William Itoh is waiting. Cambodia: Kenneth Quinn is waiting. Malaysia: John Malott is waiting. Oman: Frances Cook is waiting. Lebanon: Richard Jones is waiting. The Cameroons: Carl Twining is waiting. The Marshall Islands: Joan Plaisted is waiting. Fiji: Don Gevirtz is waiting.

Also on hold are nominations for special adviser on the New Independent States, James Collins, and United States coordinator for Asia Pacific Economic Cooperation, Sandra Kristoff.

In addition, 273 Foreign Service officers who have been nominated for standard promotions are on hold. So we have 273 Foreign Service officers on hold. We have 18 ambassadorial appointments on hold, at least 5 of them considered to be critical, like those for Pakistan or China.

Now, when we do not have an Ambassador in the country, U.S. interests do not receive the attention that they deserve. In some countries, this is more critical than others. Probably the most critical at this time is China. And Senator Sasser, who could have been in New York this past week to participate in the summit between President Clinton and President Jiang Zemin of China—could have been—was not.

I think the American people deserve to have their interests represented abroad. So by failing to confirm Ambassadors, the Senate is not doing its job to help protect U.S. interests abroad. Not only do our interests suffer, but I think the lives of a number of hard-working and dedicated Americans are put on hold. These are people who, often at considerable personal risk, serve the American people with pride and distinction overseas.

Last night I had a phone call from one of them. He said, ''Can you just tell me when I might be confirmed?'' And I had to say, ''No, I'm sorry. I can't tell you.''

Earlier, I had another call from a nominee who had his house on the market and had received an offer on the home. Does he sell it or does he not sell it? ''Sorry. I can't help there.''

Mr. President, this is no way to run a railroad, let alone the Government of the most powerful country in the world.

There are also two extremely important arms control treaties that are awaiting Foreign Relations Committee action: The START II Treaty and the Chemical Weapons Convention.

Let me mention what Start II does. The START II Treaty, signed by the Bush administration and not yet ratified by this Congress, is the farthest reaching arms reduction treaty ever signed in the history of this Nation. It will require the United States and Russia to eliminate literally thousands of intercontinental ballistic missiles, including those which carry multiple warheads. The treaty would also eliminate missile silos and testing and training launchers.

The Foreign Relations Committee held extensive hearings on the START II Treaty both in this Congress and during the 103d Congress. We have heard from the administration, from military officers and from outside experts, virtually all urging that we ratify this treaty.

I know of no significant opposition to the ratification of the START II Treaty. Nevertheless, the committee is unable to begin consideration of it. This is wrong.

The same is true of the Chemical Weapons Convention. Let me tell you what the Chemical Weapons Convention does. The convention, also signed by the Bush administration, will ban an entire class of weapons of mass destruction. It will make it harder and more costly for proliferators and terrorists to acquire chemical weapons. It will create an intrusive monitoring regime that will make it very difficult for signatories to conceal violations of the convention.

The Chemical Weapons Convention has been signed by 159 countries and ratified by 38 to date, yet the U.S. Senate has still not had the opportunity to consider the treaty. The Foreign Relations Committee has had hearings on the convention, and it can be considered at any time. But, once again, the committee has been prevented from carrying out its duty.

Should this happen? As I said earlier, it is any Member's right to stop a piece of legislation, but when you have hundreds of Foreign Service officers, 18 Ambassadors, and two treaties held hostage to a piece of legislation that is not related, one has to begin to consider what effects this has.

Mr. President, one of the things that I learned in my brief stay here is that what goes around, comes around, and that it does not make good, logical, long-term sense to engage in holds when this can easily be replicated at another time but in the same place by the opposition party.

This committee, the Foreign Relations Committee, has been through some of the most painful and hotly contested foreign policy issues of our time: the Vietnam war, aid to Central American rebels and sanctions against South Africa. But never during all that time, to the best of my knowledge, has the committee been shut down and ceased to function. Now, on the basis of a dispute about the bureaucratic reorganization of our foreign policy institutions, the conduct of the U.S. foreign policy is being put on hold.

