

I have just finished reading an editorial column in Congressional Quarterly written by David S. Cloud, titled "Social Security Funds Not Immune Forever."

In that article he says what is the simple reality: "The longer Congress and the White House delay dealing with the deficit, the greater the threat to Social Security's long-term existence."

No one can seriously question the validity of that statement.

I hope that sometime between now and the time this Congress adjourns, we can get one more vote for the balanced budget amendment.

At this point, I ask unanimous consent to print the complete David Cloud editorial column in the RECORD.

The column follows:

CQ ROUNDTABLE—SOCIAL SECURITY FUNDS NOT IMMUNE FOREVER

(By David S. Cloud)

If Republicans and Democrats in Congress are as dedicated to eliminating the federal deficit as they profess, someday soon they will have to answer serious questions about the future of Social Security. Otherwise, neither party's promise to preserve Social Security—or to balance the budget—can be considered altogether credible.

Congressional debates about Social Security center almost entirely on charges that one party or the other is plotting to deny benefits to retirees or is looting the trust funds of payroll tax revenue. While deep cuts in Social Security are certainly possible in coming years, it won't happen because of some secret desire by elected officials; it will happen because Congress is left with no other choice.

The relationship between Social Security and the deficit is not obvious. Thanks to big payroll tax increases enacted in 1977 and 1983, Social Security recovered from near-bankruptcy and is now taking in more revenue from workers' paychecks than it pays out in benefits every year. The result is a growing trust fund balance, expected to be about \$900 billion by 2000, that many view as a nest egg to pay benefits for baby boomer retirees next century. The surplus is often used as justification for leaving Social Security alone.

There are indeed good reasons to view Social Security as unique. No other program has such a broad base or such a strongly implied contract: Workers sacrifice now in the form of payroll deductions for the security of benefits after they retire. And the program has an uncontested record of sharply reducing poverty among the elderly.

But defending Social Security in isolation from the rest of the federal budget is as misleading as it is enticing. Politicians are especially prone to try.

House Speaker Newt Gingrich, R-Ga., has singled out Social Security as the only program immune from cuts as Republicans work to balance the budget by 2002. Senate Democrats recently killed the constitutional amendment to require a balanced budget after they failed to win special protections for Social Security.

But all this ignores a central fact: It is unlikely that the budget can be balanced without affecting a program that now constitutes more than a fifth of federal spending.

Why can't Social Security be left alone as long as it is self-financing? For openers, a program of Social Security's immensity—\$330 billion in fiscal 1994—consumes tax revenue that could otherwise go toward reducing the

deficit, if Congress didn't have to keep payroll taxes at such high levels to finance the Social Security system. Some of those benefits are going to retirees who, by any definition, are well-off. In 1990, families with income above \$100,000 received more than \$8 billion in Social Security benefits.

The logic of capturing some of that money for deficit reduction proved inescapable in 1993, when Congress raised taxes on some upper-income retirees by taxing more of their Social Security benefits. (House Republicans now want to repeal that tax increase.) There seems to be no appetite for undertaking a bolder attempt at scaling back Social Security benefits among recipients further down the income scale. The other option—increasing payroll taxes—does not seem likely.

Yet the longer Congress and the White House delay dealing with the deficit, the greater the threat to Social Security's long-term existence.

The reason rests with what is happening to all those surplus dollars Social Security is now accumulating. The trust funds are being invested in U.S. Treasury bonds, with the promise that the money plus interest will be paid back next century. In other words, the government is borrowing from the Social Security trust funds and eventually will have to repay those funds.

But continuation of massive borrowing from now until then will only make it harder to repay the obligations when the baby boomers retire.

When will this demographic crunch hit? Baby boomers will begin to retire around 2010. According to the 1994 Social Security Board of Trustees report, the trust funds will not run dry until 2036, absent further congressional action. But the fiscal strain will actually arrive much sooner—beginning around 2013, when the Social Security system starts drawing heavily on interest payments from the Treasury to pay for benefits.

If the federal government is still running a deficit, making those interest payments to the Social Security trust funds will necessitate a massive addition to government borrowing, or a big income tax increase.

All of the choices will be unappetizing—a mountain of additional debt, angry workers asked to more heavily subsidize retirees, or sharp cuts in Social Security benefits. And any effort by today's politicians to segregate Social Security from the rest of the budget will matter not a whit.●

STEWART L. BELL: A NEW FACE IN POLITICS

● Mr. REID. Mr. President, it is a pleasure for me to rise today to congratulate a good friend of mine and of the State of Nevada for a lifetime of outstanding achievement, Clark County District Attorney Stewart Bell.

Stew Bell has been a resident of southern Nevada since 1954. He graduated from Western High School with honors in 1963 while also distinguishing himself as the Nevada State High School Mathematics Champion. In 1967, he graduated with distinction from the University of Nevada, Las Vegas and, 3 years later, was awarded a Juris Doctorate from UCLA.

He returned to Las Vegas to work in the Clark County Public Defender's Office and, in 1973, he went into private practice and became a senior partner of one of the State's most prestigious firms.

Throughout his entire legal career, Stew Bell has distinguished himself as an outstanding trial attorney, defending thousands of criminal, civil, business, and domestic cases. He is one of the few attorneys to receive the Martindale-Hubbell A V Rating, the highest possible attorney rating for professional competence and ethics.

In addition to professional achievements, Stew Bell has also been a committed leader in the legal and civic community of Nevada. He has served as president and vice president of both the Nevada bar and the Clark County Bar Associations, on numerous State legal panels, as a court appointed special prosecutor, and as an alternate municipal judge and juvenile court referee.

Stew has also contributed hundreds of hours to youth programs such as the Variety Club for Handicapped Children, the Boys and Girls Club, and the Vegas Girls Soccer League. His list of civic achievements is too lengthy to enumerate, and I have always been amazed at his ability to juggle his civic, church, family, and professional responsibilities. Yet he has always done so with energy, enthusiasm, and zest.

A dedicated family man, Stew is married to Jeanne Bell and together, they have raised four wonderful children: Linda, a recent graduate of the University of San Diego School of Law; Kristen, who is currently attending the University of Nevada, Reno; Stephen, a student at Bonanza High School, and Greg, who is attending Cashman Junior High.

Last year, Stew Bell entered into his first political campaign, for the prestigious position of district attorney for Clark County. Because of his earnest reputation and his commitment to hard work, Stew was able to win the election handily.

On Sunday, April 2, the Paradise Democratic Club will be honoring Stewart Bell with the "Outstanding Democrat of the Year Award." I can think of no one more deserving of this award. Stew Bell represents all that is good about public service, and he is an excellent role model for the children and adults of our State.●

PERSPECTIVE: BACKS DR. HENRY FOSTER'S NOMINATION

● Mr. SIMON. Mr. President, the President of the United States has nominated Dr. Henry Foster to become Surgeon General of the United States.

I have had the chance to visit with him and see him at one public meeting in action, and I have been favorably impressed.

I believe there has been great distortion of who he is and what he stands for.

I was interested in seeing in the Chicago Defender the other day, a statement by the president of Fisk University on the Henry Foster nomination.

Because of its insights, I ask that the statement be printed in the RECORD.

The statement follows: