

the Postal Service, "But we're permitted to mail our insurance solicitations at nonprofit rates," and the Post Office said, "No, you're not," and they had to cough up \$2.4 million to get off the hook there, and that will be the eternal struggle for them and should be.

Remember, this is the group of worthies who clog your mailbox with 1.5 percent of all the nonprofit mailings in their class in the United States and this is evidence of the level of trust and reliability that they have in this country.

If everyone in Congress really likes to thump their chest and say that they always stand up to the special interests, well, the AARP is the biggest, toughest, canniest, most powerful slugger, the most ruthless and, I think, the most deceitful of them all.

So I trust my colleagues will show their true mettle and legendary courage in "standing tall" as we all deal with this remarkable 1,800-pound gorilla in the days and months to come.

I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from North Dakota.

Mr. DORGAN. Mr. President, it is my understanding that we have 8 minutes remaining on our time.

The PRESIDING OFFICER. The Senator is correct.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized, and they still have 8 minutes.

Mr. THOMAS. The time was to be from 10:30 to noon for the majority leader.

The PRESIDING OFFICER. There are 8 minutes remaining on the Democratic time of the designee for the Democratic leader, and he asks for recognition.

THE ECONOMY AND SOCIAL SECURITY

Mr. DORGAN. Mr. President, the Senator from Wyoming is now and always has been one of the most colorful presenters on the floor of the Senate. He has also been an excellent Senator. I occasionally find much to agree with him about. This morning, I found several areas in which we disagree. I always find it interesting that it upsets some when you come to the floor of the Senate and talk about the economic system in this country and who is doing well and who is not, because the implication of that, they say, is, if you point out who is doing well, it is class warfare.

I pointed out on the floor of the Senate this morning that the average worker in this country, if you had a line of all Americans from the richest to the poorest folks, the average person makes about \$26,000 a year and in 15 years has lost \$100 a month of income. That is what I pointed out. That is the truth.

I also pointed out that those in the top 1 percent in America are doing very well. I do not regret that. Good for them. The incomes of the top 1 percent have increased in a 16-year period by 79 percent to an average of \$576,000 a year. I wish everyone could experience that. That is my point. I wish the fruits of this economy could be available to everyone.

It is not class warfare to point out who is benefiting and who is not. Our job is to try to figure out how we help those who are not.

The fact is, productivity in this country is going up, so the average workers out there are doing their part. Corporate profits are going up. The stock market is going up. But guess what? Wages are going down in real terms, and we better start caring about that as a country. We better start doing something about it.

When someone raises the question, we better stop saying class warfare. It is not constructive. Let us talk about this economy, who wins and who loses, who is rewarded and who is not and how do we lift the middle-income families in this country and give them opportunity, provide jobs with good wages.

What the middle-income people see is lower paychecks, lower wages, and their jobs being shipped overseas, all by the same people who in this upper 1 percent, by the way, are getting million-dollar increases a year in salary because they are downsizing and shipping their jobs out of this country. Can I provide the facts for that? You bet I can. I can tell you who is doing it, when and why and how much they are being rewarded for moving jobs overseas.

Well, enough about that. But I hope we can have a discussion one day on the floor of the Senate about this economic system and trade policy and what we ought to do to address these issues.

The Senator from Wyoming began by talking about Social Security and used the word "bankrupt" generously. The Social Security System is not going bankrupt. It does no service to the American people to try to scare people about the Social Security System and so-called bankruptcy.

In the year 2029, the Social Security system will be out of money. The Senator is correct about that. Between now and then, we will have yearly surpluses, until about the year 2013. So about 34 years from now, unless we make some adjustments, we will have a problem. We will make adjustments. We have in the past and will in the future. The fact is that our responsibility is to make adjustments.

The Senator from Wyoming said the Republicans are doing what has always been done—that is, using the Social Security surpluses as part of the revenue of the operating budget. The best I can say is that the Senator says this is business as usual. I guess it is. I thought this was about reform and change. The Senator says this is busi-

ness as usual. It has always been done, so we are going to keep doing it.

