United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, TUESDAY, SEPTEMBER 15, 1998 No. 122

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear Father, the psalmist's words serve as our motto for today. ''This is the day which the Lord has made. I will rejoice and be glad in it.''—Ps. 118:24. You have all authority in heaven and on earth. You are sovereign Lord of our lives and of our Nation. We submit to Your authority. We seek to serve You together here in this Chamber and in the offices that work to help make the Senators' deliberations run smoothly. We commit to You all that we do and say this day.

Make it a productive day for the Senators. Give them positive attitudes that exude hope. In each difficult impasse, help them seek Your guidance. Draw them closer to You so that, in Your presence, they can rediscover that, in spite of differences in particulars, they are here to serve You and our beloved Nation together. In our Lord and Savior's Name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. HUTCHINSON. Mr. President, this morning the Senate will be in a period of morning business until 10 a.m. Following morning business, the Senate will resume consideration of the Interior appropriations bill, with Senator Bumpers being recognized to offer an amendment related to mining.

The Senate will recess from 12:30 until 2:15 to allow the weekly party conferences to meet. Following the conferences there will be 10 minutes for closing remarks in relation to the Bumpers amendment. At the expiration of that time, approximately 2:25 p.m., the Senate will proceed to a vote on or in relation to the amendment.

Following that vote, the Senate will continue consideration of the Interior bill. Members are encouraged to offer and debate amendments during Tuesday afternoon's session so the Senate can make good progress on the Interior bill. The Senate may also consider any other legislative or executive items cleared for action.

I thank my colleagues for their attention.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business. The distinguished Senator from Massachusetts, Senator KENNEDY, is recognized.

Mr. KENNEDY. Mr. President, we are in morning business. The amount of time has not been designated, but I yield myself 6 minutes. Then, if there are others from our side who wanted to speak, we would move ahead, if that is agreeable.

Mr. MURKOWSKI addressed the Chair.

Mr. KENNEDY. I am glad to yield to the Senator from Alaska.

Mr. MURKOWSKI. From the standpoint of procedure, I would be pleased if I could be recognized after the distinguished Senators who are seeking recognition. Senator KENNEDY is. Is the Senator from California seeking recognition?

My point is, if I could be third after her?

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

THE SURPLUS IS SOCIAL SECURITY

Mr. KENNEDY. Mr. President, the proposals by House Republican leaders to spend a major portion of the projected budget surplus on tax cuts for the wealthiest citizens gives new meaning to the word ''irresponsible.'' Any such cut would rob Social Security recipients of the retirement benefits they have earned and deserve. Yet the House Republicans want to spend this ''surplus'' before it even materializes, in an election eve vote-buying scheme of massive proportions. Every Senator on both sides of the aisle who is serious about preserving Social Security for future generations has a duty to reject these outrageous proposals.

Before we spend it, wouldn't it be wise to at least ask where this projected surplus comes from? The answer is clear—and shocking in its meaning. Ninety-eight percent of the ten-year surplus projected by the Congressional Budget Office comes from the Social Security Trust Fund. The issue is not whether we should use the surplus to ''save Social Security,'' the surplus is Social Security. Using those dollars to pay for anything other than retirement benefits for future Social Security recipients would be an act of political grand larceny. The victims would be those hard-working men and women who are counting on Social Security to protect them in their retirement years.

The term ''surplus,'' as it is used in the budget debate, means only that the total amount of revenue received by the Federal Government in a particular year exceeds the total amount that the government will spend in that year. In the current fiscal year, for the first time since 1969, the Federal Government will take in more dollars than it spends. But this so-called ''surplus'' does not take into consideration any future financial obligations of the Government, such as the obligation to pay Social Security benefits to retirees in

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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the future. The surplus is not extra money which Congress can spend on any worthy cause. It is money which must be set aside to pay those future obligations.

The overall surplus is equal to the surplus in the Social Security Trust Fund minus the deficit in the rest of the government. When Social Security reserves are removed from the calculation, the surpluses over the next seven years evaporate. Budget deficits continue through fiscal year 2001, followed by four years of roughly balanced non-Social Security budgets. Not until 2006 does any meaningful surplus appear without counting Social Security reserves.

The Congressional Budget Office has projected a surplus of $1.55 trillion over the next ten years. Of that amount, $1.52 trillion—98%—is Social Security reserves, which consist of the payroll tax payments made by employees and employers during the next decade and interest earned on Social Security Trust Fund during that period.

Every one of those dollars will be needed to honor our commitment to future retirees. Only $31 billion of the ten year projected surplus—an average of $3 billion a year—is not already committed to meeting future Social Security obligations, and that amount could easily disappear with only a slight shift in the economy.

A $520 billion surplus is projected over the next five years, and it is composed entirely of Social Security reserves. In fact, if Social Security reserves are not included, there would actually be a deficit of $137 billion during this period. There is no surplus for Congress to spend over the next five years—none at all.