I believe this is wrong. I believe it is irresponsible. I believe it is a dereliction of our duties as U.S. Senators. There simply is no justification for curtailing the entire role of the Senate Foreign Relations Committee in the conduct of U.S. foreign policy over one single reorganizational issue.

Pursuant to the unanimous consent agreement of September 29, Senator HELMS and Senator KERRY have been engaging in serious negotiations to try to reach an agreement. Their staffs have met repeatedly over the last month. I am hopeful that progress can be made.

So at this time I would like, respectfully, and with a great deal of friendship, to call upon the chairman of the committee to withdraw his objection to consideration of a short-term extension of the Middle East Peace Facilitation Act, to allow the committee to take action on START II and the Chemical Weapons Convention, to report out the 18 ambassadorial nominations and 273 Foreign Service promotions, and to continue negotiating toward an agreement on the State Department authorization bill.

I thank the Chair. I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

BUDGET RECONCILIATION

Mr. DORGAN. Mr. President, I yield myself such time as I may consume on the hour that has been allocated to the minority leader.

Mr. President, today the Senate will select conferees to go to conference on the reconciliation bill. Conferees from the Senate and conferees from the House will meet and debate and try to reach an agreement on what kind of a reconciliation bill will be passed from the Congress to the President.

This all does not mean very much to the American people, the words ''reconciliation,'' ''conferences.'' What means something to the American people will be what effect will it have on their lives, what effect will it have on their health care system, on Medicare, Medicaid, the ability to send their child to college, on young 3-, 4-, 5-year-old kids who are in Head Start—what effect will this have on all of those people. That is what means something to the American people.

The debate that people have heard coming from this Chamber is a debate not about one side of the aisle that wants to be obstructionist and the other side that wants to do something wrong, it is about people who have different views of what the priorities ought to be.

One thing that is certain about this Senate meeting this year is that 100 years from now, all the Members of this Senate will be dead and the only record we will have left that historians can evaluate from our service is to evaluate what we spent the public's money on and, therefore, what we felt was valuable and important and would advance the interests of this country. People can tell something about our value system by looking at the Federal budget. On what did we elect to spend the public's money? How did we invest it? How did we spend it? That is what historians will be able to use to view what we felt was important.

The priority in this reconciliation bill by the Republican Party is to say, ''Let's have a tax cut.'' I thought the priority when we started this year was one that said, ''Let's balance the budget.'' In fact, we had people on the floor

of the Senate saying we must change the U.S. Constitution to require us to balance the budget. Of course, the budget can be balanced without changing the Constitution.

We have people in this Chamber who call themselves conservatives who view the Constitution as merely a rough draft, something they can improve upon every single day. Although I do not see many Madisons, Masons, Jeffersons, Franklins, or Washingtons around to contribute to change this Constitution, we have had well over 100 proposals since the first of January in this year to change the U.S. Constitution.

The priority at the start of the year was we must eliminate the Federal budget deficit. In fact, we must ensure that happens by changing the U.S. Constitution. And then the act by which that happens, the budget and the reconciliation bill, comes to the floor of the Senate, and we discover that the priority is different than that. The priority is a tax cut, a substantial part of which will go to the wealthiest Americans.

The priority is to add money to the defense bill that the President and the Secretary of Defense and the chiefs of the branches of the services said they did not want. Those are the priorities, and that is what this debate is about.

Let me just put up a couple of charts to describe some of the elements of this debate.

The Head Start Program. We know the Head Start Program works. Anybody that has ever toured a Head Start center, and I have toured plenty, and sat on the little chairs and had lunch with 3-, 4-, 5-year-olds and watched them do their art projects, watched them learn about health, watched them begin to get a head start, because they come from homes of disadvantage and often poverty, watch them feel that this contributes to their lives and having us know it does, we understand this program works.