In 1983, I say to the Senator from Wyoming, I was on the Ways and Means Committee. I voted on and worked on that Social Security reform package. If the Senator will go back to the markup form, I offered an amendment that day. It was on the same thing I speak about today—that is, you should not collect payroll taxes, which are, by nature, regressive, promise people it is going to go into a trust fund and then pull it over into the operating budget and use it. That is dishonest, and I said that 12 years ago; dishonest, I say again on the floor of the Senate today. Am I a Johnny-come-lately on this issue? You better believe I am not. I have talked about this for 12 years.

This is dishonest budgeting. It was by Democrats, and it is by Republicans. It is dishonest and it ought to stop. The Senator said we have always done these things. But nobody ever did what was done last Friday. I hope, and will wait today for somebody to put in the RECORD what was done late Friday night, taking \$12 billion out of the Social Security accounts in the reconciliation bill in order to fund other parts of the bill. It has never been done. It is a violation of the law, and the only reason it was done was because of the language we used, "notwithstanding any other provision of law."

I challenge anybody on the floor of the Senate today to come demonstrate that this has been done before. It has never been done before. It should not have been done on Friday, and it represents phony budgeting. Everybody in this Chamber knows it. So when people say, we are just doing what has always been done—not true. Not true.

There is plenty to talk about on Medicare and Social Security. I happen to think both of these programs have advanced this country's interests. Both programs need adjustments. There is no question about that. I am willing to work with the Senator from Wyoming, and others, in sensible ways to think through in the long-term what we do about these issues. But I do not think it is wrong or unreasonable for us to ask questions about the priorities of cutting \$270 billion from what is needed in Medicare in the next 7 years and then deciding to cut taxes, especially after we say to you, well, at least limit the tax cut to those below a quarter-million dollars a year and back off on the adjustments you intend to make for some of the poorest of the poor, who rely on Medicaid and Medicare. If we are told we cannot do that because that is not our priority, then we understand we have very different priorities.

I am not alleging that you all do not care about Social Security or Medicare. I think there are some who do not. I think there are some who never believed in it, who never wanted it and, even today, if given a chance, would vote, probably in secret, to get rid of both. The fact is, I happen to think

both have advanced this country's interests and helped us to be a better country. I think when we, as Democrats and Republicans, are required to make adjustments in these programs, we would be well to make adjustments without putting them in a vehicle where we have decided, also, before we balance the budget, to provide a significant tax cut. I understand there is even reason to disagree on the tax cut. I think working families deserve a lower tax burden. I would like to see us do the first job first: Balance the budget, and decide after we have done that job how we change the Tax Code and provide relief for working families.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I think the time until 12 o'clock is set aside for discussion on this side of the aisle, to talk a little bit about what we have been doing over the last couple weeks, to talk about some of the heavy lifting going on—balancing the budget, strengthening Medicare, reforming welfare, and doing something to reduce the tax burden on middle-class Americans. We want to talk a little about moving to the negotiation table, so that what is being done here can be done to affect the American public.

I yield 10 minutes to the Senator from Georgia.

PROTECTING MEDICARE

Mr. COVERDELL. I thank my colleague from Wyoming. I, of course, take some issue with the Senator from North Dakota. He quoted the statistics—to digress a moment—that indicated that Social Security was solvent until 2029, or something like that. The same people that he is quoting have told him, also, that Medicare is bankrupt in 6 years. They seem to forget that. Those trustees are really credible when they talk about Social Security, but they are not credible when they talk about Medicare.

Those same people that he is quoting are the ones that are telling the other side of the aisle that we better get serious about doing something about Medicare. The proposal that we voted on the other night should make everybody who is a beneficiary, or potential beneficiary, very comfortable, because that proposal guarantees a quarter-century of solvency. It takes it out just like Social Security. The proposal that we got from the other side of the aisle gives us a Band-Aid that would give us 24 additional months. I do not think there is a senior citizen in this country that is comforted by somebody making—I think he referred to it as "adjustments," that give you 24 months of survival.

I think one of the strongest things that we have done is to effectively modify this program so that it is intact, it is secure, and there are more choices, and it is solvent for a quarter-century.

He also stated—reluctantly, I would say, after badgering the idea that we brought forward—that taxes ought to be lowered on the working families of America. He reluctantly, at the end, indicated that, well, maybe that is all right.

