We need to recognize that enabling prisoners to reintegrate into our communities as lawful and productive citizens is good for everybody. We should support proven efforts that get former prisoners to beat addictions and stay at work. And we should support the efforts of community leaders, especially religious leaders, to keep a stern eye on former offenders, while also lending them a helping hand. This is something that is beginning to work in Winston-Salem thanks to the Center for Community Safety at Winston-Salem State University. It is beginning to work in places like Maryland and Ohio. It is something that needs to work across America.

That is the challenge: First, develop real and automatic punishments for real violations of probation and parole. Second, enable probation and parole officers to get out of their offices and onto the streets. Third, make sure offenders who are ready to turn their lives around have the chance to do it.

Meeting that challenge will not be easy. Every State has different probation and parole systems. Some States have differences within their systems. While the truth is that a lot of these systems are not working, some of them are. Every reform I have described is already working someplace in America today. Our job in Washington will be to spread the things that work. I know there is legislation in conference right now that will help do that in a limited way.

I believe we should think bigger, on the model of the COPS Program, a program that not only helped police departments hire over 100,000 more cops, but that also helped change the way police departments do business. We need the same kind of effort when it comes to transforming probation and parole into an effective, accountable system for reducing crime.

It may be that this administration will oppose this effort. Their current budget has already proposed gutting the COPS Program. This administration seems to think that permanent tax cuts for the very wealthiest Americans are more important than cutting crime in the very poorest communities. I see it differently.

ESTATE TAX

Mr. EDWARDS. Mr. President, I also wish to say a few words about the estate tax debate we are having right now.

With all due respect for my colleagues, I think this debate shows that a lot of people in Washington are totally out of touch with regular people back at home. I think we should step back and take stock of where we are right now.

No. 1, as all of us know, we are in the middle of fighting a war against terrorism, and we do not know when that war will end. Our young men and women are in harm's way overseas as I speak.

Here at home, we have very serious homeland security needs that the administration is struggling to meet. It is no exaggeration to say that Americans' lives depend on the success of those efforts. That is No. 1.

No. 2: We have a whole raft of serious needs in our country. I have been talking about the rising crime rate, but that is just the beginning. We have seniors who cannot pay for the medicine they need to live. We have parents who cannot afford to send their kids to college. We have children who go to school every day in crowded classrooms with leaky roofs, even as this administration cuts funding for education. That list goes on and on.

No. 3: We have a coming challenge in Social Security. We are going to have baby boomers retiring in huge numbers, and we are going to have to find a way to keep our social contract with them.

No. 1, we have a costly war against terrorism to fight abroad and at home. No. 2, we have deep problems with crime and education and health care that we are not addressing. No. 3, we have a coming crisis in Social Security.

And here is No. 4. Right now we cannot afford to address a lot of our serious needs—and in fact, our economy continues to sputter after a decade of extraordinary growth—because the country has gone from a multitrillion dollar surplus to a deficit in barely a year. That is very largely because of the tax cuts targeted to the wealthy this Congress already passed. It is a breathtaking fiscal turnaround.

With terrorism, with crime and education and health care needs, with a Social Security crisis, with massive fiscal hemorrhaging, what are we talking about here today?

We are not talking about reforming the estate tax to eliminate unfair burdens on farmers and small businesses, something I support. I very strongly believe that farmers and small businesses have to be protected from estate taxes.

We are talking about whether to blow another massive hole in the budget to pay for a tax cut that mostly benefits about 3,000 of the wealthiest families each year. In a country of over 275 million people, many of them struggling to pay their mortgages and send their kids to college, we are talking about multimillion dollar windfalls for about three thousand fortunate families.

I have only one question. Is this really why the American people send us here, to massively cut taxes on a very fortunate few while we are fighting terrorism and Social Security is in trouble and millions of middle class people are struggling? I do not think that is why people send us here.

What my colleagues are trying to do today on the estate tax is wrong from a national security perspective. It is wrong from a Social Security perspective. It is wrong from an economic perspective. And most important of all, it is wrong from a moral perspective.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey.

Mr. CORZINE. Mr. President, I commend the Senator from North Carolina for his remarks with regard to his views on probation and the deteriorating situation with regard to how we are moving and progressing with regard to crime. I am also glad to hear the Senator from North Carolina speak about estate tax in the context of Social Security. In fact, I will be speaking in a minute with regard to the Social Security issue.

It seems inconceivable to me that the roughly 3,000 people the Senator is talking about in our Nation, those who have benefited most from the power and the success of our Nation economically and done so well, should put at jeopardy the universal program that is such an important part of retirement security for so many Americans. It does not seem right in the context of the national security, but truly it seems misplaced when one thinks about Social Security for the breadth of Americans.

So I commend the Senator for his remarks, and particularly the tying together and juxtaposition of those efforts.