The priority now is to say, ''We're sorry, we can't afford the Head Start Program the way it is,'' so roughly 55,000 kids will be dropped from the program, and every single one of those kids has a name and has a hope and gets some advantage from this program. But we are told we cannot afford that. Instead, we are told, Let's pump nearly half a billion dollars into lead production for 20 more B–2 bombers that will cost us $31 billion, B–2 bombers, incidentally, that the Secretary of Defense has not asked for; B–2 bombers that the Department of Defense has not requested.

So we say Head Start does not quite matter as much; B–2 bombers, let us build them, even though those who would fly them and use them have not asked for them.

Job training for displaced workers. These are people who have lost jobs but want to find jobs and get new skills to do it, half a billion dollars cut from that, which means you will have more unemployment, not less. You will have less opportunity, not more, for people whom we want to put back on the payrolls. And at the same time we say we just cannot afford the kind of money that is necessary to get people ready to go back into a job, we say, By the way, let's gear up for a star wars program. It will cost about $48 billion. That has not been asked for by the Defense Department either. There is no demonstration that we need this program, but we are told, ''Let's stick $375 million in it this year and demand it be deployed in 1999,'' including a space-based component of a star wars program because we can afford that. Again, the Secretary of Defense and the armed services have not asked for it, but we can afford that, we are told.

Mr. President, $1.4 billion invested in kids and that goes to helping kids get to college, financial aid to help middle-income families send their kids to college, so we say we are going to make it more expensive for middle-income families to send their kids to school.

But we say when confronted with the question, shall we build an amphibious assault ship this year, the answer in this Congress was—some said no, we should not build one. Others said we should build two of them. Do you know what the answer was in this Congress? ''Let's build both. Let's build one for $900 million and one for $1.3 billion, because we're loaded, we've got all the money in the world when it comes to this. There is no sense being frugal here. Let's spend money like it is Saturday night and the town's opened up for us and we have the parent's checkbook here.'' We can buy all this, despite the fact no one asked for it, no one requested it.

And there is more. Mr. President, $989 million from veterans' health care, 1 million fewer outpatient visits, 46,000 fewer hospitalizations because we have to cut there, we are told. This is the second amphibious assault ship. We can order that. In fact, we can buy both of them, a billion dollars, an amphibious assault ship that was not ordered and a cutback on a promise made to veterans before they went to fight for this country's freedom.

Low-income home energy assistance. That does not sound like much, but that is what keeps people warm in the winter. Poor people who have no money, often poor elderly people with no money who live in the frigid climates of this country rely on this to keep their homes heated. We cannot afford that, but let us buy six more F–15's, despite the fact the Secretaries of Defense and Air Force have not asked for them. We now have 1,103. Let us stick that in. That is $311 million. It is more important to buy jet fighters nobody asked for than it is to help old people and poor people keep warm in the winter.

There is a $137 million cut for critical accounts dealing with Indian problems on reservations; $140 million spent for 14 Warrior helicopters. We now have 360. The Defense Department did not ask for these, but they were put back in the budget and they said we should buy 14 of these helicopters, $140 million. And then we are told we have to cut $137 million for these crucial services on Indian reservations and that deal with kids, mostly Indian children—education, health, and a whole range of other services for young children who want a chance and want a start.

Somebody is going to look at all this and say, That is a bunch of pointy-headed liberalism. It is not about liberalism, it is about making choices. We are told what we are going to spend in this Chamber. The question is what do we spend it on? Do you buy an amphibious assault ship that was not asked for? Or do you cut back, as a result of that, on veterans' health benefits? Do you decide to kick kids off Head Start and build B–2 bombers that nobody asked for? That is the priority in this reconciliation bill. That is what is wrong with it.

I want to read a list, just so that people can be disabused of who the big spenders are. We are told the big spenders are the Democrats, the folks who always want to spend money. This is a list of what is added to the defense bill, mostly by folks on that side of the aisle—things that were not asked for, requested, needed, or ordered by the Defense Department. I will read the list: 60 Blackhawk helicopters; Longbow helicopters; Kiowa Warrior helicopters; M109A6 howitzer modifications; Ml tank upgrades; heavy tactical vehicles, trucks that were not requested; AV–8B fighter aircraft; B–2 bombers; F/A–18C/D fighter aircraft; C–135 cargo aircraft modifications; Comanche helicopters' R&D; ship self-defense R&D; national missile defense, or star wars; T–39N trainer aircraft; EA–6 strike aircraft modifications; LPD–17 amphibious ship; F–16's, F–15's; WC–130 cargo aircraft; LHD amphibious assault ship.

