue to pay 13½ percent of total budget outlays in interest on the Federal debt. That alone amounts to \$231 billion that could be used to help preserve Social Security each year.

If this amendment does not pass, over \$10 trillion of interest payments over the next 30 years will continue to be paid by taxpayers. Preserving the Social Security program by retiring our debt is the only way to avoid such senseless spending without a major reform. It isn't just Members of the Senate that believe in fiscal responsibility. I encourage the administration to read the testimony of Federal Reserve Chairman Alan Greenspan before the Senate Budget Committee earlier this year. He advises caution in our spending because Federal revenues are not guaranteed and they may fall short of expectations. Rather, we should be aiming for budget surpluses, true budget surpluses, and using the proceeds to retire outstanding Federal debt. That, he said, will help the economy and protect Social Security for a long time to come. That is Alan Greenspan.

This amendment does just what Alan Greenspan said and recognizes real-life economic situations. We are in one of those real-life economic situations now with the war. Senators DOMENICI and ABRAHAM have gone to great lengths to ensure that the pending Social Security lockbox amendment is sound and fair, providing flexible administration. If passed, it would authorize adjustments to the debt limits established for any Social Security modernization legislation that Congress and the administration enacts in the coming years.

I continue to hope that the administration is serious about sensible structural changes to the program itself. In addition, the requirements of this amendment would be suspended during a period of economic recession, as well as for emergency spending and a declaration of war. Most would agree that such situations should not be subjected to statutory debt limitations.

No tricks or gimmicks here. This is upfront fiscal responsibility. By retir-

ing our debt, this amendment would protect the Social Security budget surplus from being spent on non-Social Security programs. It begins an overdue process of paying back the Government creditors and helping the taxpaying workers. Why should the Federal Government be allowed to incur a debt it currently has no intention of paying back? Repayment is the responsible thing to do. It makes sound economic sense.

I strongly support the passage of the Social Security lockbox amendment. I commend the authors for this legislation. Their dedication to preserving Social Security through fiscal responsibility is admirable. I encourage all of my Senate colleagues to vote in favor of this amendment.

I yield the floor and reserve the remainder of our time.

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

Mr. ENZI. If it is off your time, yes.

Mr. HOLLINGS. Yes. The distinguished Senator said, as I was coming in, that there was a box of IOUs. How do you think you got the IOUs?

Mr. ENZI. The Social Security trust fund is lent to the Federal Government and we spend every dime that is lent to us. It is a loan.

Mr. HOLLINGS. That is right. While spending every dime of the trust fund, we reduce the public debt, so that what we have is the unified debt. I have heard the Senator and everybody else say, this time, leave it out of the unified deficit. That is how you bring out the unified deficit, and rather than the regular deficit, and the unified budget; isn't that correct?

Mr. ENZI. No. If you paid the Social Security portion of the debt, you are really taking money out of the bank and putting it right back into the piggy bank. It has to be reloaned. There is no other alternative. Until there is reform on it, there is no other alternative except to loan it out. When it gets loaned out, we spend every penny.

We are not supposed to spend the Social Security money. We are not supposed to be robbing the piggy bank. But that is what happens. That piggy bank, that trust fund, is IOUs. It is money lent to the Federal Government again, and spent again.

Mr. HOLLINGS. That is exactly right. It is a Social Security piggy bank. That is the whole point I am trying to make—the same point the Senator from Wyoming is making—that we have been robbing the Social Security piggy bank, as I show you here, and other banks, incidentally, whereby this year we owe Social Security \$857 billion.

Isn't that correct?

Mr. ENZI. That is correct.

Mr. HOLLINGS. Then we apply it using these trust funds to pay down the debt. That is what we have been doing, by any and every other program, whether it is a tax cut, whether it is

defense spending, whether it is disaster in the farm areas, whatever it is. That runs up the debt. When you pay down the debt, you get to the unified deficit.

That is what they have all been bragging about—how the unified deficit has been coming down and we have a surplus. We don't have an actual surplus. We spend \$100 billion more than we take in this year—\$100 billion more than we take in this year. But yet we say we have a surplus, because it is unified, because we have used Social Security to pay down the public debt.

Mr. ENZI. Absolutely. We have used Social Security, and then we put the money back into Social Security again, and then we spend it again. There has to be some major reform if we are going to have some Social Security money that is actually a trust fund that people will be able to use on their own.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Wyoming is exactly right. We have to do something. That is what we did. We say this charade has to stop. We are really looting Social Security while we say we are trying to save it. As a result, we have gotten Social Security into a tremendous debt. We have savaged the fund. Now everybody comes to say they want to save Social Security.

That's why I put in the bill S. 605. We will introduce it. I ask unanimous consent to have it printed in the RECORD as if delivered right now.

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

S. 605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Fiscal Protection Act of 1999".

SEC. 2. OFF BUDGET STATUS OF SOCIAL SECURITY TRUST FUNDS.

Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 3. EXCLUSION OF RECEIPTS AND DISBURSEMENTS FROM SURPLUS AND DEFICIT TOTALS.

The receipts and disbursements of the old-age, survivors, and disability insurance program established under title II of the Social Security Act and the revenues under sections 86, 1401, 3101, and 3111 of the Internal Revenue Code of 1986 related to such program shall not be included in any surplus or deficit totals required under the Congressional Budget Act of 1974 or chapter 11 of title 31, United States Code.

SEC. 4. CONFORMITY OF OFFICIAL STATEMENTS TO BUDGETARY REQUIREMENTS.

Any official statement issued by the Office of Management and Budget or by the Con-

gressional Budget office of surplus or deficit totals of the budget of the United States Government as submitted by the President or of the surplus or deficit totals of the congressional budget, and any description of, or reference to, such totals in any official publication or material issued by either of such Offices, shall exclude all receipts and disbursements under the old-age, survivors, and disability insurance program under title II of the Social Security Act and the related provisions of the Internal Revenue Code of 1986 (including the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund).

SEC. 5. REPOSITORY REQUIREMENT.

Notwithstanding any other provision of law, throughout each month that begins after October 1, 1999, the Secretary of the Treasury shall maintain, in a secure repository or repositories, cash in a total amount equal to the total redemption value of all obligations issued to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund pursuant to section 201(d) of the Social Security Act that are outstanding on the first day of such month.

Mr. HOLLINGS. Mr. President, that is drawn up with the counsel of the Social Security Administration whereby we do exactly what the distinguished Senator from Wyoming would like to do. We get the interest. We allow the Government to buy our Social Security moneys and give us the Treasury bills. Then each month, at the first of the month, we transfer that same amount of money back into a trust fund to be spent on Social Security, and only Social Security.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, today the Senate is debating the so-called Social Security lockbox. This is legislation that was intended to protect the Social Security surpluses. Unfortunately, it failed.

Throughout my tenure in the Senate, as a member of the Senate Budget Committee and the Senate Finance Committee, I have done my level best to support balancing the budget without counting Social Security surpluses and to protect those surpluses.

That is why I was looking forward to this debate. I was hoping we were going to have a chance to really engage in a discussion about how to protect Social Security—to go through the normal legislative process, to offer amendments, to have votes and to let Senators decide the outcome.

Unfortunately, the advocates of this particular approach apparently are so insecure about their approach that they won't permit any amendments. They don't want a debate. They do not want votes to decide the outcome. That is unfortunate.

But I think it speaks volumes about the weakness of their position. It seems incredibly ironic to this Senator that a bill whose sponsors say is designed to protect Social Security actually puts Social Security benefit payments at risk.

Let me repeat that.

This bill which is advertised to protect Social Security actually puts Social Security benefit payments at risk.

That is not just the view of this Senator. That is the view of the Secretary of the Treasury, who has the responsibility for making Social Security payments. The Secretary of the Treasury, Mr. Rubin, in a letter dated yesterday, wrote in part:

Our analysis indicates that this provision could preclude the United States from meeting its financial obligations to repay maturing debt and to make benefit payments—including Social Security checks—and could also worsen a future economic downturn.

The Secretary of the Treasury says this bill is the wrong way to protect Social Security.

Interestingly enough, it is not just the Secretary of the Treasury who says that and has reached that conclusion. We also have a letter from the Chairman of the Ways and Means Committee in the House of Representatives, Chairman ARCHER. Chairman ARCHER in a letter to the Chairman of the Budget Committee in the House of Representatives, dated April 9, says:

One has only to read the arguments presented in the March 17, 1999, letter from Secretary Rubin to appreciate the dire consequences always presented during a debt limit crisis—disruption of Treasury bond management and worldwide financial markets, doubts about making government payments including Social Security benefits, and raising borrowing costs to the taxpayers—and why Congress always votes to raise the limit.

Chairman ARCHER, the Republican Chairman of the Ways and Means Committee in the House of Representatives that has jurisdiction over this issue, says in conclusion in his letter:

I see no need to enact limits, even if merely advisory, that do not directly protect the Social Security surplus and re-ignite the debt limit controversy that proved so bitter and futile for everyone four years ago.

That is the Chairman of the Ways and Means Committee in the House of Representatives warning that this legislation is not the way to protect Social Security.

Instead, he says:

In my view, strict budget enforcement measures are the most effective way to control spending. To reduce debt, the President and the Congress, like every American household, must commit themselves to spending constraint.

The Chairman of the Ways and Means Committee is exactly right. The Secretary of the Treasury is exactly right. We are pursuing an illusion here. It is an attractive illusion. It is an illusion that suggests if we just will adopt it, that it is going to save Social Security. Unfortunately, it will not.

I would really like to know what the sponsors of this legislation are so afraid of. Why have they, through a contorted plan, blocked anybody from offering an amendment? Why do they want to prevent Senators from voting on alternatives? Why? Because they are afraid of the results. They are

afraid they would lose in the cold, hard light of day. They fear that if we have a real debate out here about options and alternatives that their alternative wouldn't hold up.

What is there to fear by having votes right here on the floor of the Senate, and deciding this issue the way we decide all others? Why have they gone through their contorted legislative process, this legislative scheme, to prevent people from voting their conscience? I think it is because they know they have a plan that does not hold up.

I think you really have to wonder. Are they really interested in protecting Social Security, including its trust funds and benefit payments? Or do they just want a quick vote on a bill whose provisions can't withstand scrutiny?

Mr. President, I think we should subject this legislation to scrutiny just as we do other legislation. If we do, we will see that instead of protecting Social Security, this legislation endangers Social Security, while risking more Government shutdowns and default on our obligations.

Mr. President, the lockbox that has been offered here today creates limits on publicly-held debt that are supposedly enforceable with 60-vote points of order.

I strongly support the goal of paying down publicly-held debt. But creating supermajority points of order against raising the debt limit won't accomplish that goal. The ability of the Federal Government to pay down publicly-held debt is created through tough fiscal decisions, decisions to control spending, decisions not to squander the surpluses that are projected to occur over the next 10 years.

If Congress fails to make those tough decisions and spends the surpluses, debt will rise. Creating a debt crisis at that point in time is too late. At that point, the Federal Government has obligations it simply must meet.

Interestingly enough, Chairman ARCHER agrees with me on this point as well. He says:

...debt limits have a long history of failure in preventing spending and deficits. Hitting a debt limit, like a credit card limit, merely represents the consequences of government spending already approved by the President and Congress.

So these new limits on debt could preclude the United States from meeting its future financial obligations to repay debt and to honor its commitments. They would produce permanent damage to our credit standing. The debt obligations of the United States are currently recognized as the most creditworthy of any investment in the world. It is in our interest to maintain that standard. Even the appearance of risk would impose significant additional costs on American taxpayers.

I think we all remember November of 1995. A debt crisis was precipitated when Government borrowing reached the debt limit; two months later, in

January, Moody's, the credit-rating firm, placed Treasury securities on review for possible downgrade. It is absurd to put us back in that position—endangering the credit rating of the United States to supposedly protect us against rising debt, when this legislation doesn't do that.

In addition to the damage that can be done to the U.S. credit rating, this lockbox also puts Social Security benefit payments at risk, as I have indicated before. Again, that is not just my opinion, it is the opinion of the Secretary of the Treasury who has the responsibility to make those payments. It is the opinion of the Chairman of the Ways and Means Committee in the House of Representatives who has jurisdiction over these issues.

The point is simple: during a debt crisis, the Treasury Department has no ability to prioritize the payment of Government benefits that are coming due. If Congress cannot raise the debt limit, Social Security benefits cannot be made.

The sponsors of this lockbox claim they have addressed this problem in their legislation. They say they have directed Treasury to give priority to Social Security payments. Unfortunately, the Treasury Department has no ability to do that now. If the Treasury Department runs out of borrowing authority and has no cash coming in, prioritization of payments won't help anyway. The Treasury would have no ability to pay Social Security benefits that are due. Using the debt limit as a fiscal policy tool is bad policy. It directly places at risk the benefit payments to Social Security recipients.

These are not the only shortcomings of this legislation. Another of the serious problems with the legislation before the Senate is that it risks creating longer and deeper recessions than our economy might otherwise experience.

I am concerned about the economic and fiscal impact these debt limit targets could have on the economy during a time of recession. I believe these limits would require the Federal Government to take the wrong actions during recessionary periods, making recessions more severe and negating the stabilizing counter-cyclical tools the Federal Government can use during times of recession.

Sometimes I wonder if we learn from the past. Sometimes I wonder if we are not condemned to repeat the unfortunate experiences of the past because we don't learn those lessons. We suffered depression after depression in this country before we finally figured out how to counter the cycle of recession and depression. What this legislation could do is take away those tools at the very time they are most needed.

This lockbox legislation requires the Federal Government to hit a debt limit target on May 1 of each year. Throughout the year, the debt target could not be exceeded. During years when we are heading towards the trough of the business cycle, revenues grow more slowly

because more people are unemployed and expenditures for programs like unemployment insurance and food stamps rise. When those two things happen, the deficit gets larger and the Treasury has to issue more debt. Under this proposal, the Treasury couldn't issue more debt. At that point, the lockbox would become a noose on this economy, making the recession worse, requiring the Congress to either raise taxes or cut spending at precisely the wrong time.

That is economic folly. It is at that very time that the counter-cyclical tools ought to be used to lessen the recession, to prevent depression. That is what our economic history teaches. We should not forget the lessons so bitterly learned.

Our friends advocating this legislation say they have included an exception for recession in their lockbox. The problem is, it won't work. The exception allows the debt limit targets in the lockbox to turn off if the U.S. economy experiences two quarters of real GDP growth that is less than 1 percent.

This chart shows a few examples of recessions over the last 20 years to see what would have happened had this legislation been in place. For example, the recession of 1981–1982 lasted from July of 1981 to November of 1982. The chart shows what was happening with economic growth during that period. The recession began back in July of 1981. But the trigger under this lockbox legislation would come nine months after the recession had already begun. It chokes off the counter-cyclical tools needed for the first nine months, guaranteeing a deeper recession and perhaps even plunging this economy into depression.

This is truly dangerous legislation. It should not be passed. We have the Secretary of the Treasury warning, "Do not pass this legislation;" we have the Republican chairman of the House Ways and Means Committee warning, "Do not pass this legislation." What is wrong with those who continue to advocate, in the face of those warnings, legislation that will not protect Social Security, that will endanger it, that further endangers plunging this economy into a worse recession or perhaps even a depression in a time of economic downturn—especially when we have alternatives that we know will work.

Those alternatives can't be considered because the advocates of this legislation have engaged in a legislative scheme to prevent amendments, to prevent the consideration of alternatives. What a way to legislate.

If we look at another example, the recession of 1973–1975, we see the quarterly economic growth fluctuated greatly. That recession lasted from November of 1973 to March of 1975. The lockbox provided for in this legislation would not have kicked in until January of 1975, when the recession had been going on for more than a year. We can see on the chart why that is the case. The recession started back in

1973. We can see economic growth fluctuated back and forth—growing, falling; growing, falling. It would have only been late in the recession that this lockbox legislation would have allowed the counter-cyclical policies of the Government to come into play. This legislation simply does not work. This data shows that a recession in the U.S. economy will very likely precipitate a debt crisis, despite the exemption provided in the lockbox.