SOCIAL SECURITY

Mr. CORZINE. Mr. President, as many of my colleagues know, I have over the last few weeks been speaking regularly with regard to Social Security and proposals to privatize Social Security. I think this is one of the most important debates we as the Senate and Americans need to have. It needs to be done before elections, not afterwards, because I think we need to hear from the American people about what it is they want.

To many Americans, certainly to whom I talk, and many of my constituents in the State of New Jersey—and I certainly hear it from my colleagues, and I feel strongly—these proposals that are circulating with regard to private takings of Social Security are not the mindset of most Americans. That is particularly true when people become aware that they will involve deep cuts in guaranteed benefits and that, by implication, is going to force many Americans to work longer, delay their retirement, and develop a level of insecurity in a program that was really designed to promote security among senior citizens in our Nation.

The fact is that we have seen developing an undermining of retirement security for a whole host of reasons, whether it is the diminishment of the number of Americans who are covered by defined benefit programs or the insecurity of 401(k)s which we have seen in light of some of the elements that have come out of Enron. It is very hard for me and for most of the people with

whom I have conversations to understand why we should be taking the security out of Social Security.

President Bush's Social Security Commission proposed privatization plans—there were three of them—that would cut guaranteed benefits for current workers by more than 25 percent. Those cuts would exceed 45 percent for those who would be retiring long in the future. They would apply even to those who choose not to invest in privatized accounts, and they would be even deeper for those who did not make such investments. In fact, actual cuts are likely to be deeper still. This is an important part. There is a high probability the cuts will be deeper since the Commission's plans—all three of them—are dependent on significant infusions of general revenue funds to accomplish the transition from the current system we have, the pay-as-you-go system, to the privatized system. This is arithmetic. It is not something that is political or partisan.

The only way to get from one place to the other is by taking roughly a trillion dollars from general revenues to make it supportable, if the same benefit payment schedule is going to be held to that which we have now for most future retiring American citizens.

It is hard to understand how we can talk about taking funding from general revenues in the current circumstance when we passed a debt ceiling limit yesterday of another $450 billion, and that is only expected to take us for 18 months. We have a growing deficit problem in this country. Put that together with a need to be able to provide general revenues to support this initiative towards privatization and I think we have a real problem. We have a train wreck coming. To me, that is not the direction in which we should go.

So I hope we will look at these in a serious way. The Commission's report itself talks about these 25-percent cuts and 45-percent cuts. The Social Security actuaries are the ones who present them. While they did not speak to it directly, those cuts will even be more serious and more immediate for surviving beneficiaries and disabled beneficiaries from the Social Security Program.

We are basically taking a program that has worked, has reduced the poverty level for senior citizens in America, and really putting it at great jeopardy. That is why I feel so strongly about speaking out on a repeated basis to develop this debate.

Despite the very clear proposals developed by the Bush Commission, my fear is that few Americans have any real idea what is at stake in regard to what I have described. I am afraid a lot of this is not on people's radar screens because there has not been a lot of debate about it. There has not been a lot of talk about it.

There is a point of view that this ought to be put off until after the election. I think it is important that those of us who believe in protecting Social Security as we basically know it—there will have to be some changes but basically as we know it—should be talking about the true nature of the kinds of cuts that are being talked about.

A little bit of this dialogue on the Senate floor has developed into some debate, at least inside the beltway. I would like to take it outside the beltway because that is where the real impact will lie. But there has been a continuing dialogue between the Cato Institute and myself. A minority of members of the Bush Commission have responded to some of the commentary I have tried to make. We have both exchanged long and relatively detailed treatises that are translated into explaining each other's positions, and I think that is all healthy. I think that is good. Hopefully, there will be more debate in the future.

This past weekend, a new player entered the debate, at least as reported by the Washington Times. The Commissioner of Social Security, Ms. Anne Barnhart, went on the record to criticize Democrats—at least one Democrat—for using false charges and for what the article calls incendiary rhetoric. I hope people do not presume the kind of language I am using today is incendiary. It is trying to get to a healthy debate about how Social Security should work and how it will impact seniors, survivors, and disability beneficiaries in America.

The article quotes Ms. Barnhart as stating:

> The most important message I want to send out is that benefits are not going to be affected.

Let me repeat, ''benefits are not going to be affected,'' according to Ms. Barnhart.

Ms. Barnhart then seemed to back off in the article—again, I did not see the full text of her remarks—and adopt a little less absolute approach. That is hopeful because that cannot be an absolute condition of the interpretation of the President's proposals, offering assurances only to retirees, current retirees, near-term retirees.