None of these things was asked for, and all of them were ordered by this Congress—$5.2 billion to spend money on things we do not need, money we do not have on things we do not need. This by conservatives, by people who call others big spenders?

Well, this is all about priorities. It is about health care. It is about education. It is about agriculture. It is about the Head Start Program. We are going to have some votes today in the Senate on instructing conferees because the conferees will be appointed now to discuss the differences between the House bill and the Senate bill. It is between the far right and the extreme right. That is where the modification will be made. This will be a compromise between the far right and extreme right, and it will be sent to the President, and this will be vetoed, and then we will get some serious negotiations, I expect.

One vote we will have today is priorities with respect to Medicare. The

Medicare Program, I think, is an important program. We, on the Democratic side of the aisle, understand full well that the budget must be balanced. We understand that the credibility of Government is in serious question. We understand that, and we need to do the things that solve problems for this country and for the American people.

But we also understand there are some things we have done in this country that have been good, which advanced this country's interest. Medicare is one of them.

It is interesting to me that 97 percent of the Republicans voted against Medicare when initially proposed in the U.S. Senate. Now they are saying they are going to save Medicare. Generally, that would not be very believable, and it is probably less believable now because Speaker GINGRICH last week said:

> Now, we don't get rid of it in round 1 because we don't think that that's politically smart and we don't think that is the right way to go through a transition. But we believe it is going to wither on the vine because we think people are voluntarily going to leave it.

That is what is at work here. Some people say what they mean in an off-guarded moment, and that is what happened here. In a speech to a Blue Cross/Blue Shield audience, the Speaker told us what his impression of Medicare was.

We are going to offer an amendment on the instructions to conferees that says, look, why do we not decide on this reconciliation issue. If you are going to have a tax cut, some of us think we ought to balance the budget first and talk about tax cuts later. If you are going to insist on a tax cut, why do you not at least limit the tax cut?

We have offered proposals before. We can limit it to people whose incomes are under a quarter of a million dollars a year. At least limit it to that. And you can use the savings from that, about $50 billion over 7 years, to reduce the cut in the Medicare Program, much of which will hurt some of the lowest-income senior citizens in this country, who, as a result of this reconciliation bill, will pay more for Medicare and get less health care.

We will offer that motion today to at least limit the tax cut, at least limit it to working families. At least limit it so we are not giving very big tax cuts to people making $1 million or $5 million or $10 million a year, and use the savings from that to try to reduce the hit on the Medicare Program.

Someone will say, ''Well, why are you discriminating against somebody who makes $5 million a year?'' I am not. God bless them. I think it is wonderful. They have done very well in recent years. Their increases in income have been astronomical.

The upper 1 percent of the American income earners have had an enormously beneficial period. Most Americans have not. Sixty percent of the American families are now earning less money than they were 20 years ago. Not the top 1 percent, or 5 percent; they have had an astronomical increase in income. They have benefited substantially from this income system of ours.

While I think working families deserve a tax cut, I think we ought not to provide a tax cut at the moment. I think we ought to balance the budget first. Then I think working families deserve a tax cut. I see no compelling national need to cut benefits for the oldest and poorest citizens so we can provide a tax cut for some of the richest citizens in America.

We are going to provide another opportunity this afternoon to vote, and we will likely have a motion on instructing conferees on something that happened on the floor Friday that was just mindboggling. The last amendment passed by the Senate on reconciliation was an amendment that deals with the Social Security issue. It takes an amount of money on the Social Security issue—about $12 billion—that will be presumably saved by having a lower COLA, and uses that to fund a series of changes that was offered as a result of the Roth amendment.