These are not the only defects of this legislation. There is another major problem with the lockbox that is before us, because there is something not included in the lockbox. Medicare is not included in this lockbox. Not one penny of non-Social Security surpluses is included in this lockbox, not one penny. Medicare is under more severe fiscal pressure than Social Security, but Medicare has been left out. Why? Because our friends who are the advocates of this proposal prefer to use the surplus for a tax break scheme. They prefer a tax break scheme, so they do not guarantee one penny of the non-Social Security surplus for Medicare.

We have an important decision to make. Do we use the non-Social Security surplus in a tax cut scheme that will provide the greatest relief for the wealthiest among us? Or do we save the Social Security surpluses for Social Security, extend the solvency of Medicare, and still provide room for targeted tax relief and high-priority domestic needs like education, agriculture, health care, and defense? To me, the choice is absolutely clear; we must honor our commitments to the seniors of America.

That does not mean we do not need to reform Medicare; obviously we do. I think everybody understands we need to take action to put Medicare on a more sound financial footing, and I have voted consistently in the Finance Committee to do that. But we must also ensure that whatever we do to put Medicare on a more sound financial footing also preserves affordable access to high-quality health care for our senior citizens.

Responsible Medicare reform will be much more difficult if we do not provide additional resources to Medicare during this time of severe pressure, because of the demographic changes in this country. The very real pain the balanced budget act of 1997 is already causing suggests to me that making additional cuts of hundreds of billions of dollars over the next 10 years in Medicare, without providing additional resources, would be irresponsible. That is why the lockbox I have supported protects Social Security and Medicare.

Senator LAUTENBERG and I have an alternative lockbox that really does protect Social Security, that does protect Medicare, that does pay down the Federal debt even more aggressively than what our friends on the other side of the aisle are proposing, that does provide room for targeted tax relief and for high-priority domestic needs

like education, agriculture, health care, and defense.

Our Social Security and Medicare lockbox creates supermajority points of order against any legislation that does not save the entire Social Security surplus in each year and does not save at least 40 percent of the non-Social Security surplus for Medicare. Our lockbox is enforced with points of order and sequestration. It is not enforced through the debt limit. It follows the advice of the Secretary of the Treasury, Mr. Rubin. It follows the advice of the Chairman of the Ways and Means Committee in the House of Representatives.

Our amendment provides a remedy if Social Security surpluses are spent—across-the-board cuts in other programs. That is a real defense of Social Security. That is something we know works. Our amendment also adds a new supermajority point of order against a budget resolution that violates the off-budget treatment of Social Security. Our amendment reserves \$65 billion for Medicare over the next 5 years, and \$376 billion over the next 10 years. After passage of comprehensive Social Security and Medicare reform, our alternative provides \$385 billion over the next 10 years for targeted tax relief and for high-priority needs like education, agriculture, health care, and defense. And our amendment reduces publicly-held debt by \$300 billion more than the Republican lockbox. It protects Social Security, the surpluses and the benefit payments, and it provides additional resources for Medicare.

That is the type of lockbox the Senate should approve. I hope we have an opportunity to consider this alternative. But under the current legislative structure we will not, because the advocates of the legislation before us do not want an alternative considered. They do not want any amendments. They do not want any alternatives. They do not want to give Senators a chance to choose. They want it their way or no way.

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

Mr. CONRAD. I have ended my presentation. I will be happy to respond to a question.

Mr. ABRAHAM. If the Senator will yield, perhaps I will seek time.

Mr. CONRAD. I yield.

The PRESIDING OFFICER (Mr. ROBERTS). Who yields time?

Mr. ABRAHAM. Mr. President, I will in a moment yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, just a quick response. The cloture vote which we will be having is cloture on the amendment. It is not cloture on the bill. If we were able to invoke cloture, then we would go to a vote ultimately on this amendment. But assuming that amendment was then dispensed with, either by passage or failure in a final vote, the bill itself would remain on

the floor subject to other amendments which could include, of course, the ones that have been alluded to by the Senator from North Dakota and a variety of other people; the Senator from South Carolina has talked about his approach; and so on.

Our goal is simply to get a vote on this amendment, and then we can consider other options after that. So I want to clarify this for all Senators. This is a vote on cloture on this amendment. It is not cloture on the bill, so the bill would still be subject to other amendments if and when we dispense with this.

At this time I yield such time as he may need to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I thank our colleague for clarifying that.

When our colleague says he doesn't get a chance to present his proposal—obviously, being in the majority, we have the opportunity to present bills and the majority leader has the right to offer amendments first. We have offered our proposal and we are trying to move toward the passage of a bill. But the amendment of the Senator would be in order if it was relevant to the underlying bill—actually, even if it were not relevant it would be in order—after we had completed action on the amendment by the majority leader. So that part of the argument simply will not hold water. But that makes it parallel to every other part of the argument, since none of it will hold water.

What our colleague has said and what we are hearing here is basically this: That a lockbox is a bad, terrible, destructive, dangerous idea that could cause a recession or a depression and be catastrophic for America. That is argument No. 1. But argument No. 2 is: If you want to do it, we have a better way of doing it and ours will do all these things better.

If logic could speak for itself on the floor of the Senate, it would scream at the torture that it is being put to here. What we are seeing here is very simply the President being called on a commitment he has made, and the President was not telling the truth when he made the commitment, and he desperately does not want to have to live up to it. Those are strong words and I would not say them if I could not back them up.

Here is the reality of where we are. In 1993 Social Security took in \$45 billion more than it spent in benefits, and under the Clinton administration and the Congress every penny of that \$45 billion was spent on something other than Social Security.

In 1994, Social Security took in \$56 billion more than it paid out in benefits, and under the Clinton administration and the Congress every penny of that \$56 billion was plundered and spent on something else.

In 1995, \$62 billion was taken in in Social Security taxes above the amount

we needed to pay benefits, and every penny of that \$62 billion was plundered and spent funding other Government programs.

In 1996, it was \$67 billion that was plundered.

In 1997, it was \$81 billion that was plundered.

In 1998, the President said, "Save Social Security first; don't spend a penny of this surplus on Government programs; don't give a penny of it back in tax relief." Everybody remembers the President saying that. But in 1998, we spent \$30 billion of the \$99 billion that Social Security took in above the amount it needed to pay benefits.

The plain truth, despite all this talk about saving the Social Security trust fund, is we have consistently spent the money that came into the trust fund on other Government programs.

Let's get one thing clear from the language. Nobody is talking about saving Social Security here. To save Social Security, you have to have a program to replace all these IOUs with wealth. You have to have a program to replace all this debt with investment.

As you will remember, when the President said, "Save Social Security first," he was going to study the problem for a year. He studied it for a year. Then he had a big meeting down at the White House, which I and many others here attended. We were waiting for some proposal from the President. What we got was a political copout which, for all practical purposes, did nothing and it continued plundering the Social Security trust fund.

Senator DOMENICI has come up with a very simple program. It has not saved Social Security. It does not deal with the huge financial liability in Social Security in the future. What it does is it tries to prevent us from taking the Social Security surplus and spending it on something else, something that many of our colleagues desperately want to do, but they do not want people to know they want to do it.

How does the Domenici proposal work and the proposal that has been refined by Senator ABRAHAM? What the Abraham-Domenici proposal does is this: It sets the amount of money that the Government can borrow each year so that the Social Security surplus has to be used to buy down the Government debt, so that the Social Security surplus cannot be spent, and so that it cannot be used for tax cuts.

The proposal before us is not very complicated, despite all the cloud of rhetoric and doublespeak. The proposal before us is very, very simple. It says that next year, we are going to be taking in \$138 billion of surplus in Social Security, so that we want to set the amount of money the Government can borrow without having to vote on borrowing again, such that none of that \$138 billion can be spent.

That is pretty simple. If it is spent, what we will have to do is have a vote in the Senate where someone will have to get 60 votes in order to plunder that money from Social Security.

This is not unlike what families do when they sit around the kitchen table and get out their pencil and on the back of an envelope and set out a budget and say: I want to save this much money, and we are setting this limit on the amount of money that we can spend because we want to use this money to pay off some of the debt we have, or we want to use this money to send our children to college or buy a new refrigerator, go on vacation, or whatever they want to do.

In response to our proposal to prevent the Social Security surplus from being spent or used for tax cuts, for that matter, since our colleague launched off on that program, what do our Democrat colleagues say, and what does the administration say? They say, if you do not leave the law as it is so we can plunder the Social Security surplus, we could have a recession. They say: If you don't allow us to plunder the Social Security surplus, the creditworthiness of the Government could be lowered because we could have trouble borrowing money. In essence, they are saying that the financial world, the prosperity of America, the creditworthiness of the Federal Government will all come to an end if we do not let the Federal Government steal money from the Social Security surplus.

It seems to me if we are talking about the creditworthiness of the Government, in terms of its credibility with working Americans, that the way we get real credibility in the Government is to stop stealing the Social Security surplus.

In terms of the Secretary of the Treasury saying we are doing it the wrong way, the reality is, they do not want to do it any way. If they have a better proposal, let's see it. If it is enforceable, let's consider it. If they are willing to set out a procedure which strengthens our ability to stop stealing money from the Social Security trust fund, I would like to get a chance to look at it.

Let me tell you, the reality is that the opposition to the proposal by Senator ABRAHAM and Senator DOMENICI is, they do not want to stop stealing from the Social Security trust fund, so they create this giant ruse that somehow the Treasury will not be able to operate if it cannot take money out of the Social Security trust fund; that we are going to have a recession if we cannot take money out of the Social Security trust fund. Any legitimate concern about the flexibility of the Treasury in borrowing, we have said from the beginning we are willing to work on. Any flexibility they need in dealing with short-term cash problems, we are willing to work on. But what we are not willing to negotiate away is a commitment to stop this plundering of the Social Security trust fund. That is what this issue is about.

The President's budget this year, and I have the budget right here, if we do everything the President proposes to do, most of which we are not going to

do, it says he will take \$42 billion out of the Social Security trust fund this year and spend it on other things. We believe that is wrong. We do not believe the Social Security trust fund should be spent on other Government programs.

What we are trying to do with this lockbox is to guarantee that none of this Social Security money is spent and none of this Social Security money is used for tax cuts; that the money is used, until we decide how we are going to fix Social Security, to simply buy down the Government debt.

The amazing thing to me is that this is exactly what the President says he wants to do. It is exactly what our Democrat colleagues say they want to do. But when we try to put teeth in it and make it enforceable with a super-majority vote, suddenly they do not want to do it. Suddenly, when we try to make it enforceable, they say, "Well, we could have a recession; the Federal Government could lose its creditworthiness and its ability to borrow."

What does it tell you when the President says, "Save Social Security first, don't spend the surplus, don't give it back in taxes"; when our Democrat colleagues say, "Save Social Security, don't spend the surplus, don't give it back in taxes"; and then we have two of our Members, Senator ABRAHAM and Senator DOMENICI, come forward with a proposal that actually does what they say they want to do, and not only does it, but would require 60 votes in the Senate, rather than 51, in order to actually violate the commitment. In other words, the difference here is, we are not talking about words, we are not talking about rhetoric, we are talking about a real lockbox program.

A real lockbox program is put forward that would require a super-majority vote in order to plunder the Social Security trust fund. Then, all of a sudden, the President does not want to do what he told us he wanted to do.

All of a sudden, our Democrat colleagues have all kinds of concerns: We are going to have a recession; we are going to destroy the creditworthiness of the Federal Government; prosperity as we know it is going to come to an end—if we stop the Federal Government from plundering the Social Security trust fund. It would lead one to believe that they did not mean it when they said it.

We are all in agreement if we say do not plunder the Social Security trust fund. If we held up our hands here, 100 Members would say do not plunder the Social Security trust fund. But when two Members come forward with a program to really prevent it from being plundered, then all of a sudden we do not agree anymore. I know these issues get confusing, but I think people are going to have to make a judgment here as to who is serious about protecting the Social Security surplus and who is not.

We have a proposal to stop the plundering of Social Security by simply requiring that the debt be bought down

by the amount of the surplus and that if you do not do that, you have to get 60 votes in the Senate; in other words, you have to prove that something extraordinary happened to convince 60 Members of the Senate to go back on their word. That is all this bill does. It is not complicated.

If you do not want to do that, it suggests to me that you were not serious to begin with, that you did not mean it when you said, "Save Social Security first," that you did not mean it when you said, "Don't plunder the Social Security trust fund."

We know the President did not mean it because in his budget he plunders \$42 billion right here in black and white. The question is not, Was the President being straight with the American people? We know he was not. The question is, Is Congress being straight with the American people when we say we are not going to do it?

If our Democrat colleagues have a better way to do this, I would like to see it. I do not believe we have any monopoly on wisdom. But the plain truth is, I do not believe everybody wants to stop plundering the Social Security trust fund. I believe there are people who want to continue to plunder it. And I think that is what this debate is about.

Let me run over some of these issues.

"It is risky to stop stealing from the Social Security trust fund." That is what our colleagues say. I think it is risky to continue to steal from the Social Security trust fund because when the baby boomers start to retire, unless we begin to invest this money, there is no way we can pay benefits, and we are going to have to raise the payroll tax or cut benefits. So our colleagues say it is risky not to steal the trust fund. I say it is risky to continue to steal it.

They say using the debt limit as a policy tool is dangerous. Well, what other tool do we have? They act as if we are just simply robots—that every time the President goes out and spends money, that when the bill collector is knocking on the door, all we do is just pay out the money and go on about our business. That is not the way America works.

When the bill collector comes and knocks on the door of the modest dwellings of working men and women in America, they do have to pay the bill collector. But they do not just keep merrily going along their way. They sit down, get out their credit cards, get out the butcher knives, cut up the credit cards, they write out a budget, they have a "come to Jesus" meeting at the kitchen table, and then they start again.

What we are trying to do in Government with this amendment is nothing less than what Joe and Sarah Brown do on the first day of the month every month that comes along; and that is, set out priorities and set some kind of limit on our spending. If we cannot use the debt collector being at the door to

do something about spending and plundering the Social Security trust fund, what can we use? If you do not get alarmed when the bill collector is knocking on your door, you are going to end up going bankrupt. Now is the time, when the bill collector is at the door, to try to change the way we are doing business. That is all this bill does.

As far as the suggestion that if we try to prevent stealing from the Social Security trust fund, we are going to have a recession, I mean, please, it is one thing to try to confuse people, it is another thing to insult their intelligence. How can reducing Government debt cause a recession? How can stopping stealing from the trust fund send the economy into a tailspin? Exactly the opposite is true.

Now then, the final bromide, unimaginable suggestion is, "Well, what about Medicare? They are solving the Social Security problem, but they're not solving the Medicare problem." There are a lot of problems we are not solving here. This bill does not bring peace in Kosovo either. This bill does not stop violence in our schools either. This bill does not make people love their families and pay their bills either. This bill does not make people feel good about themselves in all cases either. But the bill does not claim to do all those things.

Why don't we solve the Social Security problem today, and then start working on Medicare? But to suggest that there is something wrong with this bill because it only stops plundering from Social Security and that we have not fixed the Medicare problem—we can always find something we have not done, but what we ought to be concerned about is what we are doing.

There is no surplus in the Medicare trust fund. Medicare is a very different program from Social Security. But I would like to say that on a bipartisan basis, led by Senator BREAUX, we had a bipartisan majority on a commission that wanted to fix Medicare; and this President, Bill Clinton, killed that effort—killed that effort. So to stand up here and suggest that when Senator ABRAHAM is trying to stop the stealing from Social Security, that there is something wrong because he had not solved the problems of Medicare is absolutely outrageous—outrageous.

