

people trapped in a small group for individual markets situation. What if they could join the American Farm Bureau and become part of a pool of tens and tens of thousands of people?

In recessions, when people get laid off from big businesses—and I have talked to many people in this situation—one of the biggest and most immediate problems when you are laid off is what do you do about health insurance, particularly if you have kids. Many people are able to get another job pretty quickly, maybe with a small business, or they want to start their own spinoff firm when they get laid off from a big company. This is increasingly common today, and a big problem they have is health insurance. What do they do about health insurance? A sole proprietor can join the Chamber of Commerce and the National Chamber of Commerce would be able to start an association health plan under this bill. You would be part of a pool of tens and tens of thousands of people. You would not be at the mercy of a big company deciding it is going to cut your job.

I could go on and on on the subject. I am sure the Senate has become convinced of that, if I have convinced Senators of nothing else. I am very enthusiastic about it. I cannot compliment enough the work of Senator SNOWE. Her leadership on this is crucial. Her credibility in this Senate is great. She has taken the whole Small Business Committee in the Senate in the direction of supporting this. I am very pleased to be helping her in this and grateful again to Senator ENZI for his open-mindedness. I cannot speak for him and do not want to, but I remember I was presiding and the Senator from Wyoming was speaking about what he intended to do with the HELP Committee. He said his door was open; he wanted to hear ideas from Senators. He wanted to work with them. He has been as good as his word. I am grateful to him for that.

Let's do this. Members have concerns and we want to address them. I believe we can address them. This is too good an idea to pass up. There is no reason to. I have said for several years, what is the downside? Suppose we allow these associations, however they are constructed, to set up these association health plans, and it doesn't work as well as we think it will work; they do not lower costs quite as much as we hope, and not as many people take advantage of them. What is the downside? Not so many people use the plans as we hope will use the plans. There is no cost to the taxpayers. It is not as though we are spending billions and billions of dollars for something and if it does not work, there is an enormous loss. We are giving people another option, the same option big companies already have. There is no reason not to do it.

Let's work out whatever concerns we have, pass this on a bipartisan basis as they have in the House, and empower our small business people and their em-

ployees to have health insurance and to have protection against these rising costs.

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

The PRESIDING OFFICER (Mr. ISAKSON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak in morning business for as much time as I may consume.

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

SOCIAL SECURITY

Mr. DORGAN. Mr. President, we are about to embark on a 1-week recess. Many of us will be back in our home States next week. I expect that most of us will hold some kind of event or meeting to talk about Social Security with our constituents. I want to talk about that a bit today.

In the Senate, we deal with all kinds of issues, some big and some small. Sometimes we treat the big issues in a manner that suggests it is a rather small item. Sometimes we take a very small item and blow it up into something we suggest is very large.

On the issue of Social Security, my feeling is people on all sides of this debate understand this is a very big issue with very big consequences for the American people.

It will not be surprising that we will have very aggressive differences of opinion on how we should handle this issue of Social Security. The reason it is brought to our attention at this point is the President is offering a proposal. He says the proposal is not specific, and I agree with that, but it is specific enough for us to understand what he wants to do.

What the President has been saying—and the Vice President as well and others in the administration—is that Social Security is about to be bankrupt, broke, flat busted, and any number of other words to describe that Social Security is about to fail.

As a result, the President says we should do the following: We should borrow a substantial amount of money now, anywhere from \$1 trillion to \$3.5 trillion or more, invest it in the stock market in private accounts, change the indexing of Social Security, reduce Social Security benefits, and with a combination of the remaining Social Security and his private accounts, people will be better off in the long term.

Social Security was created in 1935. When Franklin Delano Roosevelt signed that legislation, he talked about the legislation being able to lift people out of a poverty-ridden old age. At that point, one-half of our elderly were liv-

ing in poverty. That is what was happening to our grandparents: 50 percent in poverty; now it is less than 10 percent. Why? Because Social Security has lifted tens of millions of Americans out of poverty in the last 70 years.

The President says Social Security needs to be changed because it is about to be bankrupt. With respect, I say to the President that he is wrong. Social Security is not about to be bankrupt. Social Security has some problems that are born of success.

What is the success? In a century, we have increased life expectancy in America from about 46 years of age to 76 years of age. We ought to celebrate that fact. What a successful thing to have happen. Since people are living longer, better lives, we have some strain on the Social Security program. But it is not about to be bankrupt, and it does not require major surgery to fix it. It will require some adjustments as we proceed ahead, but it is not about to be bankrupt or flat busted. And it is not a cause to take apart what I think is one of the most successful programs we have ever developed in this country to lift a large group of Americans out of poverty.