Well, the $12 billion, it is clear, comes out of the savings in Social Security. By law, that cannot be used for other purposes in the unified budget. That is what the law requires.

We raised a point of order, and Senator GRAHAM inquired of the Chair whether the Social Security outlay reductions were used as offsets. The Chair responded that it was ''not in a position to answer that question.'' Everybody else in the Chamber was in a position to answer that question. Anybody who could read could answer that. But, from a parliamentary standpoint, the Chair said he was ''not in the position to answer that question.''

The Budget Committee chairman stated, ''I am satisfied with the ruling of the Chair.'' In other words, he was satisfied that the Chair is not in a position to answer that question. The result was that the Roth amendment took $12 billion from the Social Security accounts and brings it over so it funds the Roth amendment. That is what happened with that. We will likely have a motion to instruct this afternoon that will try to right that wrong.

I want, just for a couple of moments, to discuss in a broader context the issues that I think most concerns the American people. A lot of folks, as I said, do not spend day-to-day to understand reconciliation bills and budget bills and conference committees. What people in this country understand is whether the system in America works in their interest. Is this a tide that lifts all boats, an economic system that helps everybody? Or is this an economic system where the rich get richer and the poor get poorer and there is a distribution of income that is not fair?

The challenge and opportunity for all of us, I think, that lies ahead, is to try to find a mechanism by which this economic system works for everybody once again.

We have seen statistics about America's economic health. Every month, we are told the statistics on consumption describe that our economy is moving right along. Boy, if you take a look at consumption, consumption is up; therefore, America is doing better. It seems to me that a measure of economic health in our country is not whether or not we are consuming more or less, it is whether we are producing. Consumption, not production, is a barometer of economic health. Production relates to wages. If you have good jobs in the productive sector, productive jobs, especially manufacturing jobs that pay good wages, that means you advance the economic interests of everybody in this country.

Take a look at what is happening to wages in this country. We talk about GDP, which means nothing. Every quarter they trot out GDP figures, every month consumption figures, and it seems to me they are using barometers that mean very little to the economic circumstances of working families.

The GDP increases. The stock market goes up. Productivity is on the increase. Corporate profits are up. Guess what? American wages are down and have been down.

Some information from MBG Information Services, October 31: Compensation to all U.S. workers grew at its slowest pace on record in July to September. If you take a look at the bottom quadrant of workers, what you find is a circumstance where they are earning less money now than they were some 20 years ago.

There was a piece in the New Yorker done by John Cassidy recently that was very interesting and I think describes some of the problems in this country and some of the concerns that people have. He talks about the average American. He said if you were to line all Americans up in a row, put all Americans in one row, from the wealthiest over here to the poorest over here, and then pick right in the middle and say, ''You are Mr. and Mrs. Average, the middle person in America, you are right in the middle, you are middle-income, middle America,'' that person in September 1979 was earning $498 a week; in September 1995, when you adjust for inflation, that same person was earning $475 a week. In 16 years, that person has lost about $100 a month in real wages.

Now, that is the middle of the line. We know that 60 percent of the American families who sit down for supper tonight and start talking about their circumstance will understand they are working harder for less money than they did 20 years ago.

I talked about the middle of the line. After 16 years they have lost $100 a month in real wages. Now we will talk about the upper side of the line, the top

1 percent on that end of the people you have lined up—the top 1 percent.

Between 1977 and 1989, the years we have numbers for, their average incomes rose from $323,000 to $576,000 per person. That is the top 1 percent. They went, in about a 12-year period, from $323,000 to $576,000, or a 78-percent increase. It is the average working person who finds himself $100 a month worse off after 15 and 20 years, but the top people at the top 1 percent find themselves far better off with spectacular increases in income.

This is at a time when corporate profits are up, productivity is on the rise, the stock market reaches new gains, new highs, and wages keep falling.

Is it any wonder that the average American family is a little disaffected? The fact is, they find themselves working harder and getting less. One of the things I think is most interesting is we are talking a lot about the fiscal policy budget deficit, and we should. It ought to be balanced. We ought to deal with that. We ought to solve that problem.

