

President Bush has repeatedly said that he would talk to his Saudi friends in the oil business. Talk is cheap, but oil and gasoline isn't. The American people want action. This amendment is a call to action. We have to find a way to escape the grasp of these countries around our economic well-being and our functioning as a society.

I have released a report explaining exactly how OPEC nations are violating the rules of the WTO. This report is on my Web site. I invite my colleagues and the public to read it. The report reaches a simple and straightforward conclusion. OPEC manipulates world oil markets by imposing export quotas on oil. You hear them brag about it. These quotas keep the price of oil artificially high. Just think about it. Who is the leader? Which is the country that called on us in 1990, come help us; the Iraqis are headed our way; They want to overtake our country. And we sent 540,000 people in uniform to fight off Iraq's attempt to overtake Saudi Arabia.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUTENBERG. Mr. President, I didn't know there was any time limit, but I ask unanimous consent to continue for 10 minutes.

The PRESIDING OFFICER. The Senate is in morning business.

Is there objection? Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, OPEC manipulates world oil markets with their export quotas on oil, which keeps the price artificially high.

Without OPEC, market analysts have estimated that the free market price of oil would be around \$10 to \$15 lower than today's price. So the expectation is that oil would be lower in cost by \$10 to \$15 than it is today if it wasn't for this conspiracy out there by some so-called friends and avowed enemies. That includes Iraq and former antagonist of the United States, Libya; and it includes other countries. There is no reason to continue to tolerate OPEC's anticompetitive behavior.

The administration has been lax in dealing with OPEC. In my view, President Bush's close ties to the Saudis and big oil companies have prevented him from sticking up for the American consumers.

Worse yet, high oil prices mean massive profits for countries such as Saudi Arabia and Iran—countries that frequently fund terrorism.

The administration's inaction is allowing tens of billions of dollars to flow into the hands of the mullahs in Iran—money that finds its way to Hamas, Hezbollah, Islamic jihad, and other terrorist organizations that kill innocent Americans.

So while Iran, Saudi Arabia, and terrorists reap profits from OPEC's quotas, American families pay a terribly high price. It is time for us in this body to act. When the Senate returns to the State Department bill, I want to be able to see a vote taken on this

issue so that we can see whether my colleagues agree with me that the cost of gasoline is too high, the cost of heating a house is too high, the cost of running a vehicle is too high, and it robs us of revenues that could otherwise go into more useful purposes.

With that, I hope my colleagues will support the Lautenberg-Durbin-Dorgan amendment when this amendment is presented.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I ask unanimous consent to proceed as in morning business for no more than 10 minutes.

The PRESIDING OFFICER. The Senate is in morning business. The Senator from Vermont is recognized.

JUDICIAL INDEPENDENCE

Mr. JEFFORDS. Mr. President, one of my first responsibilities when I arrived in the Senate was to recommend to the first President Bush a nominee for a district court seat. But while I was a relatively new Senator, this was in some respects a fairly easy task.

My predecessor in the Senate, Bob Stafford, had established a sound and fair process with Senator LEAHY for choosing candidates for the judiciary, which we have continued to this day with the participation of Governor Douglas, a Republican.

Vermont is a small State, but it is one with an outsized capacity for public service. Our best lawyers have been willing to accept the financial sacrifice that accompanies serving on the bench. And as a small State, I think it is fairly easy to agree on who the best candidates might be, even though you invariably pass over many very qualified individuals.

Finally, I guess I should say that I was born to it. My father, Olin Jeffords, was a judge the entire time I was growing up. In fact, he was chief justice of the Vermont Supreme Court. He was widely respected, not just by his son, but by our community locally and by the legal community throughout the State. That respect was entirely unremarkable. It reflected the appreciation of the importance of an independent judiciary stocked with able and committed individuals.

My first job following the Navy and law school was as a clerk for Judge Ernest Gibson, Jr., of Vermont. Judge Gibson, a Republican, had resigned as Governor of the State of Vermont in order to accept Harry Truman's offer of nomination to the Federal bench. Judge Gibson could have followed any path in life he wanted. He returned from service in the South Pacific during World War II a hero, and with some fame stemming from having played a role in the rescue of Lieutenant John F. Kennedy and the other survivors of PT-109.