The President is not new to this position of private accounts. In 1978, he ran for Congress in Texas. President George W. Bush, then a candidate for Congress, said in 1978: Social Security will be broke in 10 years. That is when he was a candidate for Congress. What was his remedy for that in 1978? Private accounts. Some things never change very much.

The fact is, the President was wrong in 1978. Social Security did not go belly up in 1988 as he predicted. And the fact is, he was wrong then calling for private accounts in Social Security, and he is wrong now.

I happen to support private investment accounts such as IRAs and 401(k)s. I have them and so do many Americans, and we have incentivized them with tax incentives because we believe in encouraging people to invest in the market and to save for retirement. But I do not believe we ought to take a portion of the core insurance program—and that is what Social Security is, an insurance program, not an investment program—that provides the bedrock financial security for retirement.

We pay for Social Security principally through a paycheck deduction called FICA. That is your FICA tax. The I in FICA is for insurance, not investment; insurance, that is what it stands for. It creates an insurance program for which you pay. Yes, part is retirement old-age benefits, some is disability. Another part is for dependents, should the wage earner die.

So it is more than just an old-age benefit. It has always been an insurance program, and never an investment program.

The President says let's try to create an investment program out of Social Security and begin to take it apart.

The suggestion is, of course, that the investment portion of Social Security would always be wonderful.

Will Rogers once said his daddy told him how to do really well. He said his daddy said you should buy stock and hold it until it goes up, and then you should sell it. And he said if it does not go up, do not buy it. So that was Will Rogers's description of how his dad suggested he handle the market.

I suppose there is an element of that suggestion in Social Security because of those who say if one takes Social Security apart and creates private investment accounts, things will be just Nirvana, just fine. But we all know better than that.

I believe there ought to be two major parts to a retirement program. One is Social Security. Make sure it is there—it always has been. Make sure it works. We can do that. The second is the private investments that we now incentivize to the tune of \$140 billion each year in tax incentives to encourage people to invest in IRAs and 401(k)s and private pensions. I support both. Strengthen, improve, and keep Social Security, and provide additional incentives for private savings in 401(k)s and IRAs.

I just described President George W. Bush's prediction about bankruptcy in 1978. He said Social Security would be bankrupt in 10 years, by 1988. We have plenty of people who say it is going to go broke, flat busted, on its back, bankrupt. They remind me of the economists who predicted ten of the last two recessions. It is easy enough to walk around and claim these things. However, it is just not accurate to suggest that Social Security is about to go belly up.

What is true is that the taxes collected for Social Security this year are expected to exceed the amount of money we will need to pay out in Social Security by \$160 billion. We will have a surplus this coming year in the Social Security accounts of \$160 billion. That money will be invested in U.S. Treasury securities.

The President has a fiscal policy that suggests we have large deficits. I understand there are a lot of reasons for it, but I do not understand why we were not a bit more conservative earlier. I stood on the Senate floor 4 years ago, and when the President said, We are going to have 10 years of surplus and we need to start doing big tax cuts right now, I and some others said maybe we should be a little conservative. Maybe we will not have 10 years of surplus. Maybe things will change. Maybe something will happen we do not anticipate. Maybe we ought to be a little conservative. No, Katey, bar the door, let us pass these tax cuts.

What happened? We had a terrorist attack. We have had a war on terror. We have had a war in Iraq. A whole series of things have occurred that have changed the economic fortunes of this country. We went from the largest surpluses in the history of this country to

the largest deficits. We are now the biggest debtor country in the world. We have a budget in front of us with budget deficits that I believe are predicted at \$427 billion this year. But that is not accurate at all because there is zero money in the budget for Iraq and Afghanistan. I will be going to a hearing in about 10 minutes with Secretary Rumsfeld. They are asking for \$82 billion in emergency funding now.

So in the next fiscal year add another \$82 billion for Iraq and Afghanistan—we are spending \$1 billion a week—and that gets us to roughly a \$500 billion estimated deficit next year. Then take the Social Security surplus out of it because we cannot use those surplus funds against the rest of the budget. It ought to be put in a trust fund, not counted. So then there is an honest deficit next year of about \$660 billion or so. That is where we are. That is where we start.

So the discussion is not just about Social Security. It is a discussion about values. I think most of us would agree that there are a couple of things in life that are of primary importance to us. One, we will do almost anything for our kids. If there is anything more important to any of us than our kids, I would like to hear what it is.

Second, we care a lot about what happens to grandpa and grandma. When they reach that point in their life where they cannot work anymore, they are dependent on what they might have saved, dependent on Social Security, the question is, How do we as a society make sure that they are not living in poverty as 50 percent of them were in 1935?