Do many Americans know that the merchandise trade deficit in this history is higher this year than the fiscal policy deficit? You cannot find more than four people in the Senate that will come and talk about it.

Let me say that again: Our merchandise trade deficit is higher than our fiscal policy deficit in this coming year.

What does that mean when you have a trade deficit? It means you are shipping jobs overseas. We will hit nearly $190 to $200 billion merchandise trade deficit this year. What that means is American jobs are leaving. That means we are buying from foreign countries.

We have decided an economic strategy is fine as long as profits are on the way up. As long as productivity goes up and the stock market goes up, wages can go down and jobs can go overseas because we measure economic health by what we consume, not what we produce. We measure economic progress by what happened to the GDP, not what has happened to the American family.

I do not know how anyone in this country can view an economic system through the prism that says that when the American family is doing worse and losing money and working harder, but if the consumption figures are up and if the GDP figures are up, America is in better shape. That is simply not the case.

We need one of these days soon to bring legislation to the floor of the Senate and have an honest-to-goodness debate about the center pole of this tentative economic policy—that is trade and related issues—to try to determine what really advances American economic interests.

I will bring some legislation on the subject of NAFTA to the floor of the Senate at some point in the future. NAFTA is part of this trade deficit problem. Two years ago we had all of these economists flailing their arms around Washington, DC, saying if we would only pass a free-trade agreement with Mexico, we would have 270,000 new American jobs.

Well, we passed a free trade agreement with Mexico—not with my vote, but it was passed. We had a $2 billion trade surplus with Mexico at the time. Two years later, our trade deficit this year with Mexico will be around $17 billion. We went from a $2 billion surplus to a $17 billion deficit.

What does that mean? It means jobs are leaving this country. What are we importing from Mexico that causes that deficit? The very thing that represents the foundation for good jobs in this country—automobiles, automobile parts, electronics. The very thing that represents good jobs and good wages in our country are being exported out, transported out on a wholesale basis.

We have to construct a different economic system. It is not, in my judgment, in this country's interest to allow multinational corporations to describe their economic interests as consistent with the economic interests of the American family. It is their economic interest to produce in Sri Lanka, Bangladesh, Indonesia, and Malaysia and ship the product they produce to Pittsburgh, Fargo, Denver, and Los Angeles. That increases profits for them. It is not in our economic interest. It might be in the short-term interest of the consumer who can presumably—not necessarily factually, but presumably—buy some of those products for less. It is not in the interests of consumers who will lose their jobs because their jobs left this country as a result of a trade strategy that is bankrupting America.

We will have a lot of votes and a lot of debate about priorities on the floor of the Senate today and in the coming weeks with respect to the reconciliation bill—what do we spend money on, what do we not spend money on. That is fine. That is the way it should be. Those are legitimate areas of discussion between Republicans and Democrats.

My hope is at the end of the day, perhaps, we will have reached a compromise that we all think is good for the country, a fiscal policy that will lead to a balanced budget. But even if we do that, and even if we reach a compromise, and even if the President signs that compromise, we will not have achieved the job of setting things right in the economic order of this country.

We will do that only when we address the larger questions that cause this family, this family that is in the middle of the line of American earners, from the richest to the poorest, this family right in the middle that finds themselves working harder but after 15 years earning less, finds themselves after those years between 1979 and 1995, finds themselves after those years $100 a month behind where they started.

Balancing the budget will help, but it will not solve that problem. That problem relates to, I think, more endemic economic problems in this country. We have to, it seems to me, decide one of these days as Democrats and Republicans, to address these questions.

I have said previously there are two major challenges that I think most Americans now confront in this country. One is the economic challenge. That is the challenge to get America to grow again in which it provides opportunities to all Americans—not just the wealthiest, but to all Americans—so we are talking about an economic system that rewards all who seek those rewards and are willing to expend effort for those rewards.