Let's solve the problem with Social Security today, and start working on Medicare tomorrow. And, by the way, it seems to me that Senator BREAUX and Senator BOB KERREY and most Members who sit on this side of the aisle are ready to deal with Medicare and the President and most Members who sit on the other side of the aisle do not seem to care.

The next thing is, somehow this has to do with tax breaks for the rich. Our colleagues can never debate an issue without engaging in class warfare. They can never debate an issue without saying somehow this is helping the rich: "If you stop stealing from the So-

cial Security trust fund, you are helping the rich. If you let people keep more of what they earn, you are helping the rich." Of course, whenever they are raising taxes, they are taxing only the rich, even if the rich make \$25,000 a year.

The point is, this bill has absolutely nothing to do with tax cuts for the rich, the poor, or the people in between. In fact, this bill says that the Social Security surplus cannot be used for tax cuts. And to suggest that somehow, by locking away the Social Security trust fund, and not letting it be plundered either to spend, which is the real danger, or to be used for tax cuts, that somehow to suggest that helps rich people, what it does is it helps the creditworthiness of the Government and it puts us in a position to fix Social Security.

But the idea that this somehow helps the wealthiest among us—anytime the Democrats do not want to do something, always their excuse is, the wealthiest among us are going to benefit. "If we do not keep plundering the Social Security trust fund, the wealthiest among us are going to benefit. If we can't steal that money and spend it on all these programs, the wealthiest among us are going to benefit. Let us keep stealing the Social Security trust fund because, if you don't keep stealing it, the wealthiest among us will benefit."

I do not know who these people are talking about. The wealthiest among us do not depend on Social Security as much as middle-income Americans depend on Social Security. What does this wealthiest among us business have to do with stealing from Social Security?

Finally, they say they have another way. It reminds me when we were debating a balanced budget amendment to the Constitution and we were one vote short of sending it to the States. We know the States would have ratified it. Our colleagues who were against it and who voted against it and who killed it, they weren't really against it. They just didn't like the way we were doing it. They had other ways of doing it. They had a better program, which by the way contained a limit on debt held by the public, the very mechanism contained in this amendment. They would have done it better than we would have done it. They killed the balanced budget amendment to the Constitution. It failed by one vote. It could have changed American history.

They didn't say they were against it. They are not against the lockbox. They are not against what Senator ABRAHAM is trying to do. They just want to do it differently. They think it is a bad idea and it could cause a recession and it could help the wealthiest among us and it could do all those things, but they want to do it. If you decide you want to do it after they tell you what a terrible idea it is to quit stealing from Social Security, after you have crossed that

threshold, then they say, well, actually we are not against it, but we want to do it a different way. If we took their way, they would be for doing it another way.

The problem is, they are not for it. The problem is, they want to keep stealing this money out of the Social Security trust fund. That is what this debate is about.

The sadness of this whole deal is that instead of debating a legitimate issue, we are engaged in this gigantic ruse to confuse and befuddle the American people. We have a proposal before us that is very simple. It says we are going to collect \$138 billion more than we are spending in Social Security, and we do not want any of that money spent. So we are going to adjust the amount of money Government can borrow and force that \$138 billion to be used to reduce the indebtedness of the Federal Government. That is what this amendment does.

But rather than our colleagues standing up and saying, no, we do not want to do that because we want to spend part of that money on other things, instead of standing up and saying, here is what we want to spend it on, we want to spend it on A, B, C, D, and E, and these are all vitally important and it is worth stealing the money from the Social Security trust fund to fund it, rather than standing up and saying that, they say you are going to cause a recession. You are going to destroy the creditworthiness of the Federal Government. You are going to help the richest among us. The richest among us are going to benefit if you don't steal from the Social Security trust fund.

Maybe the American people are confused or maybe with all the terrible things that are happening in the world today, maybe they do not care. But it seems to me that we can't have a meaningful political dialogue when we do not debate the issues that are before us. If you are not for preventing the Social Security trust fund from being spent for other things, stand up and say it. But this tortured logic that if you really force the money to be used to buy down the debt of the Federal Government, you are risking a recession or you are helping the richest among us or that if you decide to get through all that, well, but there is a better way to do it, they could do it in a better way if we just let them do it, I wish for once we could have a straightforward debate. Do you want to stop taking this money out of the Social Security trust fund and spend it on other things or not? Yea or nay. Yes or no. Black or white. But you know why we are not having that debate—because our colleagues have already said they want to do this. The President has already said he wants to do this. He has urged us to do it.

What is the difference between what they are saying and what Senator ABRAHAM is doing? The difference is simple. They are saying it, and he is

doing it. The difference is, they are getting the rhetoric right; he is getting the program right. The difference is, they are saying don't spend it, don't use it for tax cuts, use it to pay off debt. The problem they have is that the Abraham amendment actually pays the debt off, and it would force the Federal Government to get a super-majority vote in order to violate that principle.

If you say you are for something and then somebody has a way of doing it and you vote no, what does it mean? Well, to finish and yield the floor, what it means is, you weren't serious when you said it to begin with.

The debate here is between people who do want to pillage the trust fund and those who do not. It is that simple.

Using this to buy down debt does not solve the Social Security problem, but we have in this amendment the vehicle that would let us use this money we are saving to solve the Social Security problem, if we could reach a bipartisan agreement. But we can't solve it if we don't have the money, and if we don't do something very much like the Abraham amendment has proposed, we are going to end up spending this money.

Do you want to spend the money or do you want to see it buy down debt? If you want to buy down debt, support the Abraham amendment. If you don't, vote no but say so. I think that is really what the debate is about.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Texas said we ought to have a good political debate, and he allows me to make a good political debate in that he made it political talking about Democrats and taxes and the wealthy.

The truth of the matter is, that is how the economy got this way, outstandingly good, in that we taxed the wealthy back in 1993 on Social Security. It was that gentleman, the Senator from Texas, who said they are going to be hunting us down in the street and shooting us like dogs.

He raises these strawmen. Another strawman—I am going to use his text; I wouldn't say these things if I couldn't back them up—he says, the trouble here is that we feel that a lockbox is a dangerous thing.

That is exactly what he said back in July 1990. I made the motion on the Budget Committee and we voted 19 to 1 for a lockbox, bipartisan except for one. It was the distinguished Senator from Texas who said it was a dangerous thing. But we went ahead, passed it in the House and Senate, and President George Bush, on November 5, 1990, signed that lockbox into law. That lockbox is part of the amendment of the majority leader and the Senator from Michigan. Look on page 3. You see they reiterate 13301, but on page 10 they take it away.

The distinguished Presiding Officer heard me tell about that insurance company slogan that "Capital Life will surely pay, if the small print on the back don't take it away."

My Republican colleague talked about how we always get into a wealth argument. They get into any and every effort to get rid of Social Security. They don't like it. In 1964, I remember, in the Goldwater campaign, they were going to abolish Social Security. In 1990, I finally got the Senator from Pennsylvania, Mr. Heinz, to agree with me, and he changed around the mindset. I wish we had him here now and in the caucus to straighten out this nonsense, because what they are doing is exactly what they are not doing. They guarantee that every dime that is spent is going to be spent on either tax cuts or other spending rather than Social Security, when you pay down the debt. That is what they are saying.

How is the debt caused? The debt is caused by spending too much. Spending too much on what? Any and every program. It could be defense. It could be Kosovo. It could be food stamps. It could be foreign aid. It could be law enforcement. But when you spend too much, you have a debt.

We haven't spent too much on Social Security. That is one particular point on which I agree with the distinguished Senator from Texas. When he says, plundering, plundering—I use the word "loot"—we can just say: Trust funds plundered in order to give that balanced budget, that unified budget, that unified debt—you don't hear that word—that is the same thing as paying down the public debt.

So, yes, we plundered Social Security for \$857 billion, and we plundered military retirement, civil retirement, unemployment, highway, airport, and even Medicare, and we have been violating our very doctrine, making it a criminal penalty to use trust funds, pension funds, to pay the company debt. That is the Pension Act of 1994. I know the distinguished Presiding Officer—he and I ended up talking about Denny McLain. I won't have to say that again. I can tell you now what we say in the private economy is, if you use the company pension fund to pay down the company debt, it is a felony. But it is good Government up here.

But back to my poor Republican friends. Not only '64 and '90, but in '93 we got to the balanced budget amendment and we said, gentlemen, on the other side of the aisle, I will vote for you on a balanced budget amendment to the Constitution if you do not plunder Social Security. It is section 7, on page 5—I remember it well—where they said, no, we have to still plunder it. They could have gotten a group of us Senators on this side of the aisle, but they demanded to plunder Social Security. Then, Mr. President, right on up to the present date, read what they say. They say that the surplus shall not be used for non-Social Security

spending or tax cuts, but then when they say it uses the Social Security surplus to reduce the debt, that is exactly what it does.

The distinguished Senator from Texas says there is no plan here to save Social Security or make up for its debt. Why don't we say, use the Social Security surplus for only Social Security purposes, namely, pay down the \$857 billion we owe it? They don't come and say that, Mr. President, no siree. They just demand, at every particular turn, that we get rid of it and now they want to privatize it. I refer, of course, to the particular language in section 202 of the budget resolution that they just brought in here as a group. This says that when the Committee on Ways and Means of the House and the Finance Committee in the Senate gets a conference report submitted that enhances retirement security—that is nebulous; they think it is enhanced when they savage it, plunder it—through structural programmatic reform, the appropriate chairman of the Committee on the Budget—that means Mr. KASICH on the House side and Mr. DOMENICI on the Senate side—they can do anything: increase the appropriate allocations and aggregates of the budget authority; they can adjust the levels to determine compliance with pay-as-you-go, which in essence repeals the pay-as-you-go provision; and they can reduce the revenue aggregates.

What does it mean? You have to call New Mexico and find out from the Senator from New Mexico what it means. That is what is going to happen. Monkeys here is going into the particular amendment.

I can tell you here and now, Mr. President, that this is really a disaster. What we are doing is formalizing spending, spending all the Social Security surplus. At least the President of the United States says he wants to save 62 percent and he is going to spend 38 percent on something else. That is what the President said in his budget. We are going to save 62 percent, but we are going to spend 38 percent on something else.

Do you know what this Republican amendment says? It says we want to make sure we spend 100 percent on something else because it is not for Social Security, it is for the debt. When they use that euphemism "public debt," as I have explained many times, you have an American Express and a Visa card. The Senator from Texas has abandoned Dickie Flats; he has gone to Joe and Sarah Brown. He says when Joe and Sarah Brown sit around the kitchen table and pay their bills—but I can tell you what Joe and Sarah Brown never do: They don't take their Visa card and pay off their American Express. But that's what this amendment does. It says take your Social Security card, the surplus, and pay off the debt of any and every other program or tax

cut—100 percent. They formalize what we tried to stop having been done in the law, when we passed the Balanced Budget Act of 1990. This amendment repeals that particular discipline, the pay-as-you-go program. It goes right on down there plundering. That is all it can be used for. It can't be used for Social Security. There, Mr. President, is the fiscal cancer. This Senator has been working on it for years.

I ask unanimous consent to have printed this chart in the RECORD.

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

TRUST FUNDS LOOTED TO BALANCE BUDGET
[By fiscal year, in billions]

	1999	2000	2004
Social Security	857	994	1,624
Medicare:			
HI	129	140	184
SMI	39	44	64
Military Retirement	141	148	181
Civilian Retirement	490	520	634
Unemployment	79	88	113
Highway	25	26	32
Airport	11	14	25
Railroad Retirement	23	24	28
Other	57	59	69
Total	1,851	2,057	2,954

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed this budget realities chart.

There being no objection, the chart was ordered to be printed in the RECORD, as follows.

HOLLINGS' BUDGET REALITIES

[In billions of dollars]

President and year	U.S. budget (outlays)	Borrowed trust funds	Unified def- icit with trust funds	Actual deficit without trust funds	National debt	Annual in- creases in spending for interest
Truman:						
1945	92.7	5.4	47.6		260.1	
1946	55.2	-5.0	-15.9	-10.9	271.0	
1947	34.5	-9.9	4.0	13.9	257.1	
1948	29.8	6.7	11.8	5.1	252.0	
1949	38.8	1.2	0.6	-0.6	252.6	
1950	42.6	1.2	-3.1	-4.3	256.9	
1951	45.5	4.5	6.1	1.6	255.3	
1952	67.7	2.3	-1.5	-3.8	259.1	
1953	76.1	0.4	-6.5	-6.9	266.0	
Eisenhower:						
1954	70.9	3.6	-1.2	-4.8	270.8	
1955	68.4	0.6	-3.0	-3.6	274.4	
1956	70.6	2.2	3.9	1.7	272.7	
1957	76.6	3.0	3.4	0.4	272.3	
1958	82.4	4.6	-2.8	-7.4	279.7	
1959	92.1	-5.0	-12.8	-7.8	287.5	
1960	92.2	3.3	0.3	-3.0	290.5	
1961	97.7	-1.2	-3.3	-2.1	292.6	
Kennedy:						
1962	106.8	3.2	-7.1	-10.3	302.9	9.1
1963	111.3	2.6	-4.8	-7.4	310.3	9.9
Johnson:						
1964	118.5	-0.1	-5.9	-5.8	316.1	10.7
1965	118.2	4.8	-1.4	-6.2	322.3	11.3
1966	134.5	2.5	-3.7	-6.2	328.5	12.0
1967	157.5	3.3	-8.6	-11.9	340.4	13.4
1968	178.1	3.1	-25.2	-28.3	368.7	14.6
1969	183.6	0.3	3.2	2.9	365.8	16.6
Nixon:						
1970	195.6	12.3	-2.8	-15.1	380.9	19.3
1971	210.2	4.3	-23.0	-27.3	408.2	21.0
1972	230.7	4.3	-23.4	-27.7	435.9	21.8
1973	245.7	15.5	-14.9	-30.4	466.3	24.2
1974	269.4	11.5	-6.1	-17.6	483.9	29.3
Ford:						
1975	332.3	4.8	-53.2	-58.0	541.9	32.7
1976	371.8	13.4	-73.7	-87.1	629.0	37.1
Carter:						
1977	409.2	23.7	-53.7	-77.4	706.4	41.9
1978	458.7	11.0	-59.2	-70.2	776.6	48.7
1979	503.5	12.2	-40.7	-52.9	829.5	59.9
1980	590.9	5.8	-73.8	-79.6	909.1	74.8
Reagan:						
1981	678.2	6.7	-79.0	-85.7	994.8	95.5
1982	745.8	14.5	-128.0	-142.5	1,137.3	117.2
1983	808.4	26.6	-207.8	-234.4	1,371.7	128.7
1984	851.8	7.6	-185.4	-193.0	1,564.7	153.9
1985	946.4	40.5	-212.3	-252.8	1,817.5	178.9
1986	990.3	81.9	-221.2	-303.1	2,120.6	190.3
1987	1,003.9	75.7	-149.8	-225.5	2,346.1	195.3

HOLLINGS' BUDGET REALITIES—Continued

[In billions of dollars]

President and year	U.S. budget (outlays)	Borrowed trust funds	Unified deficit with trust funds	Actual deficit without trust funds	National debt	Annual increases in spending for interest
1988	1,064.1	100.0	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.2	114.2	−152.5	−266.7	2,868.3	240.9
1990	1,252.7	117.4	−221.2	−338.6	3,206.6	264.7
1991	1,323.8	122.5	−269.4	−391.9	3,598.5	285.5
1992	1,380.9	113.2	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,408.2	94.3	−255.0	−349.3	4,351.4	292.5
1994	1,460.6	89.2	−203.1	−292.3	4,643.7	296.3
1995	1,514.6	113.4	−163.9	−277.3	4,921.0	332.4
1996	1,453.1	153.5	−107.4	−260.9	5,181.9	344.0
1997	1,601.2	165.9	−21.9	−187.8	5,369.7	355.8
1998	1,651.4	179.0	70.0	−109.0	5,478.7	363.8
1999	1,704.1	215.7	110.5	−105.2	5,583.9	356.3
2000	1,737.0	224.8	133.0	−91.8	5,675.7	349.6

* Historical Tables, Budget of the U.S. Government FY 1998, beginning in 1962 CBO's 2000 Economic and Budget Outlook.