Let me tell you, it is more than all right. The other day on the floor, I mentioned that when Ozzie and Harriet were the quintessential family in America, Ozzie sent 2 cents of every dollar he earned to Washington. Today, that average family sends 24 cents out of every dollar to Washington, so that we can set the priorities for those families.

We have marginalized middle America. The Senator from North Dakota referred to the 1 percent that are wealthy. I might say that you could take this 1 percent and the 15 percent that are poor and on Government programs, and they are not terribly affected by this policy. They are either so wealthy that it does not matter to them, or they are in the Government program. But it is the vast middle class that bears the burden of what has been happening in Washington for the last 25 years. More and more has been extracted from that family and, as a result, they are less and less able to care for the housing and the education and health of that family. We have all acknowledged that the family is the core unit for maintaining the health of the country. But the Government has been pounding and pounding on that family for a quarter-century.

Today, half of their wages are consumed by one Government or another—a quarter in Washington, and the other quarter is divided between State and local government. An average family today earns \$40,000 a year. I guess that is supposed to be rich, if you listen to the other side of the aisle.

Mr. President, \$40,000—and by the end of the day they have somewhere between \$20,000 and \$25,000 to take care of all the needs of that average family.

If what was passed here this past Friday finally becomes law, we should talk about what that means, Mr. President, to this average family. It means that their interest payments on their mortgage is going to drop, and if that average mortgage is \$50,000, they will save \$1,081 a year in interest payments on their mortgage. They are going to save \$180 a year on the interest payments on their car. They are going to save \$220 a year in interest payments on auxiliary loans, whether it is for a student loan or refurbishing of their home. That comes up to almost \$1,500 or \$1,600 a year net on their kitchen table.

On top of that, that average family has two children. They are going to get a \$500 credit for each child; \$1,000, Mr. President, on the kitchen table.

So we have put \$2,000 to \$3,000 back in the account of every average family in America. That is an increase of anywhere from 10 to 20 percent of their disposable income. Tell me when middle

America would have received either in salary increases or any other benefit of that significance, 10 to 20 percent more disposable income.

The people that have been paying these bills, that have been paying the bills for Medicare and for Medicaid and for Federal retirement and the interest on our debt deserve relief, they deserve it, because we depend on them to educate, to house, clothe and keep healthy the future of America. That is what these proposals do—they return resources to the average working family in America.

Now, Mr. President, just an hour ago there was a joint session of the policy committees on the House side and we heard from major economists on Wall Street about these budget proposals. It was amazing. To the person they said, "Stick to it. America has got to have balanced budgets."

If we achieve these balanced budgets, everybody will prosper, interest rates will drop. They already give us credit, this new Congress, from lowering it from 8 percent to 6 percent. They say if we actually pass this, and only 3 out of 10 Americans think we have the guts to do it, it will drop another percentage point. Interest rates will drop, inflation will drop, and the economy will expand. This family will put \$2,000 more into its own welfare and the people in that family that are looking for a new job will be standing in shorter lines and there will be fewer pink slips.

The fact that America would seize control of its destiny and manage its financial affairs, as any family in business has to do, will be a boon to America. Every one of these people said to us, "Don't blink, don't retreat. Get this done and the real beneficiaries are middle America."

They passed out this chart, Mr. President. It is hard to see, but it shows the relationship to the growth in spending to inflation. When we are irresponsible as caretakers of our financial affairs in the Congress, and we spend too much—more than we have—we cause inflation to go up, we cause interest rates to go up, and then there is less available for expansion, and we cause people to lose their jobs.

Given what we are looking at, it is mindboggling to me that the other side of the aisle is not right at the table trying to find a way to support change in the way Washington has been operating.

Mr. President, we have been told that unless the United States does something very quickly, that within 10 years all U.S. revenues, all of our wealth, will be consumed by five things: Social Security, Medicare, Medicaid, Federal retirement, and the interest on our debt. And nothing is left.

That was presented to a group the other day in my home State and a woman stood up and said, "How in the world would we defend ourselves?" Good question. We could not. World rogues would love it if we stumbled