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

Mr. COCHRAN. Senators should remain in or around the Senate Chamber during these votes in order for the Senate to complete the reconciliation bill in a timely manner. Votes will occur throughout the morning. And it is the leader's intention to hold these votes to 10 minutes in length. Therefore, Senators are reminded again to remain in or around the Chamber during this voting series.

Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2 p.m. for the weekly party caucuses to meet.

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

Mr. COCHRAN. Mr. President, I further ask unanimous consent that following the stacked votes regarding the reconciliation bill, the Senate proceed to vote on or in relation to the McCain amendment No. 4968 to be followed immediately by a vote on or in relation to the Gregg amendment No. 4969.

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

ORDER FOR ADJOURNMENT

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in adjournment under the previous order following the remarks of the distinguished Senator from Nebraska [Mr. KERREY] for up to 10 minutes.

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

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4978

Mr. KERREY. First, Mr. President, in relation to an amendment that I introduced earlier that provided an additional $8.5 million for the Food Safety and Inspection Service and the Packers and Stockyards Administration, I ask unanimous consent that the distinguished Democratic leader, Senator DASCHLE, be added as an original cosponsor.

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

SOCIAL SECURITY

Mr. KERREY. Mr. President, I do not know if I will take 10 minutes or not, but it was called to my attention this morning when I got back in town that there was an opinion piece that appeared in the Washington Post yesterday, Sunday, written by Mr. Henry Aaron, a senior fellow in the Economic Studies Program at the Brookings Institution. The headline is ''The Myths of the Social Security Crisis.'' Henry Aaron, a distinguished fellow and economist, goes through one, two, three, four, five myths.

I do not know how many of my colleagues or how many people that are concerned about this particular issue read this opinion piece, but I wanted to immediately—and I will come later to the floor to deal with some of the statements Mr. Aaron makes in detail—but wanted to immediately come to the floor and urge colleagues who have increasingly started looking at Social Security as an issue that we need to address currently, to hear the following.

First, Mr. Aaron says myth one is that ''Social Security is in crisis.'' This essentially is a strawman argument, the fact that some people are saying it is in crisis. Destroy that argument, therefore, we do not need to do anything.

Mr. President, I hope we do not have to deal with problems only when they are in crisis. I hope that, particularly with a program that promises retirement payments to people 30, 40, 50, 60, 70 years from now—and understand that every beneficiary of Social Security for the next 70 years is alive today. They may be 5 years old, but they are future beneficiaries. And we need to, whether or not we have the resources or the will, to be able to pay their benefits. So the longer one delays, the more difficult the solution becomes.

Mr. Aaron actually later on said one myth is that it is ''the third rail of American politics—touch it and you die.'' That is another myth he identifies. I do not actually think that is a myth.

The last time we dealt with Social Security substantively was in 1983. We waited until we were almost out of money. Even then we almost did not do anything. Even then it took an independent panel to provide the Congress with protection.

Mr. Aaron says we did it in 1983. The change that was made in 1983 is already under attack. The reason it was changed was the Deficit-Reduction Act. There was a substantial effort to eliminate that change.

So I do not think that the fact that Congress has dealt finally with Social Security is a myth that destroys the myth that this is a third rail, we wait until it is in crisis. If we wait once again until it is in crisis, Mr. President, we are not going to see the same thing we had in 1983. Once the baby boomers have retired, and you look at the numbers that are required to pay out, it is a much different situation than we face today. It is not in crisis. I do not argue that Social Security is in crisis. I am not saying it is contributing to the deficit, which is another myth that is here.

But one of the myths that is not on Mr. Aaron's list—and I have a great respect for Henry Aaron and his views—but one of the myths he does not identify that is the most troubling and difficult of all is that Americans who are beneficiaries today, No. 1, believe that the Social Security Program is a savings program, that all they are getting back is what they paid in.

We have perpetrated that myth very often with television advertising saying: Your Social Security is safe. I will not let anybody touch your Social Security. It is the safest program that we have today. You do not really hear people standing up talking about radical change in the program or cutting current beneficiaries.

But to listen to the organizations who are concerned about this program talk, when they do their direct mail pieces, you would think that every single day somebody is down here on the floor talking about changes in the program.

The program enjoys broad support from the American people. And 85 percent of almost every generation supports Social Security as a program. It has reduced the rates of poverty substantially in this country of people over the age of 65. It has been, in general, a very, very good program.

The myth, though, that it is a savings program encourages people to believe that their payroll tax is going into an account that is reserved for them that they own. It is not being reserved for them. Social Security was designed as a collective transfer program. It is social insurance because there are progressive payments made. The connection between what you receive is based upon your income, not based upon what you have contributed. It is very progressive.