Mr. HOLLINGS. Mr. President, as you pay down the debt—that was the unified—that is how it was going down. That is where they got here this year to talk about a surplus for the first time. But we got together with the Concord Coalition and we got together with Barrons and several other responsible groups and they said there isn't any surplus. This Barrons headline says, "Hey, Guys, There is No Budget Surplus."

The only reason they can call it a surplus is because of what they recommend in this amendment, paying down the public debt. That is the unified budget. But in the regular overall budget, the debt continues to increase and increase, and the interest costs continue to increase and increase, and you can't give a tax cut without raising taxes. You can't just cut your revenues without increasing your debt.

We have had all the spending cuts for 8 years of Reagan, 4 years of Bush, 6 years of Clinton. Nobody is recommending around here any cut in spending. The first order of business was \$18 billion more for the military pay. The next order of business we are going to vote on is another \$6 billion to \$10 billion for Kosovo. Everybody is going to support that. So the spending goes up, up and away. We are down to bare bones. Yes, instead of abolishing the Department of Education, now they want to increase spending for education. So we can save, and the Presiding Officer can save, \$10 billion or \$20 billion; any individual can. But, collectively, as a Congress, we are not going to do it. What happens is that we need revenues in here, and we need to quit playing the game of paying down the public debt.

Our problem is that the White House doesn't know how to run a war and our Republican Congress doesn't know how to run a peace. They come up here with this Mickey Mouse amendment, saying exactly the opposite of what it really provides. They say you can't use it or any spending. You have to use it on all spending but Social Security, because you are using Social Security money. You can't use it on tax cuts, you have to use it for tax cuts. Certainly, you can't use it for Social Security.

Mr. DORGAN. I wonder, will the Senator yield?

Mr. HOLLINGS. I am glad to yield to the Senator from North Dakota for a question.

Mr. DORGAN. Mr. President, I appreciate the Senator yielding for a question. I wanted to note that for, I guess, the seventh year now that I have been here in the Senate, the one consistent voice on this issue has been the Senator from South Carolina. I find it interesting, and I wonder if he sees the same irony as I do, that the very people that now bring us the notion of a lockbox, because they are worried about the Social Security trust fund, were just a few years ago on the floor of the Senate ridiculing the Senator from South Carolina, myself, my colleague from North Dakota, and others, because we said what you want to do with a constitutional amendment to require a balanced budget is to put a provision in the Constitution that says Social Security revenues must be counted not as part of a trust fund, but as part of the ordinary operating revenues of the Federal budget.

In other words, they wanted to put in the Constitution the misuse of the Social Security trust funds and decide that you have a budget surplus only when you have used the Social Security trust funds to get there. So we said no; if you are going to do something in the Constitution about a constitutional amendment to balance the budget, let's at least be honest with the trust funds and say the budget is only balanced when you have not misused Social Security trust funds.

I should have brought the charts. I was thinking about bringing the charts over to read all of the comments that were made on the floor of the Senate about our position at that point.

They have three stages of denial:

First, we are not misusing the Social Security trust funds.

Second, they said but if we are misusing them, we promise to stop.

If we promise to stop, we can't do it for the first 8 years. We will promise to stop 12 years from now.

Those were the three stages of denial when we debated the issue of a constitutional amendment.

But I just find it interesting that those who now say they are the protectors are the ones who are building a

lockbox and are the very, very same interests who are on the floor of the Senate saying we should amend the Constitution in a manner that provides that Social Security revenues will be treated like all other revenues of government. It is no protection at all, and they would cement that in the Constitution of the United States. When we objected, they said: You are wrong; this is exactly what we want to do. Now we have this little pirouette on this floor when they come back and say we are the ones who want to protect Social Security.

I just wanted to ask the question if the Senator from South Carolina sees the same irony here, although this amendment doesn't do what it is advertised to do. The Senator from South Carolina is absolutely correct; the rhetoric in support of this amendment is directly in contradiction to the kind of things we heard from that side of the aisle just 3 to 4 years ago.

Mr. HOLLINGS. This the same trickery. It is one grand farce. It is one grand fraud.

So to the lockbox everyone is given the keys, whether you want a tax cut, or spending for a particular program on policy, or otherwise. They are given the key, except Social Security. That is the only crowd that can't spend it. You can spend it for any and everything but Social Security.

I yield the floor.

Mr. KENNEDY. Mr. President, the Republican lockbox proposal is deeply flawed, and does not deserve to be adopted. It does nothing to extend the life of the Social Security Trust Fund for future beneficiaries. In fact, it would do just the reverse. This legislation actually places Social Security at greater risk than it is today. It would allow payroll tax dollars that belong to Social Security to be spent instead on risky privatization schemes. And, because of the harsh debt ceiling limits it would impose, this plan could produce a governmental shutdown that would jeopardize the timely payment of Social Security benefits to current recipients.

It is time to look behind the rhetoric of the proponents of the lockbox. Their statements convey the impression that they have taken a major step toward

protecting Social Security. In truth, they have done nothing to strengthen Social Security. Their proposal would not provide even one additional dollar to pay benefits to future retirees. Nor would it extend the solvency of the Trust Fund by even one more day. It merely recommits to Social Security those dollars which already belong to the Trust Fund under current law. At best, that is all their so-called lockbox would do.

By contrast, President Clinton's proposed budget would contribute 2.8 trillion new dollars of the surplus to Social Security over the next 15 years. By doing so, the President's budget would extend the life of the Trust Fund by more than a generation, to beyond 2050.

There is a fundamental difference between the parties over what to do with the savings which will result from using the surplus for debt reduction. The Federal Government will realize enormous savings from paying down the debt. As a result, billions of dollars that would have been required to pay interest on the national debt will become available each year for other purposes. President Clinton believes those debt savings should be used to strengthen Social Security. I wholeheartedly agree. But the Republicans refuse to commit those dollars to Social Security. They are short-changing Social Security, while pretending to save it.

Currently, the Federal Government spends more than 11 cents of every budget dollar to pay the cost of interest on the national debt. By using the Social Security surplus to pay down the debt over the next 15 years, we can reduce the debt service cost to just 2 cents of every budget dollar by 2014; and to zero by 2018. Sensible fiscal management now will produce enormous savings to the Government in future years. Since it was payroll tax revenues which make the debt reduction possible, those savings should in turn be used to strengthen Social Security.

That is what President Clinton rightly proposed in his budget. His plan would provide an additional \$2.8 trillion to Social Security, most of it debt service savings, between 2030 and 2055. As a result, the current level of Social Security benefits would be fully financed for all future recipients for more than half a century. It is an eminently reasonable plan. But Republican Members of Congress oppose it.

Not only does the Republican plan fail to provide any new resources to fund Social Security benefits for future retirees, it does not even effectively guarantee that existing payroll tax revenues will be used to pay Social Security benefits. They have deliberately built a trapdoor in their lockbox. Their plan would allow Social Security payroll taxes to be used instead to finance unspecified reform plans. This loophole opens the door to risky schemes to finance private retirement accounts at the expense of Social Security's guar-

anteed benefits. If these dollars are expended on private accounts, there will be nothing left for debt reduction, and no new resources to fund future Social Security benefits. Such a privatization plan could actually make Social Security's financial picture far worse than it is today, necessitating deep benefit cuts in the future.

A genuine lockbox would prevent any such diversion of funds. A genuine lockbox would guarantee that those payroll tax dollars would be in the Trust Fund when needed to pay benefits to future recipients. The Republican lockbox does just the opposite. It actually invites a raid on the Social Security Trust Fund.

Republican retirement security reform could be nothing more than tax cuts to subsidize private accounts disproportionately benefiting their wealthy friends. Placing Social Security on a firm financial footing should be our highest budget priority, not further enriching the already wealthy. Two-thirds of our senior citizens depend upon Social Security retirement benefits for more than 50 percent of their annual income. Without it, half the Nation's elderly would fall below the poverty line.

To our Republican colleagues, I say: "If you are unwilling to strengthen Social Security, at least do not weaken it. Do not divert dollars which belong to the Social Security Trust Fund for other purposes. Every dollar in that Trust Fund is needed to pay future Social Security benefits."

The proposed lockbox poses a second, very serious threat to Social Security. By using the debt ceiling as an enforcement mechanism, it runs the risk of creating a government shutdown crisis. The Republicans propose to enforce their lockbox by mandating dangerously low debt ceilings. Such a reduced debt ceiling could make it impossible for the Federal Government to meet its financial obligations—including its obligation to pay Social Security benefits to millions of men and women who depend upon them. The risk is real.

The misguided debt ceiling proposal would create a Sword of Damocles which could fall at any time with the slightest miscalculation. If the Congressional Budget Office's economic projections are slightly off, if there is an economic downturn and unemployment rises, if the on-budget surplus is not quite as large as anticipated—any of these events could cause the sword to fall. The proposal is so extreme that it could trigger a shutdown crisis even if the level of debt was declining, merely because it was not declining as quickly as projected. The Government shutdown provoked by irresponsible Republican tactics in 1995 taught us the danger inherent in taking such risks. Yet, the current debt ceiling scheme seems to suggest that the Republican elephant's memory is failing.

There would be many innocent casualties of a new government shutdown.

It is ironic that many of those who would be harmed most by a shutdown are the elderly and disabled citizens dependent on Social Security. If the debt ceiling is reached, the government would be unable to issue their benefit checks. The law is very clear. The President would have no discretion. Social Security benefits could not be paid.

The sponsors of the lockbox claim that the legislation protects Social Security benefits by making them a "priority" for payment. However, that will not solve the problem. Once the debt limit has been reached, payment priorities will be irrelevant. The debt ceiling will prevent all payments from being made. There will be no money to pay any obligation of the federal government—including Social Security benefits.

Those advocating this harsh bill will also claim that Congress would never allow Social Security recipients to go without their checks for long. However, this bill would require a supermajority to raise the debt ceiling so that the checks could be issued. Getting the necessary votes would take time. I believe even a few days would be too long for us to ask the elderly and disabled to wait. For many Social Security recipients, that monthly check is a financial lifeline. They need it to buy food and prescription drugs, to pay the rent, and for other necessities of life. They can't afford to wait while Congress debates. This legislation, if enacted, would make Social Security recipients potential pawns in a future debt ceiling crisis. That may not be the sponsor's intent, but it could very well be the result. It is fundamentally wrong to put those who depend on Social Security at risk in this way.

The lockbox which proponents claim will save Social Security actually imperils it. As Treasury Secretary Rubin has said, "This legislation does nothing to extend the solvency of the Social Security Trust Fund, while potentially threatening the ability to make Social Security payments to millions of Americans."

While this lockbox provides no genuine protection for Social Security, it provides no protection at all for Medicare. The Republicans are so indifferent to senior citizens' health care that they have completely omitted Medicare from their lockbox.

By contrast, Democrats have proposed to devote 15 percent of the surplus to Medicare over the next 15 years. Those new dollars would come entirely from the on-budget portion of the surplus. The Republicans have adamantly refused to provide any additional funds for Medicare. Instead, they propose to spend the entire on-budget surplus on tax cuts disproportionately benefitting the wealthiest Americans.

According to the most recent projections of the Medicare Trustees, if we do not provide additional resources, keeping Medicare solvent for the next 25

years will require benefit cuts of almost 11 percent—massive cuts of hundreds of billions of dollars. Keeping it solvent for 50 years will require cuts of 25 percent.

The conference agreement passed by House and Senate Republicans earmarks the money that should be used for Medicare for tax cuts. Eight-hundred billion dollars are earmarked for tax cuts—and not a penny for Medicare. The top priority for the American people is to protect both Social Security and Medicare. But this misguided budget puts Medicare and Social Security last, not first.

Democrats oppose this “lockbox” because we want real protection for Social Security and Medicare. Our proposal says: save Social Security and Medicare first, before the surpluses earned by American workers are squandered on new tax breaks or new spending. It says: extend the solvency of the Medicare Trust Fund, by assuring that some of the bounty of our booming economy is used to preserve, protect, and improve Medicare.

Our proposal does not say no to tax cuts. Substantial amounts would still be available for tax relief. It does not say no to new spending on important national priorities. But it does say that protecting Medicare should be as high a national priority for the Congress as it is for the American people.

Every senior citizen knows—and their children and grandchildren know, too—that the elderly cannot afford cuts in Medicare. They are already stretched to the limit—and often beyond the limit—to purchase the health care they need. Because of gaps in Medicare and rising health costs, Medicare now covers only about 50 percent of the health bills of senior citizens. On average, senior citizens spend 19 percent of their limited incomes to purchase the health care they need—almost as large a proportion as they had to pay before Medicare was enacted a generation ago. By 2025, if we do nothing, that proportion will have risen to 29 percent. Too often, even with today’s Medicare benefits, senior citizens have to choose between putting food on the table, paying the rent, or purchasing the health care they need. This problem demands our attention.

Those on the other side of the aisle have tried to conceal their own indifference to Medicare behind a cloud of obfuscation. They say that their plan does not cut Medicare. That may be true in a narrow, legalistic sense—but it is fundamentally false and misleading. Between now and 2025, Medicare has a shortfall of almost \$1 trillion. If we do nothing to address that shortfall, we are imposing almost \$1 trillion in Medicare cuts, just as surely as if we directly legislated those cuts. No amount of rhetoric can conceal this fundamental fact. The authors of the Republican budget resolution had a choice to make between tax breaks for the wealthy and saving Medicare—and they chose to slash Medicare.

I urge my colleagues, on both sides of the aisle, to reject this ill-conceived proposal. It jeopardizes Social Security and ignores Medicare. It is an assault on America’s senior citizens, and it does not deserve to pass.

Mr. ALLARD. Mr. President, I support this effort to wall off the surplus Social Security revenues.

By establishing a lockbox we ensure that all savings in the program are used to build the trust fund and extend the solvency of Social Security.

We learned last year that to leave unobligated money lying around Washington is a bad idea because it gets spent!

This is one of several budget reforms that I have been actively supporting.

First, the budget process is too complicated and frequently abused. I feel it needs to be simplified. This is a step in that direction.

With this provision we can remove the temptation that the Social Security surplus presents to those who tend to spend our money carelessly.

As we search for ways to modernize Social Security, it makes sense to dedicate the Social Security surplus to repaying debt owed to the trust fund. Paying down the debt and modernizing Social Security need to happen together.

It is important to take this issue up now, especially since we have already considered three requests for supplemental spending for this year, totaling \$1.36 billion.

These proposals spend the surplus without regard to major budgetary commitments such as Social Security.

I have long been a supporter of debt repayment.

I believe that Federal debt retirement should be a priority when decisions must be made regarding a Federal budgetary surplus. That is why I sponsored the American Debt Repayment Act, which requires repayment of the federal debt.

Likewise, I support the legislation before us today that sets a statutory limit on federal debt held by the public.

We must obligate ourselves to a plan in order to make any progress toward paying down the debt; otherwise, the surplus will most likely invite increased spending.

Consider the impact that debt reduction would have on the fate of Social Security.

We would be making positive changes to ensure the solvency of Social Security for future generations.

We would be making payments on the national debt which is the best way to provide flexibility and a source of funds for changes in Social Security that will modernize it for the generations of the next century.

So long as the federal government carries a \$5.6 trillion debt, we cannot tell our children and grandchildren that we have provided for their future.

By enacting this plan we will be helping to preserve Social Security for future generations.

I hope my colleagues will join me in supporting the Social Security lock box to keep the Social Security surplus safe from raids that further threaten the financial condition of the fund.