Second is the issue of the diminution of values in this country. That relates to the coarseness we see on television that has been described by others recently, the violence on television that I have described recently, and a whole range of things.

Some of these problems, economic and values issues, can and should and must be addressed here in the Congress. It must be a product of debate in our country generally. Some of them cannot be addressed by Congress, cannot be addressed by public-sector debate in the House or the Senate, and must be addressed in the family, in the home, in the community, in the neighborhood. All of us, it seems to me, need to take responsibility to do that.

While we attempt to address the thorny issues of deficit reduction, a fiscal policy program that will work for the benefit of this country in the future, and while I hope we will attempt, following that, to address the issue of trade, fair trade, and the issue of trying to advance the economic interests of workers with good jobs and good wages in the future, while we do all that, it seems to me it would be helpful if all of us could call on the American people to join in our common interest.

As I said previously, we are going to have an Olympics next year in Atlanta. I bet we all are going to sit on the edge of our chairs cheering for the people wearing the red, white, and blue. We want American athletes to win. That is a wonderful thing: team spirit and nationalism and pride.

The fact is, the economic competition in the world is not unlike the Olympics in a lot of ways, except it is much more serious. There are winners and losers in economic competition. The losers are consigned to the British disease of long economic decline. The winners are given the opportunity of economic expansion and hope and better jobs and better wages.

I think soon, sooner rather than later, this country needs to decide to come together and develop an economic strategy that advances the economic interests of all Americans in a real way. We can no longer measure consumption as a barometer of economic health. It is what we produce in America that counts, because that is what creates the good jobs. We can no longer measure GDP on a quarterly

basis to determine whether America is moving ahead, because it alone does not determine that. We must, and I think can, do much better.

Mr. President, I notice the Senator from Wyoming is waiting for the floor.

I will yield the floor.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I yield to myself such time as required, under the previous order of morning business.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

AARP AND SOCIAL SECURITY

Mr. SIMPSON. Mr. President, I came to the floor this morning to speak lightly about the AARP, which I will do in a moment. But, as my colleague from North Dakota is here, and I have listened to his comments today, or a portion of them, and also over the past weeks listened to a series of these presentations about the rich versus the poor, and various allusions about what sounds to me almost like class distinction, class warfare, and also discussions of things like Social Security.

My friend, the senior Senator from North Dakota asks: Why does someone not come to the floor and speak on the issue of trade? He relates that not four people will come to the floor to do that. I can tell you, not four people will come to the floor and tell the people honestly what is happening to Social Security either. It is going broke. And people here on this floor who speak a great deal will let it go broke. There is not any question about what will happen to it.

And there is not a single argument rendered in this debate on reconciliation, where we are talking about Republicans taking from Social Security, where the Democrats did not do exactly the same all these decades. There has not been a single budget in my presence here that did not do what was just done here with Social Security. It was done under Carter, it was done under Reagan, it was done under Bush, and it is being done under Clinton. The Senator from North Dakota knows that. I am on the Finance Committee. There is not a single one of us who does not know that the same ''masking process,'' the same chicanery, the same smoke and mirrors has been pulled off by the Democrats and the Republicans in my entire 17 years here. There is not any question about that.

The Senator's colleague from North Dakota is on the Finance Committee, and he would also share that information with the senior Senator from North Dakota. Without any question, if anyone believes that the Republicans are doing something different with Social Security than what the Democrats have done, the same way, the same years—or the Republicans—please be disabused.

I think we should at least remember one—everyone is entitled to their own opinion, but no one is entitled to their own facts. If Social Security is going to be used in this way, as some horrifying example of being ripped to shreds, then go read the Trustees' Report of Social Security, which was not prepared by the hobgoblins of the right or Ronald Reagan or George Bush. It was prepared by three of the President's Cabinet: Robert Rubin, Robert Reich, Donna Shalala, with the Commissioner Shirley Chater adding her dimension, and one Republican and one Democrat appointed from the general public.