Despite these facts, House Republican leaders repeatedly call for using a major portion of this so-called surplus for tax cuts. Originally, they proposed that half the surplus—over $700 billion—be spent on tax cuts. These Republicans had the gall to brag that they would devote the other half to Social Security. Majority Leader DICK ARMEY boasted that this is ''a big, big step in the direction of saving Social Security.'' Nonsense. Congressman ARMEY's suggestion is the equivalent of a banker embezzling half the money he was entrusted with, and boasting that he did not steal it all.

Now we hear from Speaker GINGRICH that House Republicans will only seek a tax cut of $70 to $80 billion this year, but intend to pass a much larger one next spring. He acknowledged that ''virtually all of it'' would be paid for with dollars taken from the surplus. The intent of these Republican schemes is clear—it is to rob Social Security in order to pay for tax cuts going disproportionately to the wealthiest citizens.

Whether the Republicans take one giant bite, or several smaller ones, out of the surplus, the result will be the same—a dramatic weakening of Social Security. The entire $1.52 trillion belongs to the Social Security Trust Fund. It is being raised to pay for retirement benefits—and any diversion of any portion of those funds is wrong.

Congressman KASICH, the House Budget Chairman, offered an interesting variation on this Republican theme. He has suggested that the interest earned on reserves in the Social Security Trust Fund does not belong to Social Security, and should be used to finance tax cuts. That too is absurd. ''I only stole the interest'' is hardly a legitimate defense for a person charged with embezzlement.

The interest earned on the reserves is clearly part of the Social Security Trust Fund, just as interest earned by a private citizen's bank account is part of that account and part of the citizen's income. All of the reports issued by the Social Security actuaries on the state of Social Security finances reflect these interest earnings. Pension funds, bank accounts, and other assets earn interest, and so does the Social Security Trust Fund. Using the interest earned on the Social Security Trust Funds to finance tax cuts would consume hundreds of billions of dollars that otherwise will be used to help restore the financial integrity of Social Security over the long term. If the interest earnings are removed from the trust fund, Social Security's financial problems would become much greater.

If Social Security reserves are not available for the Trust Fund in the future because they have been used to pay for tax cuts, then it is clear that benefit cuts or large payroll tax increases will be inevitable for Social Security. What we call the ''surplus'' is actually dollars raised expressly for the purpose of paying Social Security benefits to the men and women of the baby boom generation when they retire. Every dollar which we divert today to finance irresponsible tax cut schemes will only expand the gap between the future retirement benefits owed by Social Security and the resources available to meet those obligations.

Social Security is fundamentally sound. Unless Congress makes the current problems worse, harsh benefit cuts will not be necessary to insure its long-term solvency. It is essential that the current benefit structure be preserved. For two-thirds of our senior citizens, Social Security benefits represent more than half of their annual income. Social Security has dramatically reduced the poverty rate among older Americans. We cannot allow that guaranteed benefit to be undermined. No action by Congress would threaten those benefits more than recklessly spending a large portion of the Social Security Trust Fund for irresponsible tax cuts.

The surplus belongs to Social Security—all $1.5 trillion of it. We are not free to spend it for other purposes. The Republican assault on Social Security is unconscionable. We must preserve it for future generations, not spend it recklessly on tax cuts now.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator only has 7½ minutes.

Mrs. FEINSTEIN. I will try to do it in 7½ minutes. I thank the Chair.

GAO STUDIES FIND MAJOR PROBLEMS WITH CUSTOMS' ANTI-DRUG ENFORCEMENT PROGRAMS

Mrs. FEINSTEIN. Mr. President, I rise to bring this body's attention to a number of very serious problems that have now been documented in the U.S. Customs Service's drug enforcement efforts at ports of entry on the Southwest Border.

Back in March 1996, I asked the General Accounting Office to investigate the continuing influx of drugs entering our country across the border with Mexico, and the inability or unwillingness of the Customs Service to effectively address the problem. I was especially concerned about reports that trucks loaded with drugs were coming into the country without inspection by Customs.

The investigation by the GAO over the past 18 months has now confirmed my long-standing concerns that there are major weaknesses in several Customs' programs that were supposed to help separate so-called ''low-risk'' Mexican cargo shipments from those that are of higher drug smuggling risk.

These programs were intended to help expedite the processing of cargo by companies with no previous involvement in narcotics smuggling, which had been thoroughly checked so authorities could focus on other shipments considered to be of significant risk of drug smuggling.

The problems uncovered by the GAO's 18-month investigation are, by themselves, cause of serious concern. But what is also disturbing, is that the flow of large amounts of drugs through our ports of entry has apparently continued even while the GAO was conducting its research.

Four reports in all have been issued by the GAO:

Customs Service: Information on Southwest Border Drug Enforcement Operations (GAO/GGD–97–173R, Sept. 30, 1997).

Customs Service: Process for Estimating and Allocating Inspectional Personnel (GAO/GGD–98–107, April 30, 1998).

Customs Service: Drug Interdiction: Internal Control Weaknesses and Other Concerns With Low-Risk Cargo Entry Programs (GAO/GGD–98–175, July 31, 1998).

Customs Service: Internal Control Weaknesses Over Deletion of Certain Law Enforcement Records (GAO/GGD–98–187, August 21, 1998)

The August 1998 report was particularly troubling and I sent a letter to