Some say there needs to be adjustments in Social Security and we cannot afford that. I say there will need to be some adjustments in Social Security, but it is not major surgery. It is not major adjustments. The question is, if we cannot afford that, it is a matter of priorities. We are going to afford \$82 billion just like that in funding, I will hear from Secretary Rumsfeld about in a few moments. We can afford funding for the one I saw this morning that piqued my interest, Television Marti. This is unbelievable.

This morning I was looking through the budget. With Television Marti, for people who do not know it, we broadcast signals to Cuba with an aerostat blimp called Fat Albert. The purpose of using this blimp, Fat Albert, to broadcast television signals into Cuba is to tell the Cuban people how good things are in our country. Of course, they know that from listening to Miami radio stations, but they still want to send them the television signal.

The fact is, Castro jams the television signals. So we broadcast signals to no one. Cubans cannot get it. We have done that for many years. We have spent nearly \$200 million, and this year, to broadcast a signal no one receives in Cuba, the President is proposing we double the funding in the budget.

We cannot afford Social Security, we cannot afford this, cannot afford that, but we can double the funding for Television Marti to broadcast signals to no one?

My point is, this is about values and priorities. I noticed in the playbook on the Social Security debate that was given out to those who are supportive of the President's position says—this is the instruction on communication: Do not say that Social Security lifts seniors out of poverty. People do not appreciate all that Social Security does.

That is what one is not supposed to say. But I said that earlier because I believe that is the fact, that Social Security lifts millions of seniors out of poverty. However, for those who support the President's program to take apart part of the Social Security system and go to a privatization system, they say do not say Social Security lifts seniors out of poverty because people do not appreciate all that Social Security does.

I do not see it right here but another piece of the playbook that I found interesting was, do not try to destroy myths. People have certain myths about Social Security. One of the myths that bounces around the Internet every day all day and talk radio is that Members of Congress do not pay Social Security taxes. In fact, that is one of myths that this playbook mentions. When one hears that from people, do not demolish that myth, let them think that. That tends to mess things up a little bit.

There was a leaked memorandum from the White House about 3 weeks ago by the architect of the Social Security plan. The person in the White House who is working on this plan had drafted this memorandum to all the stakeholders in the administration saying, here is what we are wanting to do. The key point to it was this:

For the first time in six decades, the Social Security battle is one that we can win . . .

The implication of that is quite clear. There are some who have never liked Social Security, never wanted Social Security to exist. They have never had the opportunity to take it apart or repeal it, and this is the first time in six decades that the Social Security battle can be won.

One of the leading spokespersons on the far conservative rightwing said: Social Security is the soft underbelly of the welfare state.

It is not, of course. But that philosophy describes that there are some who simply never liked Social Security, do not believe it ought to exist, and will support any effort to begin taking it apart.

My feeling is what we ought to do is decide as a Congress that there are two responsibilities with respect to retirement security. One is to preserve, protect, and strengthen the Social Security system for the long term. According to Social Security actuaries, the Social Security program will pay full benefits from now until the year 2042.

According to the nonpartisan Congressional Budget Office, if there are no changes made, the Social Security system will pay full benefits until the year 2052.

According to the analysts, the Social Security program will need no adjustments in the next 75 years if we have the kind of economic growth that is predicted by the President and others, when they say you can get a 6 or 7 percent return in private accounts. If you have the economic growth that produces that kind of return in the private accounts, you have the economic growth that means Social Security will exist without adjustments for the next 75 years. You can't have it both ways. Either we are going to have, as the actuaries predict, dramatically lower economic growth than we have had in the past 75 years, and that is about 3.4 percent average real economic growth, or we are going to have the more pessimistic view of the Social Security actuaries in their recommendations, about 1.9 percent growth. If we have 1.9 percent growth, you would not be able to pay full benefits—you would only be able to pay 73 percent of the benefits after 2042. But if that is the case, you don't have the economic strengths to produce the corporate profits to lift the stock market to provide the return in private accounts. You can't argue both sides in the same question.

My belief, again, is we should preserve, protect, and strengthen the Social Security system. It works. We know it works. It has lifted so many millions of Americans out of poverty.

Second, yes, in retirement security we ought to do everything possible to say to all Americans who are working: You need to do more than rely on Social Security. It will be there when you are ready to retire, but you need to do more than that. We want you to invest. We want employers to offer retirement plans and we will provide incentives for them to do that for their employees. We want employees to invest in IRAs, we want employees to invest in 401(k) programs, and we are already providing significant incentives there. But I suggest we increase them because it will be a complement to keeping Social Security as the core retirement insurance.