What do they tell us? They tell us that the solvency of Social Security is ''unsustainable.'' We can get another word, we can use ''broke.'' It is unsustainable in 75 years, unsustainable in every way. We know it, the Senator from North Dakota knows it, but more importantly the trustees know it. If anyone wishes to have a copy of that document, I will be very pleased to share it, because it shows that in the year 2013 we will have to be trading in the old IOU's and getting the bonds cashed, which is then a double hit on Social Security.

Meanwhile—and I will get to my full theme a bit later—the AARP, this remarkable group of people, the American Association of Retired People, this extraordinary group of 33 million people bound together by a common love of airline discounts and automobile discounts and pharmacy discounts and every other discount known to man or woman, is a group of organized people who have already settled with the IRS on a claim of back taxes for $135 million.

They asked their executive director, ''How did you pay that?'' and he said, ''We just wrote a check.'' They have $314 million in the bank, in T-bills. They lease a little hut down here in downtown for $17 million a year; a 20-year lease at $17 million a year. That is your AARP, speaking for ''the little guy.''

Where we are is—if anyone cannot understand it yet, is who we are going to hear continually about the little guy, the poor, the downtrodden, the oppressed, the abused in society—and does anyone in America know how Social Security will be restored to solvency? There are only two ways. You reduce the benefits or you increase the payroll tax. And what do you think the senior groups are continually requesting? I can tell you, it is not reducing the benefits; it is increasing the payroll tax.

And who pays the payroll tax? You got it, the little guy pays the payroll tax. The little guy in America is the ''stick-ee'' of this remarkable process regarding Social Security.

If you will remember, our fine colleague from New York, Senator PAT MOYNIHAN, and a ''Blue Ribbon Commission,'' in the early 1980's, got together and honestly put this program ''on the table'' and got off the table all the tired babble about Social Security, about the poor and the wretched, the disabled and the infirm and so on—got that off the table and said, ''This program is going broke, absolutely broke.'' Senator MOYNIHAN and a remarkable group of Democrats and Republicans then came together. That is impossible in this atmosphere. The water in the well is so poisoned now on this issue, we could never address it again. You are not supposed to even touch it. My mail will fill the room and the phone system will bust down later in the day as I choose to address this remarkable issue of Social Security.

So you have the situation where it was going broke and the Commission made some sensible recommendations. The recommendations were made in a very conscientious, bipartisan manner, to reflect that, if these things were carried out—and remember what one of them was; it was increasing of the payroll tax; but we were ready for that then—that the Social Security system would be saved until the year 2069. I hope you will hear that, 2069.

That gave everyone a remarkable sense of a job well done. Except, since the early 1980's, through, now, the projections of the Social Security Administration and the trustees themselves keep moving up the doomsday date.

And guess what the date of insolvency is now for Social Security? It is not the year 2069 or 2063 or 2050 or 2040. It is 2029. So since the early 1980's, Social Security is still long-term unsustainable, and the doomsday date—in just 13 years—has been moved from 2069 to 2029—moved up 40 years. Next year it is very likely the trustees may present to us their report saying that it will not be sustained past the year 2025. What a tragedy. And here we sit—all of us just sitting. We know it. We all know it.

I am going to accept the word of those three fine Democratic Cabinet members, who I respect and know—each of them individually. They are able Americans. I like them personally. We have our differences politically. But these fine people are telling us that in the year 2012—stretch it to 2013, if you want to—that the IOU's will be cashed in. Bonds will be then sold, and the American people will take a hit that will take the Social Security system from the year 2013 completely to bankruptcy in the year 2029. Everybody knows it. There is not a soul that can come into this debate and tell me that is not true. They will not come to this Chamber and tell me that is not true. We all know it.

So we continue our process of these short-term fixes. Senator BOB KERREY and I, in a bipartisan effort, have presented seven bills to restore solvency to the Social Security system. If you really want to get aboard, we are looking for cosponsors. But it is a little difficult to pick up cosponsors when you mention the secret sinister dual phrase ''Social Security'' and necessity to restore its ''solvency'' because people do not believe it. But BOB KERREY and I believe it.