Mr. ROBB. Mr. President, I rise to announce my position on the cloture petition on the so-called Social Security lockbox legislation before the Senate.

First, let me say that I am disappointed with our Republican colleagues for making this a political issue. The fact of the matter is that both Democrats and Republicans in this body believe that Social Security surpluses should be protected and, absent extraordinary circumstances, should be used to reduce the public debt. Budget resolutions sponsored by both Democrats and Republicans abided by that rule. In essence, then, the legislation presented to us today is designed as little more than a political show vote that will give a basis for claiming that Republicans alone are committed to protecting Social Security while Democrats are not. Nothing could be more disingenuous.

Let me also say that we could use some truth-in-advertising around here. This is not even a true lockbox. There are significant exceptions included in this legislation. No. 1, the so-called lockbox allows for adjustment of its scriptures for emergency spending, with the likelihood that significant defense-related emergency spending will be enacted. As one individual commented, “if we don’t have an on-budget surplus to fund emergencies, then we adjust the debt limits to borrow from the Trust Fund.” No. 2, it should also be pointed out that the debt limits can also be adjusted for whatever is deemed Social Security reform. That is so open-ended in my view it gives Congress a loophole through which it could easily evade the so-called lockbox altogether.

What concerns me most in this proposal, however, is that it gives the American people the false impression that this is the answer to our fiscal problems. Instead of just resisting the temptation to go on a tax-cutting or spending spree, dealing honestly with solving the long-term funding challenges in Social Security and Medicare, and paying down our enormous debt with the entire surplus, we claim that the lockbox, an artificial mechanism which only commits part of the total surplus to reduce the debt, is the most fiscally responsible thing we can do. What makes this proposal all the more disingenuous from our Republican colleagues is that the large tax cut that they hope to enact threatens most our ability to meet the scriptures of the so-called lockbox.

In the final analysis, this political stunt isn’t worth risking the creditworthiness of the United States.

Mr. President, I agree wholeheartedly with the thrust of this legislation that the Social Security surplus

should be used to pay down the publicly held debt, although I would commit the entire surplus to that purpose. My concern is that the proposal before us is nothing more than an attempt to politicize an issue on which we all agree, and that it has the potential to do more harm than good by risking the credit worthiness of the United States.

Mr. LIEBERMAN. Mr. President. I rise today to express my strong opposition to Senator DOMENICI's amendment "The Social Security Surplus Preservation and Debt Reduction Act". I supported the original legislation, S. 557, which was reported out of the Committee on Governmental Affairs, and would have provided guidance for the designation of emergencies. But this amendment uses S. 557 as a vehicle to introduce a highly controversial and partisan proposal on Social Security. It also changes an important provision in the original bill regarding emergency designations, in a way that undermines the bipartisan compromise which we had reached in Committee. As Ranking Democrat of the Committee on Governmental Affairs, I will limit my comments to the bill we reported out of committee, and to the reasons I object to the changes made to those emergency designation provisions.

First, I would like to provide some background about why I support the unamended version of S. 557, and how it came to be reported out of the Governmental Affairs Committee. Passed in 1990, the Budget Enforcement Act requires that the cost of appropriations legislation stay within spending caps and that the cost of all other legislation satisfies the "pay-as-you-go" requirements. At the time the bill was passed, however, there was a legitimate concern that these new limits on spending could impede Congress' ability to provide additional funds for emergencies. As a result, Congress provided that if the President designates a provision as an emergency requirement and the Congress agrees in legislation, then the spending caps and "pay-go" limitations do not apply to that provision. Congress did not provide any guidance regarding what constitutes an emergency.

Not counting 1991, when emergency spending spiked because of the Persian Gulf War, the annual emergency expenditure had ranged from \$16 billion to \$5 billion before last year's Omnibus spending legislation set a new record, at \$21.5 billion. The emergency spending designation has been used appropriately in many cases. Every year money is provided to the Federal Emergency Management Agency to respond to natural disasters such as hurricanes and floods. Emergency spending has included military funding for Operation Desert Storm and for peacekeeping efforts in Bosnia. The emergency designation has also been used to provide funds after other cataclysmic domestic events, such as the riots in Los Angeles in 1992 and the terrorist bombing in Oklahoma City in 1995. The

1999 emergency funds addressed a wider variety of needs than in prior years. According to the Congressional Budget Office, last year emergency funds were used for the first time for increased security at U.S. embassies, for price supports for U.S. farmers, to respond to the Year 2000 Computer problem, for counter-drug and drug interdiction efforts, for ballistic missile defense enhancements, and to address funding shortfalls in the defense health program, among other things.

While these expenses may all be legitimate uses of tax dollars, Senators on both sides of the aisle feel that some of the past designations of emergency spending were inappropriate, and have been looking for a statutory solution. The problem is the complete absence of guidelines on what constitutes an emergency, as well as insufficient procedural safeguards to prevent the misuse of the subjective emergency designation.

The provision on emergency spending originally contained in Senator DOMENICI's "Budget Enforcement Act of 1999" addressed this problem by establishing a 60-vote point of order against any emergency spending provision contained in a bill, amendment, or conference report. A number of Senators in the Committee on Governmental Affairs, myself included, felt that the super-majority point of order was neither necessary nor appropriate. It would have trampled on the rights of the Minority, and might have led to scenarios where aid is held up in cases of regional emergencies, particularly if a determined bloc of senators hoped to extract some unrelated legislative concession in return for the release of funds. We have seen cases where floods have ravaged the river valleys of the Dakotas, or tornadoes have decimated swaths of countryside in just one or two rural states. Severe droughts are emergencies to the farmers suffering their long-term effects, but may not seem quite so urgent to Senators representing other states. Allowing a reticent voting bloc to hold up funding for emergencies that are recognized by both the President and a majority of Senators seems to be an extreme measure to take, before having attempted a more measured response.

Accordingly, I was quite pleased when we were able to work out an agreement with Senator DOMENICI and Chairman THOMPSON regarding emergency spending. Our compromise preserved the point of order against all emergency spending, but converted it from a super-majority point of order to a simple majority point of order. The agreement retained criteria defining what constitutes an emergency.

The bill we reported out frames the debate whenever an emergency expenditure is challenged. The bill requires the President and congressional committees to analyze whether a proposed emergency funding requirement is necessary, sudden, urgent, unforeseen, and not permanent. If a proposed require-

ment does not meet one of these five criteria, the President or committee must justify in writing why the requirement still constitutes an emergency. Although the five criteria are not binding, the existence of this new statutory guidance, along with the explanations that may be contained in any accompanying report, will provide an essential framework for emergency spending designation decisions that has heretofore been lacking. A Senator raising a point of order against an emergency spending designation would have codified criteria to point to, and the process contained in this legislation encourages more challenges of abuses of the emergency spending designation.

After our bipartisan bill was reported to the full Senate, Senator DOMENICI included in his budget resolution a 60-vote point of order against any emergency designation. During the ensuing consideration of the resolution, Senators DURBIN, BYRD and I co-sponsored an amendment bringing back the simple-majority point of order. Senator DOMENICI accepted this amendment rather than hold a roll-call vote; nevertheless, our measure was subsequently stripped out in Conference. Accordingly, for the next year we will be governed by a Senate rule which requires a super-majority to designate emergencies, a rule which has not won the approval of even a simple majority of any Senate body.

Now we have before us an amendment that goes even further than the provision contained in the budget resolution. The amendment would re-establish the 60-vote point of order against emergency designations which had been removed by consensus in the committee. This point of order would last for ten years, and it would be codified rather than be a Senate rule. For reasons that are not clear, there would be an exception for Defense emergencies, but not for any other type of emergency, including natural disasters.

Importantly, the amended point of order applies to the emergency designation and not the spending itself. If it is raised and sustained, the bill's spending for scoring purposes would be increased, thereby potentially causing it to exceed its allocation. That would leave the entire bill vulnerable to a second point of order. This potential for procedural logjams would only complicate Congress' efforts to provide adequate funding to cope with real and pressing emergencies.

Accordingly, I urge my colleagues to reject the amendment to S. 557, and to accept instead the bill originally reported out of Committee, which addresses the issue of emergency designations in a sensible way, and which has won the support of members of both parties in the Committee.

Mr. ROTH. Mr. President, I rise to oppose the measure now before the Senate. This bill would create new budget procedures to prevent the spending of any surpluses attributed to

Social Security, other than for reducing the public debt or for Social Security reform. Although this bill is well intended, in my view the bill is unlikely to accomplish its objectives and, worse, may have negative, unintended consequences.

Before describing specific objections, let me first commend Senator DOMENICI for his leadership on the budget resolution and his commitment to Social Security. The FY 2000 budget resolution that passed Congress last week sets aside every penny of every dollar of the \$1.8 trillion in Social Security surpluses expected over the next 10 years. This measure demonstrates unequivocally our commitment to protecting Social Security and to restoring confidence and accountability in Social Security's financing.

On the other hand, the President's budget would spend \$158 billion of the Social Security surpluses over the next 5 years, and even more thereafter. The differences between the President's budget plan and Congress's could not be more clear.

Mr. President, the bill now before the Senate intends to provide additional protections against spending so-called "off budget" surpluses, by, among other things, creating a new public debt limit.

In my view, the bill has serious substantive problems. The simple fact is that if Congress does not authorize spending, money cannot be spent. Debt is issued solely to pay for spending Congress authorizes. Indeed, Congress delegated its exclusive constitutional authority to borrow money on the credit of the United States in 1917 to the Treasury Department. Prior to 1917, Congress individually authorized each debt issue, specifying interest rates and maturity.

Over the years, debt ceilings have made little difference in preventing spending or deficits. But, as those of us who have been involved with debt ceiling legislation know too well, the need to raise the debt ceiling can and has often created a sense of crisis. Indeed, this bill could hamper the Federal government from paying its bills in a timely manner; injure the Federal government's credit standing; and limit the Treasury's flexibility to manage the debt in the most efficient manner.

Having said that, the legislation before us does attempt to address some of these problems. For example, the bill contains exceptions for emergency spending, recession, and war. However, these exceptions seem to undo the very purposes of the bill, without providing the flexibility needed to properly manage the debt. Moreover, the language of the bill ensuring the timely payment of Social Security benefits should be strengthened.

The best solution is to prevent spending, not to undo spending with a new type of debt limit. Indeed, the whole point of the 1974 Congressional Budget Act, and subsequent budget process legislation, has been to provide an or-

ganized, disciplined framework for consideration of the nation's budget and of public spending. If the current budget procedures are not adequate to prevent spending authorizations, new remedies should be devised without creating a new type of debt limit.

I received a letter from Treasury Secretary Rubin which addresses the pending amendment. In this letter Secretary Rubin raises concern that the amendment, if enacted, could actually jeopardize the payment of Social Security benefits. This concerns me as well.

Mr. President, I ask unanimous consent to print the letter from the Treasury Secretary in the RECORD following my remarks.

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

(See Exhibit 1.)

Mr. ROTH. Mr. President, let me turn now to one other issue before closing—the importance of prompt action on Social Security reform. The bill before us is at best intended to be a stopgap measure until Social Security reform is accomplished. Social Security has long-term financial problems, which the President and Congress must address. Indeed, there is broad agreement—in Congress and by the President—that Social Security reform is better done sooner than later. I strongly agree, although any action will require Presidential leadership and a bipartisan consensus in Congress.

EXHIBIT 1

DEPARTMENT OF THE TREASURY,
Washington, DC, April 21, 1999.

Hon. WILLIAM ROTH,

U.S. Senate, Washington, DC.

DEAR BILL: This letter transmits an analysis of the Social Security Surplus Preservation and Debt Reduction Act, the amendment offered by Chairman Domenici and Senators Abraham and Ashcroft to S. 557, which is currently being debated on the Senate floor. This Act would create new statutory limits on debt held by the public in addition to the existing ceiling on the total debt held by the public and the Federal trust funds. Our analysis indicates that this provision could preclude the United States from meeting its financial obligations to repay maturing debt and to make benefit payments—including Social Security checks—and could also worsen a future economic downturn. Let me refer you to my earlier letter as I will not repeat here all of the concerns I have with this proposal. For all of the reasons I mention there, I would recommend to the President that he veto this Act if it were presented to him for his signature.

It is still my view and the view of the Administration that fiscal restraint is best exercised through the tools of the budget process. Debt limits should not be used as an additional means of imposing restraint. By the time a debt limit is reached the Government is already obligated to make payments and must have enough money to meet its obligations. These proposed new debt limits, despite the changes made, could run the risk of precipitating a debt crisis in the future.

The proposal makes only limited exceptions for unanticipated developments on the non-Social Security side of the budget. However, the potential for forecast error is great even for estimates made for one year in the future, let alone for ten years. Projections of future budget surpluses are made using hundreds of assumptions, any of which is subject

to error. Indeed, the Congressional Budget Office (CBO) studied the errors in its own five-year estimates and concluded that, based on their average deviation, the annual surplus estimate for 2004 could vary by \$250 billion. Much smaller forecast errors could cause these new debt limits to be reached.

The amendment's shift of the effective date from October 1 to May 1 may provide some degree of cushion but it does not eliminate the risk that the debt limit could be reached in the normal course of business. It reduces the debt limit just after the large revenue bulge in April. However, the size of the cushion and the impact of the timing shift can be far smaller than the deviations from surplus projections described above.

The amendment could run the risk of worsening an economic downturn. The debt limit would be suspended following two consecutive quarters of real GDP growth below one percent. However, an economic slowdown of any duration that did not result in real growth of less than one percent for two consecutive quarters could increase spending and reduce receipts—and both CBO and OMB estimates indicate that such a moderate slowdown could require the borrowing of hundreds of billions of dollars over a period of just a few years. Absent a super-majority vote to raise the debt limit, Congress would need to reduce other spending or raise taxes. Either cutting spending or raising taxes in a slowing economy could aggravate the economic slowdown and substantially raise the risk of a significant recession. In addition, there would be a lag of at least seven months from the onset of a recession to the time that the statistics were available to demonstrate two consecutive quarters of real growth of less than one percent. During these seven or more months, as in the first case, revenues would likely decline and outlays increase necessitating that Congress either reduce other spending or raise taxes. In both cases, the tax increases and spending cuts could turn out to be inadequate to satisfy all existing payment obligations and to keep the debt under the limit, and the debt-limit crisis could worsen.

In addition, the Act does not guarantee that Social Security benefits will be paid as scheduled in the event that the debt ceiling were reached. The Act requires the Treasury Secretary to give priority to the payment of Social Security benefits but, if the Treasury could no longer borrow any money, there might not be enough cash to pay all Social Security benefits due on a given day. We believe that all obligations of the Federal government should be honored. We do not believe that prioritizing payments by program is a sound way to approach the government's affairs (e.g., giving Social Security payments precedence over tax refunds or other benefits, such as those for veterans). In addition, this Act does not indicate how this complex prioritization process should be implemented, no system currently exists to do so, and any such system would be impractical.

Clearly, there could be very serious risks to Social Security and other benefits and to the credit worthiness of the United States if this Act were enacted into law. To ensure fiscal discipline, the Administration recommends instead that the pay-go rules and the discretionary spending caps in current law be extended beyond FY 2002. These tools of fiscal discipline—which do not rely on debt limits—have been highly effective since they were adopted in 1990 on a bipartisan basis. I urge the Congress to consider these provisions—rather than new debt ceilings—as the best choice for maintaining our hard-won fiscal discipline.

Sincerely,

ROBERT E. RUBIN.

Mr. BUNNING. Mr. President, I rise to make a few remarks concerning the

Social Security lockbox legislation. Last year, as chairman of the Social Security Subcommittee in the House of Representatives, I introduced legislation which would have reserved 100 percent of the anticipated budget surpluses for Social Security.

When that bill was marked up in committee, it was changed to 90 percent. Subsequently, that bill was passed by the full House of Representatives but it was attacked viciously by the President and our colleagues on the other side of the aisle because it did not protect 100 percent of the Social Security surplus.