In any event, I was very disappointed by these reported statements which, in fact, I have tried to respond to in a number of venues, which I believe are highly inaccurate in themselves. The truth is, as I said before, President Bush's Social Security Commission proposed privatization plans that call for deep cuts in guaranteeing benefits. This is by the Social Security actuaries themselves. I do not happen to have the pages, but I can cite it in the report that the Commission put forward. As I said, these cuts apply to even those who do not choose to invest in privatized accounts.

It seems to me we ought to have this on facts at least as they are talked about. I do not want to go back through the point, but if we are to avoid these cuts, even for near-term retirees, or certainly for survivors and disability beneficiaries, we will have to have significant transfers from the General Treasury to be able to sustain Social Security benefits even for those groups. I think that is going to be an increasing challenge for this body, for public policymakers in general, because we are running deficits.

Arguing that benefits are not going to be affected seems precisely the kind of false charge for which Ms. Barnhart reportedly was criticizing Democrats.

This is a debate we need to have. We need to have it on substance. We need to make it balanced, thoughtful, very public. I will work to that end. There is not a more important issue—perhaps prescription drugs, as the Presiding Officer is articulately making the case to the American people. This gets at retirement security, things that make a difference in real people's lives. I was in the chair several weeks ago when the Presiding Officer made the case that he went to a diner and heard what was on people's minds. Prescription drugs are on people's minds, and making sure that Social Security is there as people have expected, as they have paid into the system. It is right in the gut to most Americans, at least those diners I go to in New Jersey. This is something we have to be attentive to, we need to debate, we need to come to a conclusion, and get on with the process.

I am hopeful Ms. Barnhart was misquoted in the Washington Times. I have been misquoted once in a while, as I am sure all Members have. I do not think engaging in incendiary commentary is helpful, nor do I think many of my colleagues do. I hope she will write to the editor of the paper and clear up the matter. I would love to get into a very serious debate about the substance of how we will finance Social Security as we go forward. That is an important element of our necessary debate to get to long-term solutions that make a difference in people's lives.

I hope she will review the facts involved in the President's commission's report when we are talking about these deep cuts in guaranteed benefits. They are there in black and white.

I ask unanimous consent a copy of the Washington Times article and my response to Ms. Barnhart be printed in the RECORD.

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

[From the Washington Times, June 8, 2002]

SOCIAL SECURITY REFORM DEFENDED

(By Donald Lambro)

The head of the Social Security Administration criticized Democrats yesterday for using false charges and ''incendiary rhetoric'' to stir up political fears over President Bush's plan to reform the retirement system.

Jo Anne Barnhart said there is no truth to Democratic claims that Mr. Bush's plan will cut retiree benefits or that the administration was robbing the trust fund.

''I think the fear factor is really unfortunate. It is important that Social Security beneficiaries be reassured,'' said Mrs.

Barnhart told The Washington Times yesterday—her first interview since Mr. Bush selected her last summer to run the nation's largest retirement program.

''The use of highly charged, incendiary rhetoric doesn't accomplish this,'' she said.

Mrs. Barnhart spoke approvingly of Mr. Bush's plan, saying it's important to restore faith in the program and give people more control over their retirement funds.

''The most important message that I want to send out is that benefits are not going to be affected. Regardless of what proposal you look at in terms of reform, I want to reassure retirees and near-retirees that they will not have a reduction in benefits,'' she said.

Democratic leaders have been escalating their attacks on Mr. Bush's Social Security reform plan in recent weeks, believing that the issue will motivate older Americans to vote in larger numbers against Republican congressional candidates this fall.

''It is indisputable that the Bush Social Security Commission's privatization proposals include drastic cuts in guaranteed Social Security benefits,'' said Sen. Jon Corzine, New Jersey Democrat, who has been leading the attacks in the Senate.

Until yesterday, the White House had not directly struck back at its critics, and Mrs. Barnhart's surprisingly strong remarks signaled that the administration now believes it should respond to the Democrats' mounting political offensive.

Mrs. Barnhart declined to compare the Social Security benefits with what workers would get under Mr. Bush's plan to let workers voluntarily invest part of their payroll taxes in stock and bond mutual funds.

''These are highly technical issues that our actuarial analysts can answer,'' she said.

But when asked about questions of financial risk and safety that Democrats are raising about Mr. Bush's investment plan, she revealed that her own federal pension was fully invested in stocks.

''I'm a federal employee. I participate in the Thrift Savings Plan. I went into the stock fund,'' she said. The government's popular Thrift Savings Plan lets federal employees invest their retirement funds in stock and bond funds.

Such stock funds are ''widely diversified to lower risks'' and government bond funds posed no risk, she said. The president's commission on Social Security, which proposed three different plans to implement Mr. Bush's reforms, examined the Thrift Savings Plan as a possible model to follow.

Mrs. Barnhart said that she thinks that ''we can look at the Thrift Savings Plan'' as the basis for a larger retirement for the general public.