So, as I indicated, there are small matters and big issues before this body. The question of what we do with the Social Security program, strengthen it, preserve it, and extend it as a core social insurance program, or begin to take it apart and change it from an insurance program to an investment program—is a big issue. I stand on the side of believing that Social Security works. It has enriched the lives of senior citizens in this country for decades and will continue to do so for decades.

I also stand here saying that it is in my judgment a meritorious issue for all of us to care a lot about retirement security beyond the Social Security program itself.

The one thing we should do and must do is all begin from the same set of

facts. My colleague, the late Senator Moynihan, used to say everyone is entitled to their own opinion, but not everyone is entitled to their own facts. I hope as we work through and think through this great debate on Social Security that we will at least agree on the basic set of facts. Those facts, I think, if read in a manner that represents a level look, will tell us this Social Security program has been an enormous success for this country and will be in the future as well, if we have the strength and courage to do what is right to preserve it and strengthen it.

I yield the floor and I make the point of order a quorum is not present.

The PRESIDING OFFICER (Mr. THUNE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. DURBIN. Mr. President, I ask unanimous consent to be recognized as if in morning business.

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

SOCIAL SECURITY

Mr. DURBIN. Mr. President, today we were visited on Capitol Hill by Alan Greenspan. Alan Greenspan is the head of the Federal Reserve and is considered the economics guru who comes to Washington periodically, to Capitol Hill, and gives us advice. Sometimes that advice is very wise and sagacious, and sometimes I think it is totally political—the same Alan Greenspan who helped President Clinton with the task of reducing the deficit, the right thing to do.

President Clinton came up with a proposal which in fact reduced the deficit, a deficit which through previous administrations of President Ronald Reagan and President George Bush finally came to an end at the end of the Clinton administration. For the first time in modern memory, we were generating surpluses in the Federal Treasury. All of that red ink finally ended. We moved into the black. Mr. Greenspan was the inspiration for this initially, saying to the Clinton administration, get serious and get real about the deficit. We were anxious to listen to Mr. Greenspan in following years about what his advice might be.

Along came the Bush administration 4 years ago proposing dramatic tax cuts. The argument for the White House was, if you have a surplus, more money in the Treasury than you need, for goodness sakes, give it back to the people who paid it. That was the argument for the tax cut.

Many of us warned that sometimes the economy turns around, and things happen you don't anticipate. If we are going to have tax cuts, we should have some sort of a safety valve there. If things go badly, the tax cuts will not

continue and drive us into deficit. Mr. Greenspan didn't argue for that kind of caution at all, and the Bush White House rejected that notion.

What happened? Exactly as we anticipated—unforeseen circumstances; the surplus disappeared, the tax cuts were there. Along came a recession, followed by a war on terrorism, followed by the invasion of Iraq and Afghanistan, in addition to the tax cuts still being on the books. That grand surplus disappeared into a deficit—the biggest deficit in the history of the United States.

Now comes the President with a new plan. He says let us privatize Social Security. Let us create private and personal accounts, knowing full well that to do that you have to take money out of the Social Security trust fund so people can invest it in mutual funds. Some say that is too risky. Regardless of whether it is risky, it does take money out of the Social Security trust fund and adds to the deficit.

In comes Mr. Greenspan today for more words of advice. We welcome him to Capitol Hill, but we wait patiently and anxiously to hear that same deficit fighter of years ago comment on what we are seeing today. Where is Mr. Greenspan when it comes to these tax cuts that have driven us into this deficit? Where is Mr. Greenspan when it comes to privatizing Social Security that will make it worse? Sadly, he understands that deficits are not healthy, but Dr. Greenspan is afraid to prescribe any serious medicine.

One of the concerns we have with the Social Security trust fund is after the surplus has ended and the Bush administration's tax cuts brought us into this new era of deficits, more and more money is being pulled out of the Social Security trust fund.

The President, who tells us he is worried about the Social Security trust fund, has been the biggest problem the Social Security trust fund has run into. His tax cut plan and his privatization plan attack literally the balance in the Social Security trust fund. Congress has joined in this.

Every time Congress voted for the tax cuts, it voted to raid the Social Security trust fund. Since 2000, the Social Security trust fund surplus has lost \$800 billion—\$800 billion taken out of the Social Security trust fund since the year 2000 when President Bush came to office.

Now the President tells us he is worried about Social Security's future. The obvious question is, Why weren't you worried when you were taking all of this money out of the Social Security trust fund?

How much of that surplus was paid back to strengthen the Social Security trust fund since President Bush took office? Zero. The President has been taking their money out of the Social Security trust fund. That means workers have paid \$800 billion more into Social Security in taxes than were necessary to pay out benefits and the Social Security trust fund turned around,