As a consequence, it has been a program that most, I think, look at as a good way to help, and particularly lower income retirees avoid the trauma of living in poverty at the very time when they are no longer able to produce and earn a living.

But it is not savings. That is the most difficult myth of all. There is no account being held here for people that are paying into the program, which leads, Mr. President, to one of the most important reasons that people, like myself, have been arguing for reform.

The first one is, as I said earlier, waiting until the end, as we typically do. Mr. Aaron is basically saying: Wait until there is a crisis. There is no crisis. Why act? Wait until there is a crisis, he is saying. Wait another 30 years until there is a crisis, and then act.

That is foolishness to do that. The people who are going to pay the price for that are not current beneficiaries, people currently receiving payments. But it will be people under the age of 43 who will have to answer the question, ''Gee, wait a minute. Do I want, in order to preserve my benefits, my kids to pay that kind of payroll tax?'' Look at the kind of payroll tax that they are going to have to pay if you wait for 30 years, if some kind of adjustment is not made before then.

One of the flaws, in my judgment, of the 1983 fix was it said that we are going to raise taxes higher than what is necessary for the first time in the 50-year history of the program. The 1983 fix said, we are going to raise taxes higher than what is necessary to prefund the benefits of the baby-boom generation. Then we immediately—rather than setting it aside to be used for the baby-boom generation—we immediately begin to use it to pay for current expenditures.

Again, I am not arguing that Social Security contributes to the deficit. But I am prepared to argue that people who get paid by the hour, people whose wages are under $62,400 a year, which if you are looking for a definition of the middle class, you just as well said it there, because everybody over $62,400 does not pay that full 12.4 percent. You only pay it on the first $62,400. Anybody who is under $62,400, understand, you are shouldering more deficit reduction than those above because you are paying higher taxes on your payroll than needed to fund current benefits.

I do make the argument that the program needs to be changed sooner rather than later because we want to avoid the crisis, because you want to look out in the future and say that, whether you are a beneficiary who is 20 or 30 or 40, regardless of your age, whatever promise we have on the table we ought to be able to fund it.

I believe it was a mistake to change the law in 1983 to have this account building up to this huge amount, first, because we used it for deficit reduction, but, second, I do not think it makes any sense to say that we are only concerned about the beneficiaries over the next 35, 40 years.

Whatever promise we have on the table we ought to be able to keep for everyone in perpetuity. Any insurance company has to do that, has to abide by that rule, and we should, as well.

To do that, Mr. President, what you need to do is change the funds, so you build it up to a level that keeps it stable and then keeps it there in perpetuity. Whatever payroll taxes are needed, whatever benefits we are promising to pay to future beneficiaries, you should be able to look and have the actuaries run the numbers and say, you have a stable fund, it will be there forever; the benefits that you promised to somebody 20, 30, 40, years ago, you will be able to keep those promises just as you said.

The implication given by Mr. Aaron, and I really do regret it, is that the financial managers in America are putting a lot of pressure on Congress to change this program so that it is privatized. First, Mr. Aaron, in this article, says one of the dirty little secrets about privatization is that it requires a tax increase, and nobody is making a proposal in partial privatization. That comes upfront with that. First, it does not require a tax increase in all cases; second, there is a proposal already. Senator SIMPSON and I introduced legislation that would allow Americans to take 2 percent of their payroll tax and use it, individualize their own wealth. It is fully funded. There is no tax increase in that.

I intend to send a copy to Mr. Aaron so he can evaluate it and determine whether he likes the proposal, or the next time he criticizes Congress or a general audience for not having a specific proposal, at least he can offer one exception.

Mr. President, I think the privatization argument itself is better framed, rather than, Are you for privatization or against it, better framed, Are you for the individualization of the account? By that I mean, under the proposal of Senator SIMPSON and myself, what we do is say there is still a collective payment, still a payment, although it is misdescribed by many people. We will promise to transfer from the wages of people who are working, a fixed payment, fixed tax on their wages, and transfer, in a very progressive way, to people who are retired. That will still be there. You will be eligible for early payment if you want it, or a regular payment, or a late payment.

The PRESIDING OFFICER. The Chair advises the Senator the 10 minutes have expired.

Mr. KERREY. I end with 30 seconds, by merely saying the personal investment plan, as described by Senator SIMPSON and myself, is not privatization. It is fully funded. And it is, it seems to me, called for in a program which has not been changed fundamentally in 60 years.

I yield the floor.

ADJOURNMENT UNTIL 9:30 TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Tuesday, July 23, 1996.

There being no objection, the Senate, at 6:52 p.m., adjourned until Tuesday, July 23, 1996, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 22, 1996:

THE JUDICIARY

EDMUND A. SARGUS, JR., OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF OHIO.