The bill we are considering now in the Senate would do exactly what I originally set out to do in 1998. It would do exactly what the President promised to do in 1998. It locks up the Social Security surpluses to protect them and to insure those surpluses are not used for other programs, tax cuts, or additional spending. It locks up 100 percent of the Social Security surpluses—not 62 percent—not 90 percent—but 100 percent. It requires that those surpluses—and we are talking about a lot of money, as much as \$1.8 trillion over the next 10 years—are not recycled out as debt and spent on other Government programs as we have done in the past.

This is a good bill. It is a good concept. It pays down the debt and it protects Social Security. I urge my colleagues to support this bill and to vote for the motion to invoke cloture.

Mr. REED. Mr. President, I rise today to express my profound concern with several provisions in the Abraham “lock box” amendment pending before us here today. I share many of the objectives the sponsors of this amendment portend to support, such as preserving the Social Security Trust Fund, promoting fiscal responsibility and paying down the debt. However, I fear this amendment could potentially have dangerous and disastrous effects on our nation’s economy and Social Security.

The Abraham “lock box” proposal establishes statutory annual, declining limits for debt held by the public over the next ten years, based on projections from the Congressional Budget Office (CBO). Proponents of the amendment contend that these statutory limits will force a greater degree of fiscal responsibility upon the federal government. In order to raise the debt limit, a 60-vote point of order in the Senate would be required.

On the surface, this legislation may appear to provide potential benefits to the American economy and government spending. However, there are several fundamental flaws to this approach, which is why I am unable to support the proposal.

First, the Abraham proposal relies upon CBO budget projections to derive the statutory public debt limits. While CBO budget projections are an insightful and beneficial tool for policymakers, they are in no way an exact

measure of future budget levels. As any economist would tell you, there are too many uncontrolled factors that can come into play. By CBO’s own admission, unanticipated developments in the economy, demographics, or other factors may alter the nations’ budget landscape.

For instance, an assessment of CBO budget projections between fiscal years 1988 and 1998 found that projections were off by an average of 13 percent per year. Looking ahead to 2004, this margin of error would mean that CBO’s current budget projections could be off by as much as \$250 billion. Yet, under this proposal, these inaccurate projections would become the standard.

Second, the statutory debt limits proposed by the Abraham amendment could make the federal government’s responsibility to meet daily financial obligations extremely difficult. Treasury Secretary Robert Rubin has stated that debt limits may drastically hinder the Treasury’s ability to cover near-term shortfalls in the government balance sheet. The government receives revenues and makes payments on a daily basis. Daily, weekly, or monthly swings in cash flows can exceed balances, and under the “lock box” scenario, debt limits as well. If the government has reached the debt limit, it would likely become necessary to temporarily suspend unemployment benefits, or other payments, until budget cuts or tax increases are implemented to make up the difference.

Third, arbitrary debt limits could exacerbate economic downturns. The amendment includes a provision that its supporters claim would lift the debt limit during a recession, which is defined as two consecutive quarters where real economic growth is less than one percent. However, lags in economic reporting mean that data on GDP growth are generally not available until several months after an economic downturn has actually begun.

For example, the recession that started in July 1990 was not revealed through economic data until April 1991. When the economy slows, unemployment compensation and other outlays rise, while tax revenues slow or decline. As a result, debt limits could be breached more quickly. However, unless Congress musters 60 votes to breach the debt limit, cutting government expenditures or raising taxes would be required. These delays could push an already weak economy into a recession.

Fourth, effective measures are already in place to ensure fiscal restraint. Over the last ten years, pay-as-you go and discretionary spending caps have been highly successful in producing fiscal discipline without threatening budget cuts or tax increases. These enforcement mechanisms, which were enacted as part of the Budget Enforcement Act of 1990, have been key elements in maintaining fiscal discipline over the past decade. Supplementing these successful laws is

unnecessary and may create greater volatility in our budget process.

Lastly, I would be remiss if I did not point out that the “lock box” proposal does nothing to stimulate meaningful Social Security reform, nor does it extend the solvency of the program. In fact, the amendment contains a clause that would allow money dedicated to the payment of Social Security benefits to be siphoned off for other purposes, like the creation of private accounts. It also completely ignores the solvency problems facing Medicare.

Mr. President, although the “lock box” amendment is seemingly well intended, if enacted, it could dramatically impact the federal government’s ability to meet its financial obligations and react to economic downturns. Furthermore, it could exacerbate times of economic hardship and tie the hands of the federal government in meeting its financial commitments to the American people. Most importantly, the amendment does nothing to secure the solvency of Social Security and Medicare. I urge my colleagues to reject this potentially harmful amendment.

Thank you, Mr. President.

Mr. McCAIN. Mr. President, I am proud to join Senators LOTT, DOMENICI, and others in cosponsoring this amendment to S. 577, The Budget Reform Act. I was an original cosponsor along with Senator ABRAHAM and others of the legislation upon which the Lott-Domenici amendment is based.

This amendment expresses clearly our commitment to protect the Social Security Trust Fund for current and future beneficiaries. This legislation reiterates the importance of adhering to the provisions of the 1990 law that prevented Congress and the President from using Social Security surpluses to mask the size of annual budget deficits. It also urges the establishment of a budgetary “lock box” for Social Security funds, with effective enforcement mechanism, to prevent Congress and the President from using Social Security receipts to pay for other government spending or to offset tax cuts.

We all have seen the predictions that the Social Security system will be bankrupt in 2032, short-changing the millions of Americans who included Social Security benefit payments in their retirement planning. Simply walling off the Trust Fund from depletion for other purposes will not solve this long-term problem. Clearly, we must continue to work to find a viable long-term solution to the financial problems of the Social Security system that restructures the system in a manner which provides working Americans with the opportunity, choices, and flexibility necessary to ensure their future retirement needs are fully met. At the same time, we must guarantee that everyone who has worked and invested in the Social Security system receives the benefits they were promised, without placing an unfair burden on today’s workers.

Saving Social Security should not be a partisan issue. For our parents today and our grandchildren tomorrow, saving Social Security is too important for politics to guide us rather than principle. With predictions of sustained budget surpluses for at least the next ten years, saving Social Security should be our first priority.

I endorse the President's proposal to set aside two-thirds of the estimated \$2.8 trillion non-Social Security surplus to shore up the Social Security system. However, I question whether the President is truly wedded to saving Social Security. His own budget shows that he does not set aside a single extra dollar for Social Security for at least ten years. Instead, he spends the surplus on new government programs.

It is also alarming that the President feels that the government should become an institutional investor in the stock market, using Social Security funds. The government has no business going into business. How could the government bring action against a company for violating anti-trust laws if it has a large equity investment in that same company? And can anyone fathom how the forces of political correctness might distort the market? Would the government eventually become the majority stockholder in Ben and Jerry's?

Saving Social Security has one simple objective: to guarantee that everyone who has worked and invested in Social Security receives the benefits they were promised. We must establish an effective "lock box" to ensure that 100 percent of Social Security receipts go to the Social Security trust fund and stay there earning interest. We must stop the federal government from stealing money from the Social Security trust fund to pay for its excessive spending habits. Social Security is a sacred promise which must not be broken. Fiscally responsible members of Congress must stand up and not allow the Federal Government to take the hard-earned money of taxpayers and threaten the financial security of our nation's retirement system.

Let me just point out that walling off the Social Security Trust Fund and reserving future surpluses to ensure the solvency of our nation's retirement system does not mean we can not also have a tax cut. Americans need and deserve a tax cut. Federal taxes consume nearly 21 percent of America's gross domestic product, the highest level since World War II. A recent Congressional Research Study found that over the next ten years an average American family will pay \$5,307 more in taxes than the government needs to operate. Congress did not balance the budget so Washington spending could grow unnecessarily at the taxpayer's expense. Letting the American people keep more of their own money to spend on their priorities will continue to fuel the economy and help create more small business jobs and other employment opportunities.

We can provide meaningful tax relief to American families and still save Social Security. The Federal Government wastes billions of dollars every year on pork-barrel spending projects, much of which is earmarked by powerful Members of Congress for their home states and districts. Just this past year, Congress directed over \$9 billion to special-interest projects. We also continue to allow businesses to use tax loopholes and other subsidies that do not make economic sense. According to the Progressive Policy Institute, we could easily save \$200 billion over the next five years by eliminating inequitable corporate subsidies, including phasing out operating subsidies for Amtrak and eliminating the ethanol tax credit.

We can and should pay for tax relief for middle-class Americans and families with the money we throw away on pork-barrel projects and inequitable corporate subsidies, not money raided from Social Security surpluses.

Mr. President, on behalf of the millions of Americans who have paid into the Social Security system for decades and those who are working and paying into the system today, I urge my colleagues to support this amendment and demonstrate their continued commitment to truly saving Social Security for future generations.

Mr. DASCHLE. Mr. President, there is an old saying heard quite often in the midwest and perhaps other parts of the country as well. The saying is "what you see is what you get." The adage is as simple as it is straightforward. It's a way of letting another person know there will be no surprises—good or bad—associated with the person or object in question. Things are pretty much as they appear.

Unfortunately, the proponents of this legislation, the so-called "Social Security Surplus Preservation And Debt Reduction Act," do not subscribe to this plainspoken logic. In fact, quite the contrary. What you see when you examine their language is quite different from what you get when you listen to their rhetoric. They argue they are preserving Social Security. Their own bill language says otherwise. They argue they are reducing the public debt. Again, their bill language betrays them. And finally, they argue they have created a sound mechanism to lock away Social Security. The Treasury Department tells us differently. Mr. President, if votes on this bill are based on what people see and not on what they would actually get, I am confident this measure will be defeated. I strongly recommend that course of action.

Let me state at this time that I and every member of the Democratic caucus totally support the objectives expressed by this bill's authors. We must ensure that every dollar of Social Security taxes is dedicated solely and exclusively to Social Security benefits. I have joined with Democrats to fight for this principle earlier this year on the budget resolution. Furthermore, Demo-

crats advocate taking an additional step. We feel Medicare also faces grave challenges and will need additional resources to ensure that radical reform is not necessary. The Democratic alternative to the bill before us today locks away every dollar of Social Security and helps Medicare. It does so in a secure manner that will not threaten the fiscal stability of this country.

Unless there is a change in the current procedural situation, Democrats will be precluded from getting a vote on our proposal at this time. If the proponents of this legislation were truly interested in a serious, substantive debate on how to protect Social Security and Medicare, they would not, as a first step, seek to limit Senators' rights to offer amendments. There is only one reason you would stack the deck in this manner on such an important bill before the Senate could even begin debating the merits of the legislation. That reason is partisan politics. The proponents of this bill have decided they would rather play politics with this issue than work together to produce good policy. Only by voting against cloture will Senators be allowed to work their will and offer improvements or substitutes to the Republican bill.

I would like to spend a few moments discussing my concerns about the specifics of the Republican bill. To do that, I must take a brief look back. Earlier this year, we witnessed an event that many members of Congress, indeed many Americans, never thought we would see in our lifetimes. After decades of deficits and trillions of debt, the Congressional Budget Office issued its fiscal report projecting budget surpluses as far as the eye could see. According to CBO, surpluses would total \$2.6 trillion, including \$787 billion in non-Social Security surpluses. Over 15 years, these totals would reach \$4.6 trillion and \$1.8 trillion, respectively. Democrats proposed on the budget resolution last month that we lock away every penny of the \$2.8 trillion Social Security surplus and set aside close to \$700 billion of the remaining surplus to keep our commitments to Medicare. Republicans opposed this approach then, and their actions today indicate they have not changed their minds. A \$4.6 trillion surplus and the Republicans continue to say nothing for Medicare. Not a dollar. Not a dime.

This attitude might be somewhat easier to explain if the Republican bill truly set aside the \$2.8 trillion in surplus Social Security taxes for Social Security benefits. Unfortunately, Mr. President, the title of the bill notwithstanding, the Republican proposal fails to preserve Social Security taxes for Social Security benefits. What is the basis for my assertion? Take a look at page 16 of the Republican bill. This page contains language that all Social Security taxes will be set aside unless Congress enacts "Social Security Reform Legislation." And what is "Social Security Reform Legislation"? Reading from the Republican bill, "[it]

means a bill or joint resolution that is enacted into law and includes a provision stating the following: Social Security Reform Legislation. For the purposes of the Social Security Surplus Preservation and Debt Reduction Act, this act constitutes Social Security reform legislation."

In other words, Social Security Reform is anything a majority of Congress says it is. And, once declared, this same majority can spend Social Security taxes on anything they choose. Far from setting aside Social Security taxes for Social Security and paying off the national debt, this language allows its supporters to use these proceeds to bankroll tax cuts or other spending programs—hardly a sound means for preserving Social Security or reducing the federal debt. If you are serious about protecting Social Security taxes for Social Security benefits, this is not the bill for you. If you think we should lock in debt reduction, this bill falls short. In light of this huge loophole, it is Orwellian for Republicans to entitle their bill the Social Security Surplus Preservation and Debt Reduction Act.

My third criticism of this bill centers on the impact its enactment would have on the full faith and credit of the United States government and our economy. This bill creates new statutory limits on debt held by the public. By linking enforcement of its provisions to the publicly held debt ceiling, the Secretary of the Treasury has concluded, "this provision could preclude the United States from meeting its financial obligations to repay maturing debt and to make benefit payments—including Social Security checks—and could also worsen a future economic downturn." In spite of the alterations made to the original version of this bill, the Treasury Secretary has wisely concluded the bill still puts at risk the creditworthiness of the federal government, the U.S. economy, and indeed, Social Security itself. Not surprisingly, Secretary Rubin recommends that the President veto this bill.

Now the proponents of this bill have challenged the statement that enactment of their bill could threaten Social Security payments. They point to section 203 of their bill. This section purports to protect Social Security benefits by asking the Secretary of the Treasury to give priority to the payment of Social Security benefits if Treasury funds are running low. Secretary Rubin has looked at this provision very carefully. His conclusion? "The act does not guarantee that Social Security benefits will be paid as scheduled in the event that the debt ceiling were reached. . . . We do not believe that prioritizing payments by program is a sound way to approach the government's affairs. In addition, this act does not indicate how this complex prioritization process should be implemented, no system currently exists to do so, and any such system would be impractical."

Mr. President, clearly the bill before us is fatally flawed. In spite of the desires and remarks of its supporters, the Social Surplus Preservation And Debt Reduction Act actually accomplishes neither. Social Security is not truly preserved, and debt reduction is by no means guaranteed. Ideally, Senators would be able to offer amendments to improve this bill and accomplish the stated objectives of its supporters. Unfortunately, that choice is not currently before the Senate. Instead, we are being asked to cut off debate before it has even begun. This is an option we can afford to pass up. I ask that my colleagues oppose cloture.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that each side of the aisle be allotted 1 hour each for debate on the pending amendment, and that all time consumed to this point count against the time limitation, and the scheduled vote occur at the expiration of that time.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, reserving the right to object, how much time is that?

Mr. ABRAHAM. Let me explain.

The PRESIDING OFFICER. Five minutes to a side, in answer to the question.

Mr. ABRAHAM. In effect, we started late, and the original plan was to have a 2-hour discussion, equally divided, from 9:30 until 11:30. We started 10 minutes late. So the purpose of this unanimous consent agreement would be to add in the additional 5 minutes to each side because of our late initiation. That isn't how much time is left. That is how much time will be added to each side because of the loss.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I yield to the Senator from Minnesota for 5 minutes to speak to the amendment.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. Thank you very much, Mr. President.

Mr. President, I wanted to be here this morning to strongly support safe deposit box legislation that would lock in any future Social Security surpluses, again only to be used for Social Security.

That doesn't sound like rhetoric to me, although that is what others are charging. But this is an effort to make sure the surpluses for Social Security go forward to making sure that Social Security is going to be solvent in the future.