''I don't think there is any question that people, particularly younger people, would have more control over their investments in the future,'' she said of the administration's proposed reforms.

U.S. SENATE,
Washington, DC, June 12, 2002.

Hon. JO ANNE BARNHART,
Commissioner, Social Security Administration, Baltimore, MD.

DEAR COMMISSIONER BARNHART: I am writing with respect to statements attributed to you in an article published in the Washington Times on June 8 on the topic of Social Security.

According to the article, you ''criticized Democrats for using false charges and 'incendiary rhetoric' to stir up political fears over President Bush's plan to reform the retirement system.'' The article quoted you as saying. ''The most important message that I want to send out is that benefits are not going to be affected.''

I am very concerned about this last statement, which is simply not accurate. President Bush's Social Security Commission proposed privatization plans that call for deep cuts in guaranteed benefits. The Social Security Administration's own actuaries have calculated that the cut for many current workers would exceed 25 percent, and cuts would exceed 45 percent in the future (see page 75 of the actuaries memo on the report, dated January 31, 2002). These cuts would apply even to those who choose not to invest in privatized accounts. The cuts would be even deeper for those who do make such investments.

I recognzie that, after stating simply that ''benefits are not going to be affected'' you seemed to back off and provide assurances only to retirees and near-retirees. However, the Commission's plan relies on significant infusions of general revenues none of which have been provided for in the President's budget. If and when these revenues fail to materialize, retiree benefits clearly could be at risk. While, in the short-term, I hope that Congress somehow would find the resources to protect current retirees, over time the threat of further benefit cuts for retirees seems very real. In addition, based on the text of the Commission's report describing Model 1, it appears that some near-retirees would have their guaranteed benefits reduced if they participate in the program of privatized accounts.

I understand that reasonable people can disagree about the merits of privatization and believe it is importannt that the debate on Social Security's future be conducted without excessive rhetoric on either side. I have tried not to engage in attack language in the discussion so far, and I am hopeful that other parties will adopt a similar approach. The future of Social Security is too important to be decided by misleading claims or partisan politics.

Sincerely,

JON CORZINE.

Mr. CORZINE. I hope we continue this dialog in a thoughtful, balanced matter.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. CRAIG. Mr. President, I believe we are in morning business, is that not correct?

The PRESIDING OFFICER. That is correct.

HOMELAND SECURITY

Mr. CRAIG. Mr. President, this morning I want to speak to a couple of issues that I think are important to this body and certainly to the citizens of our country. First and foremost, I want to speak of a meeting that occurred at the White House yesterday that I had the good fortune to be a part of, a meeting of the President and the joint leadership, Democrat and Republican, of the House and Senate. We met with President Bush, the Vice President, and Governor Ridge to talk about the President's decision to create a new Cabinet-level Department of Homeland Security and his decision to send to the Congress a proposal that would allow us to work with him in the shaping of legislation to ultimately create that agency.

I saw the current Presiding Officer on television the other night speaking to this issue. I was pleased that he, too, like I, agree that a time has come in our country that we need to recognize the extraordinary global terrorism threat that has been brought to our doorstep and to the doorstep of most American citizens, and the need to recognize that the mechanisms of our Government to combat this threat have in part failed—or certainly the mechanisms are not in tune with the current threat in a way that they can effectively connect all of the dots to draw the necessary conclusions of the magnitude of the threat by those who bring it to our doorstep.

As a result of that, the President, in a very forward-looking way, having assumed the leadership of this great country, has brought to us an opportunity to work with him to make a decision that I think will be historic for our country, a decision to create a new department that I believe, when completed and effectively run, will make all Americans safer. It will give our country, through this department, the ability to protect our borders, to collate and analyze intelligence and information about ongoing threats, to expedite decisions at all government levels, and to take immediate action when the conclusion of the event or the risk that might occur warrants it.

The new department eliminates what has become a patchwork of agencies and lines of authority that were designed for a threat of an era ago. What worked in cold war and post-cold-war environments does not fit, or is apparently not fitting the current threat that this Nation recognizes.

This department, in my opinion, is not a step toward big government. Big government is when the Federal authorities needlessly take over functions better left to State and local governments.

The Presiding Officer is a former Governor. He understands so well the importance of State government and State law enforcement authorities. What we want to have happen is an improvement of those relationships as they relate to the threat.

My Governor, Dirk Kempthorne of Idaho, was once a U.S. Senator. As a Senator, he had greater clearance than he now has as a Governor. In other words, he had a right to know, under the law and by his title, more about the security risk in our country than he does as a Governor today. That is wrong. Governors in the role they must play as law enforcement officers within their States and directors of law enforcement communities within their States have to know. I use as an example the opportunity to create a seamless relationship between Federal intelligence and Federal law enforcement and State law enforcement. In my