

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

Mr. DORGAN. Mr. President, is the Senate in morning business?

The PRESIDING OFFICER. Yes. The Senate is in morning business.

CREDIBILITY IN THE PRESIDENTIAL RACE AND SOCIAL SECURITY

Mr. DORGAN. Mr. President, I wish to comment today on this issue of credibility with respect to the Presidential race in our country. I know there has been a lot of discussion about credibility on one side or another. I wish to talk about the issue of credibility with respect to Social Security.

Some while ago, Governor Bush of Texas, who is running for President, suggested we should take about \$1 trillion—about one-sixth of the tax moneys that are coming into the Social Security system—and invest it in private individual accounts in the stock market.

On May 30th, Senator SCHUMER and I were joined by twenty of our colleagues in sending a letter to Governor Bush asking how that added up and how he would replace the \$1 trillion that would be a shortfall in the Social Security trust fund used to pay the Social Security benefits of those who are retired. We have not yet received a reply in the intervening months. And the Presidential debates did nothing to illuminate what might or might not be on the mind of the Governor with respect to that \$1 trillion.

But this is not a case of double-entry bookkeeping, as understood by politicians, where you can use the same money twice. You cannot use the same money twice. If you take \$1 trillion—or one-sixth of the tax money that would go into the Social Security trust fund—and say, we are going to take that money and invest it in private accounts in the stock market, then you have \$1 trillion less in the Social Security trust fund with which to pay benefits for those who are retired. The question is, How do you make up that difference?

A great many studies have been done on this issue. Let me cite one. Last week, a distinguished group of Social Security experts—one of my favorites, Henry Aaron, at the Brookings Institution, who I think is a remarkable and wonderful economist, Alan Blinder, Alicia Munnell, and Peter Orszag—released an update to their report about what this plan would mean of diverting Social Security trust fund money into private accounts.

They point out that it could very well mean less in Social Security benefits for those who have the private accounts later, and that some \$1 trillion in the Social Security system, that would be expected to be available, would no longer be available because that \$1 trillion was moved.

There is an interesting comment from Governor Bush about this proposal. This is not a question of whether he proposes to do this. He says:

... and one of my promises is going to be Social Security reform. And you bet we need to take a trillion dollars—a trillion dollars out of that \$2.4 trillion surplus.

So he says he is going to take \$1 trillion out of the Social Security trust fund and use that to establish private accounts for current workers.

Now, Allan Sloan had an article in today's Washington Post which I thought was interesting. He said:

If you ever wanted living proof of what a fool you would be to entrust your personal financial fate—or the nation's—to the stock market, you sure got it last week. On Wednesday the Dow plummeted more than 400 points before you could finish your first cup of coffee.

He said:

Sorry to disappoint you, but if you're looking for rationality, don't look at the stock market. At least not on a day-to-day basis. And don't look to the markets to bail out the Social Security "trust fund" or to make everyone in the United States rich.

He says:

If we put a big chunk of the Social Security trust fund into stocks, as many people suggest, the national budget will be hostage to short-term stock movements.

Aside from the issue of the credibility of saying to our senior citizens, "It is going to be in the Social Security trust fund" and then saying to the younger workers, "I will take the same \$1 trillion and allow you to have private accounts in the stock market with it"—aside from the credibility of having \$1 trillion that is missing and no one forcing Governor Bush to answer the questions: What are you going to do with the \$1 trillion? What is it going to be? How are you going to fill a hole that exists in Social Security if you take the \$1 trillion and allow private accounts to be invested in the stock market?—aside from that question, which I think is very important, the other point is this: If you look at 20-year periods in this country, there have been 108 20-year periods in which one can calculate a rate of return on a dollar invested in U.S. securities. In six of those periods, the return was less than 2 percent; and in only eight of those periods, the return was 11 percent or more.

The point is, instead of having a Social Security plan that provides some security of income when you retire, you might find—with Governor Bush's plan, assuming that the \$1 trillion was made up someplace, assuming you did not have a \$1 trillion hole, which now exists in the Governor's proposal—you might still find yourself having retired and having private accounts in your name and having much less money than you ever expected or ever would have received under the Social Security system because you don't retire on an average date, you retire on an ac-

tual date. You retire on a specific day. Who knows what the stock market is going to be doing in that particular period. It is not the case, as economists have demonstrated, that there will always be good news for everyone with respect to these private accounts.

But let me, again, go back to the central question: What about the \$1 trillion? If someone in this Chamber said they would like to take \$1 trillion out of this trust fund and use it for something else, logically someone would stand on the floor of the Senate and say, but if you are going to take it out of this trust fund and use it for something else, what are you going to do for this trust fund where the money is needed? That is the logical question to ask Governor Bush. And we did. And there has been no answer. Because the \$1 trillion will be gone from the trust fund. He knows it. We know it.

So if there is a question of credibility on these issues, it seems to me it would be wise to at least question the credibility of someone who wants to take \$1 trillion out of the Social Security trust fund and use it for private accounts and then say: Oh, by the way, it all adds up. It does not add up.

I went to a high school with only nine seniors in my senior class. We did not necessarily take advanced mathematics, but we took enough math to understand how to add these numbers. We did not discuss "trillions" in my school, but we discussed it enough to understand that if you take one-something here and move it over here, it is gone in the first location.

Politics, apparently, these days does not require one to reconcile; it does not require one to add and subtract in a traditional way. I think the American people will want to know the consequences of that. You cannot do both. You cannot promise that which you promised to senior citizens for their retirement and then say: By the way, that money is going to be promised to workers for private accounts in the stock market under your name. You cannot promise both. To those who do so, I would say, retake your accounting exam, and remember double-entry bookkeeping does not mean you can use the same money twice. That's a pretty simple lesson, it seems to me, for political dialog in this country.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. 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.