As a young boy, I idolized him and the other heroes returning from the

Pacific. To work for him years later was an incredible honor.

So having been around the judiciary all of my life, it was not especially daunting when it came time early in my Senate career to nominate an individual to the Federal district court. The late Fred I. Parker was not only the best candidate for the job, he was also a man I had hired to work with me when I served as attorney general and who had become a close friend over the years. To know Fred was to love him. Years later, when a vacancy on the Second Circuit Court of Appeals opened up, President Clinton nominated Fred to the position to which he was confirmed and served with distinction until his passing.

These three men—a father, a mentor, and a friend—would probably be the first to admit that they were more typical than exceptional of the caliber of individuals that comprise the judiciary. Fred worked hard to pay his way through school, often in the plumbing trade with his father. He was forever mindful of his father's advice that whenever he started becoming convinced of his own importance, he should stick his fist in a bucket of water to see the kind of impression he would leave.

So I take it very personally when politicians seek to score points by attacking the judiciary. These men had and have families, just like today's judges in Florida and Georgia and Illinois. The only thing we should be doing is condemning violence directed against the judiciary, not rationalizing it or implicitly encouraging it.

Of course, my colleagues will not agree with every decision made by the judiciary. My good friend Fred Parker struck down part of the Brady law that I had supported. I might have disagreed with him, but I never would have questioned his motives or integrity.

The first lesson we teach children when they enter competitive sports is to respect the referee, even if we think he might have made the wrong call. If our children can understand this, why can't our political leaders? We shouldn't be throwing rhetorical hand grenades.

Vermonters are proud of their long history of smart, independent, forward-thinking judges. These men and women have shown the true spirit of the judiciary and upheld the law and Constitution, even if it was against what was the popular will at the time. This is what the judiciary was designed to be, a check and balance against the executive and legislative branches.

Our Founding Fathers were concerned that the legislative and executive branches of our Government could be too swayed by public opinion and not uphold the rights of Americans because of political pressure. The judiciary was designed to be independent and make sure that the law and the Constitution were followed even if it went against public opinion.

I am also concerned with the threat of the majority to take what is the so-

called nuclear option. Our form of government is founded on a system of checks and balances, which serves to protect the rights of all individuals. The right in the Senate to unlimited debate is an important part of our system of checks and balances and ensures that on important, critical issues a bipartisan consensus is reached of more than a bare minimum majority of Senators.

I sincerely hope that cooler heads will begin to prevail and my colleagues will tone down the rhetoric they have been using to smear the integrity of the judiciary, and the Republican leadership will reject the divisive and unprecedented so-called nuclear option.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I ask unanimous consent to speak for 10 minutes in morning business.

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

SOCIAL SECURITY

Mr. REED. Mr. President, I rise to express my deep concern about the negative impact the President's proposals that carve out private accounts will have on our Social Security system and also on our mounting Federal debt and the solvency of our Social Security Program in general and, ultimately, the economic prosperity of the Nation over many years.

President Bush's plan to create private accounts within Social Security would lead to the following, I believe, very unfortunate effects:

It would require a massive increase in Federal debt.

It would weaken the Social Security solvency.

It would not increase national savings and could lower it. National savings is a key function of our economy. Without national savings, we do not have the pool of capital we need for investment, innovation, and economic progress.

Finally, it would sharply cut the guaranteed Social Security benefits under the President's preferred full plan.

Let me go into some detail on these issues, drawing upon the excellent work of the Democratic staff of the Joint Economic Committee. I am very privileged to be the ranking member of the Joint Economic Committee. We have assembled a staff of professionals who have looked at all of these issues in great detail. They have concluded, as I suggested, that there are serious problems, not only in terms of solvency of the fund, not only in terms of the increase in Federal debt, but also large cuts in the guaranteed benefits of all of the beneficiaries. That will be a very unfortunate and, indeed, unnecessary consequence of any proposed reform of Social Security.

Let's take a look at this first chart. It lays out the debt issue with respect

to Social Security. First, the President has proposed that his plan for private accounts and Social Security reform would begin in the year 2009. He has put no money into his budget or his long-term budget. Typically, when we budget, we at least look ahead 10 years.