I commend the Senate majority leader and Senator DOMENICI for making

this legislation a top priority. I am pleased to join Senators ABRAHAM, ASHCROFT, and DOMENICI to offer this important substitute amendment.

The recently released 1999 Social Security Trustee's Report shows the financial status of the Social Security Trust Funds has slightly improved due to our strong economy.

The Trustee's report that Social Security will begin operating in the red in 2014, a year longer than last year's report, and it will go broke in 2034, two years later than projected last year.

This does not mean we don't need to worry about Social Security any more, and that future economic growth will wipe out all of our problems with Social Security as some suggest.

On the contrary, it reveals that Social Security unfunded liability has increased by \$752 billion, which means Social Security is falling deeper into debt. It makes reform of Social Security more urgent than ever.

Although the increased surplus has slightly pushed back the date of insolvency, the significant increase of unfunded liability makes it harder to fix Social Security. Clearly, nearly \$20 trillion in unfunded liability makes Social Security reform more imperative, not less—\$20 trillion in unfunded liability. That means \$20 trillion worth of benefits that the Government has promised that is not available in the Social Security Trust Funds.

That's why we are introducing this legislation today as an essential first step to save and strengthen Social Security.

Mr. President, this legislation is an enforceable mechanism to preserve the surplus generated by Social Security. It is designed to lock in every penny of the \$1.8 trillion Social Security surplus in the next 10 years to be exclusively used for Social Security.

Pending reforms, these surpluses would retire debt held by the public to increase cash reserves in the Social Security trust funds. This mechanism ensures the surplus will be used in the future to pay for promised Social Security benefits once retired baby boomers threaten the solvency of the trust funds.

Although I prefer an immediate reform to move Social Security to a fully-funded retirement system, I believe this is the only way to actually save Social Security at this time, and to provide the dollars needed of any reform package in the offing.

President Clinton unveiled his Social Security proposal under his FY 2000 budget. The bottom line of his plan is that it allows the Government to control the retirement dollars of the American people by investing for them. It does nothing, however, to save Social Security from bankruptcy.

Worse still, despite his rhetoric about saving every penny for Social Security, President Clinton has proposed to take \$158 billion in Social Security dollars to finance Government programs unrelated to Social Security.

The only positive aspect of his proposal is that the President has admitted the insolvency of Social Security and has recognized the power of the markets to generate a better rate of return, and therefore improved benefits.

The fundamental problem with our Social Security system is that it's basically a Ponzi scheme—a pay-as-you-go pyramid that takes the retirement dollars of today's workers to pay benefits for today's retirees.

It has no real assets and makes no real investment. With changing demographics that translate into fewer and fewer workers supporting each retiree, the system has begun to collapse.

There is a lot of double-counting and double talk in President Clinton's Social Security framework. The truth of the matter is the President spends the same money twice and claims that he has saved Social Security.

All the President has done is create a second set of the IOUs in the trust fund. It is like taking the money he owes Paul out of one pocket and applying it to the money he owes Peter in the other pocket, and then pretending that he has doubled his money and is now able to pay them both.

In addition, the President has proposed to spend \$58 billion of Social Security money in FY 2000 for new Government spending. Over the next five years, he will spend \$158 billion of our Social Security money.

President Clinton's plan does not live up to his claim of saving Social Security. He has not pushed back the date when the Social Security Trust Fund will begin real deficit spending. That date is still the same—2014. Social Security will have a shortfall that year and the shortfall will continue to grow larger year after year.

There are no longer surpluses building up in the Social Security account. There will actually be a deficit, and the shortfall will be \$200 billion a year by the year 2021. By the year 2048, that deficit would run \$1.5 trillion a year.

Since the government has spent the surplus and has not set aside money to make up for this shortfall, it will have to raise taxes to cover the gap—something that economists estimate will require a doubling of the payroll tax.

The proposal by the President to have the government invest a portion of the Social Security Trust Funds is no solution. It would give the government unwarranted new powers over our economy, and it will not provide retirees the rate of return they deserve.

Mr. President, it's going to take real reform, not Washington schemes, to help provide security in retirement for all Americans. The first essential step is to stop raiding from the Social Security Trust Funds, and truly preserve and protect the Social Security surplus to be used exclusively for Social Security.

This is exactly what this safe-deposit box legislation will achieve.

Mr. President, the best part of this legislation is that it will prevent Con-

gress and the Administration from spending the Social Security surplus.

As I mentioned earlier, Social Security operates on a cash-in and cash-out basis. In 1998, American workers paid \$489 billion into the system, but most of the money, \$382 billion, was immediately paid out to 44 million beneficiaries the same year.

That left a \$106 billion surplus. The total accumulated surplus in the trust fund is \$763 billion.

Unfortunately, this surplus exists only on paper. The government has consumed all the \$763 billion for non-Social Security related programs. All it has are the Treasury IOUs that "fit in four ordinary brown accordian-style folders that one can easily hold in both hands."

Despite the President's rhetoric of using every penny of Social Security surplus to save Social Security, last year's Omnibus Appropriations bill alone spent over \$21 billion of the Social Security surplus.

Without the enforceable lockbox created by this legislation, future surpluses are likely to be spent to fund other government programs, leaving nothing for baby boomers and future generations.

Another important component is that this legislation would use the Social Security surplus to reduce the amount of federal debt held by the public.

Clearly, there is a valid economic reason to pay down the federal debt. Although I join most economists who agree that paying off the federal debt with a budget surplus would not stimulate growth in the same way that a tax cut would, it is still far preferable to having the government spend all the surplus.

Mr. President, many of us in Congress agree with the President that we should, and indeed must, devote the entire Social Security surplus to saving Social Security. However, his plan does not do what he says while our legislation does.

Mr. President, this legislation will be an essential first step to save and strengthen Social Security. I urge my colleagues to support this important legislation.

Thank you, Mr. President.
I yield the floor.

Mr. LAUTENBERG. Mr. President, I yield 5 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EDWARDS. Mr. President, I rise in opposition to this Republican lockbox for two very basic reasons: No. 1, it does nothing to extend the solvency of Social Security which we all, as Americans, ought to be concerned about; No. 2, the so-called lockbox is really no lockbox at all; it does not provide the protection we need.

First, let me speak to this issue of the extension of the financial viability of Social Security. We know from projections that Social Security's finan-

cial viability is expected to last through the year 2034. This proposal does nothing to extend that time. It adds no funds to the Social Security fund at all. We have a very fundamental problem. This is not pocket money we are talking about; this is money that elderly Americans all over this country and in North Carolina depend on for their livelihood.

For example, over 90 percent of Americans over the age of 65 depend on Social Security and receive Social Security benefits. Nine out of ten elderly Americans who have escaped poverty as a result of Government or Federal help have done so as a result of Social Security. In my home State of North Carolina, over half of the elderly would be in poverty—54 percent—in the absence of Social Security.

I have a simple question and I think it is a question the American people ask: What will happen when the year 2034 arrives and these folks can no longer receive their Social Security payments? We made a promise to these people. They spent their lives working, doing exactly what they were obligated to do, paying their payroll taxes. Now the question is whether we, as a government, are going to meet our promise and our responsibilities to them.

There is a second fundamental problem with this proposal. The lockbox is really no lockbox at all. It is a lockbox with lots of keys. The problem is, those keys are in the hands of folks who in the past have shown a willingness to let Social Security go to the side and instead use the money for tax cuts and other such things. What we need is a real lockbox, a lockbox that cannot be opened, a lockbox that does not have a provision, as this bill does, that provides for Social Security reform. This lockbox can be opened.

The elderly Americans need to know this Social Security money is, in fact, locked. We need to do what is necessary to accomplish that. We have an obligation to our elderly Americans. We made them a promise. They fulfilled their part of that obligation.

There is a fundamental question. If we are going to lock up this Social Security money, we need to lock it up in the correct way, in a way that it can't be reached. We need to do what is necessary to extend the life of Social Security. We have an obligation to do that. We have an obligation not to undermine the integrity of the Social Security system. We need to meet our promise and our obligation to elderly Americans who spent their whole lives working, expecting they would receive these benefits when they retired.

I yield back the remainder of my time.

Mr. LAUTENBERG. Mr. President, I yield 6 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, this amendment before the Senate, which I do not favor, saddens me. It is not

being straight with the American people. It is packaged in a way to look as if it is protecting Social Security. It is like a lot of products: They are packaged, with a promise on the label which may or may not describe what is inside the package.

The package here is called a lockbox to save Social Security. That is the package. That is the wrapping around the product. It is not indicative of the product inside. What is the product inside? Inside the package, the so-called lockbox package, not one penny is added to Social Security. The Social Security trust fund is due to expire in roughly the year 2034. The passage of this amendment does not extend that by one day. There is no difference, no change.

What is the product inside this so-called package? What is inside is essentially a provision which will be in the law which says public debt has to decline by the amount that the Congressional Budget Office projects. If at any date it does not, then the debt ceiling is in effect. That means that Government cannot make its payments and meet its obligations as we bump up against the debt ceiling.

The amendment before the Senate, the public debt ceiling limit, declines right along with reductions in public debt as projected by the CBO. Why is that a problem? It is a problem because the debt limit is not the way we force fiscal discipline. It is a charade. I have been in the Senate for almost 20 years. I have been part of many debt limit extension debates. They are very embarrassing, very embarrassing. The Government has, through the Congress, through authorization programs, obligations. Of course we have to increase the debt limit or we don't meet our obligations and the creditworthiness is in jeopardy, as in 1975 when Moody put us on a list for possible downgrade. At that point, we were flirting with whether or not to raise the debt limit.

Some Senators wanted to add different provisions. It was a political nonargument because we all knew we had to pass the debt. It is a game that is being played here. That is why I stood at the outset to say I am saddened by this amendment. It is not being straight with the American people.

Enforce fiscal discipline by spending less, pay-go, or through spending caps we enact and adhere to. That is the main reason the budget deficit declined and now we are reaching surpluses. It is not because of any debt limits. We already have a total debt limit in existence—the public debt plus the debt the Government owes to itself. We have that. This is inside the package, a new debt limit, which is meaningless, totally meaningless, because, obviously, if we meet the debt limit, we have to either raise the debt limit or we do not meet our obligations, which means we cannot spend money we are obligated to spend.

Social Security is supposed to be protected, but it is only a priority. If the

debt limit is exceeded by such a great amount, it is possible that Social Security beneficiaries will not be receiving their payments. It is a priority above veterans. Veteran benefits could be cut if we pass the debt limit.

In addition, the usual debates in the past of whether to extend or raise debt limit ceilings are only majority votes. They are very, very difficult to get even though we all know it has to happen. The amendment before the Senate says it has to be a supermajority, 60 votes. We all know that is practically impossible.

The honest approach to saving Social Security and the honest approach to fiscal discipline is to continue the pay-go provisions, extend the caps on discretionary spending. We do our job here because this so-called lockbox, public debt limit provision, is not what it is cracked up to be. The other side is trying to make it look like they are protecting Social Security when, in fact, that is not what they are doing.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I yield 30 seconds to the Senator from California.

Mrs. BOXER. Mr. President, we don't have a lockbox for Social Security before the Senate. We should be clear; this lockbox as it pertains to Social Security has no lock; it has no box. The fact is, there is a huge, giant crack in the box that says, "Exception: Social Security reform."

We have heard it before from the other side of the aisle: Privatization of Social Security. That is another way to say end Social Security as we know it.

My mother used to say, just because someone says he is your friend does not mean he is your friend. Listen to who is speaking. Know who the true friends of Social Security are.

Vote "no."

Mr. LAUTENBERG. Like all the Democrats, I strongly support the purported goal of this amendment to secure the future funding of Social Security. I, like some of the other speakers on our side, believe this legislation is seriously flawed. We cannot rely on this plan to protect Social Security.

This lockbox, by any other name, could be called a leaky sieve. First, the amendment poses a direct threat to Social Security beneficiaries. Treasury Secretary Rubin has explained that under the proposal, an unexpected economic downturn could block the issuance of Social Security checks, as well as Medicare, veterans, and other benefits.

Additionally, the amendment changes a huge loophole, a minefield that would allow Social Security contributions to be diverted for purposes other than Social Security benefits. It is described as Social Security "reform" that would be exempt from the lockbox. That tells us beware, be on your guard, because it says something along the way might permit us, in the interest of reform, to divert funds that

should be directed exclusively to Social Security. Things suggested could be risky privatization plans, tax cuts—who knows what?

The second problem with the amendment is that it does absolutely nothing to protect Medicare. Instead, it allows Congress to use what might be necessary funds for Medicare on tax breaks for wealthy individuals. I had hoped to be able to offer an amendment to establish a lockbox, one that is truly locked, one that is truly secure, to protect both Social Security and Medicare. That lockbox proposal would reserve all of Social Security surpluses exclusively for Social Security, and 40 percent of the non-Social Security surpluses for Medicare. Unfortunately, the majority is unwilling to even give us an opportunity to offer an amendment. They are not willing to subject it to the wishes of the Senate. Why? Is there something they are afraid of?

Finally, and perhaps most importantly, this amendment could present us with a Government default in the long term. In the short term, it could undermine our Nation's credit standing and increase interest costs. Ultimately, blocked benefit payments could lead to a world economic crisis. Our Nation has never defaulted on an obligation that is backed by the full faith and credit of our country. Yet, according to the Treasury Secretary, Bob Rubin, who is very respected, the creditworthiness of the United States could be subject to very serious risks if this legislation were enacted, and that is why he would recommend the President veto the bill if it ever reached his desk.

We Democrats have a proposal, a lockbox that protects both Social Security and Medicare, and our lockbox would not require a new debt limit, and it would not risk a default. It would use supermajority points of order and across-the-board cuts to guarantee enforcement. That is a better, more responsible approach. Unfortunately, the majority is not going to give us an opportunity to present our plan to the Senate. I do not think it is right. I wish we could have a reversal of the majority opinion or the majority view on that.

Social Security lockbox legislation is a new proposal. It has not gone through a committee. It has not been subjected to hearings. In fact, it was not even introduced until a couple of days ago, and it resulted from a conference in the privacy of a single room. Yet the majority is using parliamentary tricks to prevent us from offering any amendments to improve the bill. It is not the right way to do business, especially given the high stakes involved both for Social Security and for our entire country. So I am going to ask my colleagues to oppose cloture on this legislation. Let us continue this debate. Let us find out what really is in this proposal. Let us make it a real lockbox, not one that could be threatening Social Security benefits and does not do

anything for Medicare and risks our national credit.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I yield myself an initial 5 minutes, and if the Chair will let me know when that time is reached, we will see how much time is remaining to speak.

I have had the pleasure of listening now for about 3 days to a variety of criticisms raised by the other side of the aisle on this amendment, almost all of which are baseless in every conceivable way. Some of them, I think, are caused by failure to read it, some because of a reliance on letters received from the Department of Treasury before it had even been drafted, and some for reasons that are frankly, to me, still confusing—the most recent being the comments of the distinguished ranking member of the Budget Committee that they have had no opportunity to address the issue. What we have before us is cloture on this amendment, not cloture on this bill. If cloture is invoked, then we will go ultimately to a vote on this amendment, and once it is dispensed with, up or down, the bill will still be available for amendment. If there are better lockbox proposals or alternative proposals, there will be an opportunity for that.

Let me also say, this Senator certainly is receptive to, and anxious to hear from, the Secretary of the Treasury or anybody else with respect to ways to perfect the approach we have taken. But what we have tried to do is simply put into a legislative form that which we passed as part of our budget resolution on a 99-0 vote. What that said, very simply, was we were going to reduce the Federal debt held by the public because it is a national priority; that Social Security surpluses should be used for Social Security reform, or to reduce the debt held by the public and should not be used for any other purpose.

Mr. President, 99 people voted for this. Now, all of a sudden, we hear that having the words "Social Security reform" in this amendment is some kind of diabolical plot; or using the Social Security surplus to pay down the national debt is somehow a threat to the economy. If people believe that, I cannot imagine why they voted in the first place 99-0 for this amendment when it was offered by myself and others during the budget resolution debate. The only thing that has happened since then is that we have tried to put into legislative context that which everybody said they were for. If there are criticisms of this, I think they would have to be technical ones because the basic principles that were voted on 99-0 are exactly what are embodied in this amendment before us today.

We recently heard the statement: Who are the real friends of Social Security? We will find that out here in a few minutes. The question will be this,

and this will be a question for seniors and those who will soon be recipients of Social Security benefits to answer for themselves: Are your friends the people who want to make sure the Social Security surpluses are protected from being spent or used for other Government programs or tax cuts or anything other than to reduce the national debt? Or are your friends the people who want to spend the Social Security surplus, such as the President proposed in his budget, or those who will vote against a provision, this amendment, that would protect the surpluses from being spent?

Every time I talk to seniors in my State, I hear complaints that we have plundered the Social Security trust fund and spent those dollars on other things. This amendment is designed to put an end to that, to require 60 Senators to stand on this floor and to vote to spend Social Security money on something other than Social Security. Yet all of a sudden we find all kinds of excuses to oppose that.

We will let the seniors decide who their friends really are. I think for too long we have seen these surplus dollars spent on other Government programs. It is time for that to stop. It is time for those dollars to be protected, to be used to pay down the public debt, or used as part of a Social Security modernization program. And that is not going to happen until we have bipartisan consensus on such a program.

In the meantime, do we send those dollars off to other priorities in the budget, or do we put them into the reduction of the publicly held debt so that we, in fact, strengthen the economy, reduce our interest payments, and make more funds available in the future for Social Security when it will need it?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the entire text of Senate Amendment No. 143, as well as the results of the Senate vote on that amendment be entered in the RECORD following my remarks.

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

At the appropriate place, insert:

AMENDMENT NO. 143

SEC. XX. FINDINGS; SENSE OF CONGRESS ON THE PROTECTION OF THE SOCIAL SECURITY SURPLUSES.

(a) The Congress finds that—

(1) Congress and the President should balance the budget excluding the surpluses generated by the Social Security trust funds;

(2) reducing the federal debt held by the public is a top national priority, strongly supported on a bipartisan basis, as evidenced by Federal Reserve Chairman Alan Greenspan's comments that debt reduction "is a very important element in sustaining economic growth," as well as President Clinton's comments that it "is very, very important that we get the government debt down" when referencing his own plans to use the budget surplus to reduce federal debt held by the public;

(3) according to the Congressional Budget Office, balancing the budget excluding the

surpluses generated by the Social Security trust funds will reduce debt held by the public by a total of \$1,723,000,000,000 by the end of fiscal year 2009, \$417,000,000,000, or 32 percent, more than it would be reduced under the President's fiscal year 2000 budget submission;

(4) further according to the Congressional Budget Office, that the President's budget would actually spend \$40,000,000,000 of the Social Security surpluses in fiscal year 2000 on new spending programs, and spend \$158,000,000,000 of the Social Security surpluses on new spending programs from fiscal year 2000 through 2004; and

(5) Social Security surpluses should be used for Social Security reform or to reduce the debt held by the public and should not be used for other purposes.

(b) It is the sense of Congress that the functional totals in this concurrent resolution on the budget assume that Congress shall pass legislation which—

(1) Reaffirms the provisions of section 13301 of the Omnibus Budget Reconciliation Act of 1990 that provides that the receipts and disbursements of the Social Security trust funds shall not be counted for the purposes of the budget submitted by the President, the congressional budget, or the Balanced Budget and Emergency Deficit Control Act of 1985, and provides for a Point of Order within the Senate against any concurrent resolution on the budget, an amendment thereto, or a conference report thereon that violates that section.

(2) Mandates that the Social Security surpluses are used only for the payment of Social Security benefits, Social Security reform or to reduce the federal debt held by the public, and not spent on non-Social Security programs or used to offset tax cuts.

(3) Provides for a Senate super-majority Point of Order against any bill, resolution, amendment, motion or conference report that would use Social Security surpluses on anything other than the payment of Social Security benefits, Social Security reform or the reduction of the federal debt held by the public.

(4) Ensures that all Social Security benefits are paid on time.

(5) Accommodates Social Security reform legislation.

ROLLCALL NO. 58, MARCH 24, 1999

YEAS—99

Abraham	Enzi	Lott
Akaka	Feingold	Mack
Allard	Feinstein	McCain
Ashcroft	Fitzgerald	McConnell
Baucus	Frist	Mikulski
Bayh	Gorton	Moynihan
Bennett	Graham	Murkowski
Biden	Gramm	Murray
Bingaman	Grams	Nickles
Bond	Grassley	Reed
Boxer	Gregg	Reid
Breaux	Hagel	Robb
Brownback	Harkin	Roberts
Bryan	Hatch	Rockefeller
Bunning	Helms	Roth
Burns	Hollings	Santorum
Byrd	Hutchinson	Sarbanes
Campbell	Hutchison	Schumer
Chafee	Inhofe	Sessions
Cleland	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
Crapo	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Voinovich
Dorgan	Levin	Warner
Durbin	Lieberman	Wellstone
	Edwards	Wyden

NOT VOTING—1
Lugar

Mr. ABRAHAM. Mr. President, I thank you, and I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time do I have?

The PRESIDING OFFICER. Eleven minutes and about 5 seconds.

Mr. DOMENICI. And then we vote, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Mr. President, me thinks they doth protest too much. That is my paraphrasing of what some great writer said applying it in the singular. I am applying it in the plural.

First of all, I recall vividly my very good friend and one-time chairman of the Budget Committee coming to the floor of the Senate with a big sign that said: "Quit embezzling Social Security money." In fact, he said embezzlement is what is happening when we use their trust fund money for Government. Isn't it interesting that there are many Senators who at least feel that way enough to talk about it as embezzlement or stealing money from the senior citizens?

Today, the seniors ought to ask: If it is embezzlement, what are you all going to do to prevent the embezzlement from continuing? The answer is going to be: Little or nothing, because whatever you try to do that is really serious and makes it hard to embezzle, they have some reason on that side of the aisle for not doing it.

If you think this Senator, who has listened attentively and asked his staff to summarize the arguments on that side, is not frustrated when he hears, first, that a financial crisis will occur—let me tell you, the seniors think a financial crisis has already occurred because we are taking their money and spending it for Government.

Secretary Rubin, for whom I have the highest respect, who does not want to tie the future debt limit of the United States to whether or not you use this Social Security trust fund, has written a letter and, essentially, the letter says he needs more flexibility because the money does not come in every month at the same level. We gave him the flexibility. Read the statute before you. If Secretary Rubin is worried about that, we gave him the flexibility.

Now he raises a new argument: We may not be able to pay Social Security beneficiaries—an absurd argument. But we gave him the authority in this statute. We said if that the Secretary should give payments of Social Security checks priority.

We thought we clearly took care of the most significant problem and concern of the Secretary of the Treasury.

Then we hear: You have done nothing to extend the solvency of Social Secu-

rity. Of course, we haven't. We said don't touch their fund until you have a reform package that helps with the solvency of Social Security, and if you have that, you can use it for that.

Why wouldn't the senior citizens like that? Do they want us to just leave it there or they want us to use it in case we need it for Social Security reform or transition? Of course, that is an argument in favor of this statute, not against it.

Then we were accused of perhaps putting Medicare in this Social Security trust fund. That was last week. It should just be for Social Security. Right? That was the big argument. We made it just for Social Security.

Now what is the argument? You did not take care of Medicare. This money does not belong to Medicare. This money belongs to Social Security. If you want to take care of Medicare, take care of it another way. Do not use the Social Security money for Medicare.

Last week, the Democrats were saying that lockbox is not going to be good because you might be able to use the money for Medicare. We agreed with them. We did not put it in this statute. Now we are not doing enough for Medicare.

Then we are accused of making this Government live on too rigid a budget for the appetite for spending or tax cuts. We are being accused of tying the hands too tightly.

What do we do? We say, OK, we want to be reasonable about this. If we have a recession for two quarters, then this does not apply. Who would want this to apply in the middle of a recession if you needed money for unemployment compensation? Of course, you would not want it to. If you needed to do something to help the economy come up so the Social Security program would be helped by recovery and prosperity, who would object to that?

Put that alongside of having no lockbox so you could use it for anything, like the President wanted to in his budget. It is amazing. The President wants to spend \$158 billion of this trust fund for just programs, not emergencies, not a war, just for programs to expand on the Government. You can count on it, seniors. You cannot do that if this lockbox is put in effect. You will have to find the money in other program cuts or do something else, but you could not use it.

We also said, if there is a war, if there is an emergency with reference to the defense of our country, you could use it, but not for ordinary expenditures of Government.

I remind everyone, this is a lot of money, \$1.8 trillion going in this trust fund over a decade which belongs to the seniors and takes down our national debt while it sits there waiting for us to use it for Social Security purposes only. Now we have somebody arguing it may be some new Social Security program that just Republicans want that you would use it for. That is kind of preposterous.

When you have a reform Social Security program, it is going to have to clear both Houses of Congress and be signed by a President. It is obviously going to be a good program. Seniors are going to be watching it. But that is what we think this money ought too be used for.

As I view it, everybody on both sides of the aisle and the White House talk about not using this trust fund for anything but Social Security. I worked very hard to find a way that will clearly say: You can't do it; you can't spend it; you need 60 votes, and you are going to have to increase the debt limit in order to spend this money.

I thought that was something everybody would like. Frankly, I thought those running across America saying, "We want to take care of Social Security," would not be for this.

Do you know what I think? I think it is just too tight a lockbox. It is not a loose lockbox like they are talking about. It is too tight. You are not going to be able to embezzle from it anymore. You are not going to be able to rob from it anymore. You are not going to be able—if you do not think it was embezzlement or robbery; if you just think we were spending the money—you are not going to be able to spend the money anymore.

What is wrong with that? I believe that is exactly what we ought to do. Frankly, I anxiously await the vote. I do not believe we will get cloture, but everybody knows by not giving us cloture, the Democratic side of this Senate is clearly saying: We want to make sure you cannot spend the money, but don't make too sure that we can't spend the money; don't make it too certain that we can't spend the money; just leave a little bit open there so in case we need it, we can spend it, because we would like some new programs or we would like to cut taxes.

Actually, this applies to tax cuts, too. You cannot use it for tax cuts because it says in there what it can be used for and nothing else.

I thank everyone for the debate. It has probably been a healthy one. In particular, I thank Senator ABRAHAM, a valid member and respected member of our Budget Committee. He is the principal sponsor of this proposal. I think he has carried the load admirably on the floor, and I thank him for his efforts.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. Two minutes.

Mr. DOMENICI. Would Senator LAUTENBERG like 1 minute of my time?

Mr. LAUTENBERG. That would be very generous.

Mr. DOMENICI. I give the Senator 1 minute of my time.

Mr. LAUTENBERG. Thank you, Mr. President.

The chairman of the Budget Committee knows his products very well. But I am forced to ask this question, and that is whether or not, under any

stretch of view, Social Security reform could include a tax cut measure, perhaps in the interest of raising some retirement benefit that someone might have?

Mr. DOMENICI. No, unequivocally no.

Mr. LAUTENBERG. So it could only be used for Social Security reform, which would mean what?

Mr. DOMENICI. It means any programmatic reform that the Congress of the United States passed and a President signed that increases the longevity of the trust fund and makes the Social Security program available for longer periods of time, increasing the solvency of the fund and guaranteeing the payments.

Mr. LAUTENBERG. I thank the Senator.

Mr. DOMENICI. Let me close this. If nobody objects, we can vote 30 seconds early.

I thank everybody for their participation. From my standpoint, I wish we had a reform-Social-Security package before us. That is my wish. But since we do not, we ought to leave the money there until we do. I hope everybody understands it is easy to make excuses; it is hard to come up with things that will really lock this money up. We have one before us today.

I yield back my time. And obviously, the yeas and nays have been ordered; have they not?

CLOUTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative assistant read as follows:

CLOUTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending amendment No. 254 to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as part of the budget process:

Trent Lott, Pete V. Domenici, Ben Nighthorse Campbell, Jeff Sessions, Kay Bailey Hutchison, Craig Thomas, Slade Gorton, Chuck Hagel, Spencer Abraham, Thad Cochran, Pat Roberts, Conrad Burns, Christopher S. Bond, John Ashcroft, Jon Kyl, and Mike DeWine.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on amendment No. 254 to Senate bill 557, a bill to provide guidance for the designation of emergencies as part of the budget process, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN) is absent due to surgery.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "no."

The yeas and nays resulted—yeas 54, nays 45, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—54

Abraham	Fitzgerald	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Burns	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Lugar	Voinovich
Enzi	Mack	Warner

NAYS—45

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Graham	Mikulski
Bingaman	Harkin	Murray
Boxer	Hollings	Reed
Breaux	Inouye	Reid
Bryan	Johnson	Robb
Byrd	Kennedy	Rockefeller
Cleland	Kerrey	Roth
Conrad	Kerry	Sarbanes
Daschle	Kohl	Schumer
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

NOT VOTING—1

Moynihan

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 45. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT REQUEST— S. 96

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 34, S. 96 regarding an orderly resolution to the Y2K problems.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. I object.

Y2K ACT—MOTION TO PROCEED

Mr. LOTT. I now move to proceed to S. 96, and send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOUTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 34, S. 96, the Y2K legislation:

Trent Lott, John McCain, Rick Santorum, Spencer Abraham, Judd Gregg, Pat Roberts, Wayne Allard, Rod Grams, Jon Kyl, Larry Craig, Bob Smith, Craig Thomas, Paul Coverdell, Pete Domenici, Don Nickles, and Phil Gramm.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I regret having to file a cloture motion on this important piece of legislation. However, we need to have a vote on Monday afternoon so that Members will be here. We can have committee meetings hopefully Monday and Tuesday.

We have a number of very important issues that need to be considered by committees. We need to move forward on the now two supplemental appropriations requests that we have. So we are going to have a vote on Monday in any case.

But also I think this is very important legislation in and of itself. It is important that we get up and get started on the discussion. I had hoped we could actually work on it today and tomorrow. But because of the NATO meeting and the congestion and the concerns about access to and from the Capitol, we will not be in session on tomorrow. That gives the Members who are working together—Senator McCAIN I know is working with others, Senator BIDEN, Senator DODD—time to try to work out some of the remaining problems on this legislation.

We can go forward with this cloture vote on Monday afternoon. Or, if something is worked out where it is not necessary, we could still vitiate the cloture vote.

We need to get this done. This is urgent. The clock is ticking. We are moving towards 2000. This liability, this problem, is hanging over us like a sword. I think it is important that we go forward. I hope that next week—Tuesday or Wednesday, certainly—we will be in the substance of the bill and we can get to a final conclusion on the substance.

I encourage Members on both sides of the aisle to work together to see if we can't resolve this issue and move it on into conference.

I thank Senator McCAIN, Senator HATCH, and Senators from both sides who have been working on it.

Having said that, I ask unanimous consent that Friday be considered the intervening day under the provisions of rule XXII.

The PRESIDING OFFICER. Is there objection?

Mr. KERRY addressed the Chair.

Mr. LOTT. Mr. President, if I could, if there was not an objection, I would be glad to yield to the Senator from Massachusetts for a question.

May I confirm that there is not an objection to that request?

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

Mr. LOTT. Mr. President, I would be glad to yield to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the majority leader for yielding. I simply wanted to inform him, I wasn't on the floor at the moment the objection was raised to the Senate proceeding as Senator McCAIN hoped to do.

I want to say that I had a discussion with Senator McCAIN, Senator DODD,