In that first 10-year increment, which would be precisely from 2006 to 2015, there would be an increase of \$754 billion as a result of these private accounts. Again, beginning in 2009 and essentially stretching to 2015, you would accumulate almost \$1 trillion, \$754 billion of debt.

But the real staggering number is the first 20 years of these programs if the private accounts are made law. That increased debt would be \$4.9 trillion, an extraordinary amount of money. Again, I believe it is appropriate to look at least 20 years. We are talking about solvency for the fund for 75 years. Just in the 20 years, we would have almost \$5 trillion in additional Federal debt.

The other issue that is important to point out is that this debt is on top of existing debt. This chart just describes the rapid increase of Federal debt as a result of private accounts from the year 2010 to the year 2060. By 2060, 35 percent of GDP will be equal to the debt we have accumulated for private accounts. I think we will stop for a moment: 35 percent of GDP; the debt will equal 35 percent of gross domestic product in the year 2060, but add that to current debt, the debt we are funding to operate our Government, and by 2060, the staggering total of debt relative to GDP is 70 percent.

We have not run those debt levels since the end of World War II in which we all know we dedicated every resource we had to defeat the Axis. This is a much different world than 1945 and 1946. In 1945 and 1946, we were at the sanctuary, if you will, of economic productivity for the world. Our infrastructure had not been destroyed. We had tooled up to create the most technologically advanced military force in the world. We quickly transitioned our tanks to Oldsmobiles and Chrysler automobiles and washing machines. Now we are in a world of intense competition, global competition, and if we believe we can live with debt equal to 70 percent of our gross domestic product, I think that is a fanciful notion, but that is the consequence of the President's proposal for private accounts.

The other point we should note, too, is that this proposal for private accounts actually accelerates the insolvency of the Social Security fund. Again, the President's proposal is premised on saving Social Security, of making it more solvent. His private accounts would accelerate the insolvency date. This chart shows current law. Again, it is a function of GDP, but it shows where the fund's assets cross the zero line, and that is about 2042. The President's proposal of private accounts would drive the funds into in-

solvency much earlier—about 2030. It makes no sense to me, if your goal is to increase the solvency of the fund, to have a proposal that actually weakens solvency. In a sense, searching for an analogy, if the boat is leaking, don't break a big hole in the bottom and have more water come in. That is not the way you save a leaking ship.

Turning away from the charts, let's go to the mathematics of how this all works.

The current Social Security shortfall, an estimate by the trustees, the actuaries of the Social Security Administration, is minus \$4 trillion. That is how much money we would have to have today to cover the shortfall for the next 75 years.

Here is what the President's plan for private accounts does: First, it costs \$4.7 trillion, so that is an additional \$4.7 trillion. But what the President proposes is that there is essentially a privatization tax, that those private account holders will have to pay back some money at the time they exercise their retirement benefits. That is \$3.1 trillion. Still we have a gap of \$1.6 trillion, the net cost of the private accounts.

Add that to \$4 trillion and now we have a shortfall of \$5.6 trillion. We have created a bigger problem; we have not solved the problem.

The next table also suggests the possible consequences on national savings. Again, national savings is a key macroeconomic construct when it comes to progress in terms of our economy because it is from those national savings which we draw the investment capital and resources to train people, to innovate new equipment, to invest in new plant and equipment.

This is what happens, and national savings is a simple function of private savings, what you and I, our households are saving, together with public savings, what the Government is saving. We have stopped saving. We were saving, which means we had a surplus, until 2000, 2001, and now we are in a huge deficit, about \$450 billion a year.

Let us see what would happen with these private accounts. First, the public borrows more money. Public savings go down. Private savings go up because we give that money back to people and say now put it into the stock market. The net effect is zero at best, but it could even be worse than that because something could happen in terms of public behavior.

First, they could reduce their current savings saying, well, I do not have to save anymore for contingencies because now I have this private savings plan. It is a possibility. To what extent it happens in reality, it is a projection, but that is a possibility.

The second is early retirements for these funds. My sense is, every time we have constructed some type of retirement benefit we have found ways to allow people to borrow from it for emergencies. We will probably do the same here. But even if those factors do