

American Memorial to Patriotism. The memorial is to be constructed on a prominent site located at the intersection of New Jersey Avenue and Louisiana Avenue, just a few yards from the Capitol. The event will be free of charge, open to the public, and will be arranged and conducted on the conditions prescribed by the Architect of the Capitol and the Capitol Police Board.

I support the resolution and urge my colleagues to also support the resolution.

Mr. OBERSTAR. Mr. Speaker, I rise in support of this resolution, which authorizes the use of the Capitol grounds for the dedication of the National Japanese-American Memorial to Patriotism. As with all events on the Capitol Grounds, this event will be open to the public and free of charge.

The Transportation and Infrastructure Committee, and its predecessor, the Public Works and Transportation Committee, has a long, proud history associated with this Memorial and the event. In 1991, our former Committee colleague, the gentleman from California, Norman Mineta, introduced House Joint Resolution 271. This Joint Resolution, which Congress adopted in October 1992, authorized the Go For Broke National Veterans Association to establish a memorial in the District of Columbia to honor Japanese American patriotism in World War II.

In November 1995, I had the honor of introducing H.R. 2636, co-sponsored by the gentleman from California, Mr. MATSUI, and the gentleman from New York, Mr. KING. The bill authorized the transfer of certain parcels of property to establish and build the memorial. In 1996, the bill was passed as part of the Omnibus Parks and Lands Management Act of 1996 (P.L. 104-333). Finally, today, nine years after then-Congressman Norman Mineta began this process, we authorize use of the Capitol grounds for the dedication ceremony and celebration to open the National Japanese-American Memorial to Patriotism on November 9, 2000.

The Memorial honors the patriotism of Japanese Americans who served the armed forces of the United States during World War II. More than 33,000 Japanese-Americans were drafted or volunteered for U.S. military service during the war. The Japanese-American 100th/442nd Regimental Combat Team is one of the most highly decorated military units in American history. Its members received more than 18,000 individual decorations. Just last week, this body considered and passed a bill to name the new courthouse in Seattle, Washington, after just one of this unit's many heroes, William Kenzo Nakamura.

Mr. Speaker, this beautiful Memorial is more than a fitting tribute to World War II veterans of Japanese ancestry. It also recognizes one of our nation's darker moments—the sacrifices of approximately 120,000 Japanese-Americans who were interned as a matter of "military necessity" for up to four years during the War. One of those interned was my friend, Norm Mineta. We came to Congress together 25 years ago and I will never forget his story. He was only 11 years old when he and his family were forced from their California home at gunpoint. Norm was wearing his Cub Scout uniform and carrying his baseball, bat, and glove. Before he boarded the evacuation train, a Military Police officer confiscated his bat be-

cause it could be used as a weapon. Norm and his family would spend the next 18 months interned in the Heart Mountain concentration camp, outside Cody, Wyoming.

Many, like our former colleague, now-Secretary of Commerce Mineta, although placed in internment camps during the war, never lost their faith in America. They lost their jobs, their homes, and their livelihoods, but they clung to their belief in the justice of the American system. At a time when so many were faced with terror and adversity, they held in their hearts a steadfast belief in the American system. It is fitting that this Memorial to Japanese-American Patriotism is within a stone's throw of the U.S. Capitol.

I support the resolution and wish to extend my thanks to Secretary Mineta, the gentleman from California, Mr. MATSUI, and the gentleman from Hawaii, Senator INOUE, for their perseverance in their long struggle to create this Memorial, and their many contributions to our country.

I urge adoption of the resolution.

Mr. SHOWS. Mr. Speaker, I yield back the balance of my time.

Mr. LATOURETTE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and concur in the Senate Concurrent Resolution, S. Con. Res. 139.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

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#### GENERAL LEAVE

Mr. LATOURETTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

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#### SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 5 minutes.

(Mr. PORTER addressed the House. His remarks will appear hereafter in the Extension of Remarks.)

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extension of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

(Mrs. MINK of Hawaii addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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#### KEEPING SOCIAL SECURITY SOLVENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes as the designee of the majority leader.

Mr. SMITH of Michigan. Mr. Speaker, I wanted to address what I think is one of the important issues in this election, and I would hope everybody all over the country would ask the candidates that are running for the United States Senate, or for the U.S. House of Representatives, or for the President, do they have a plan that will keep Social Security solvent.

Social Security, which is probably one of our most important, most successful programs in the United States, now pays over 90 percent of the retirement benefits to almost one-third of our retirees. Social Security is important. The longer we put off developing a solution for Social Security, the more drastic that solution.

I first came to Congress in 1993. I introduced my first Social Security bill that year; and then in 1995, 1997 and 1999, I introduced a Social Security solvency bill that was actually scored by the Social Security Administration, scored to keep Social Security solvent for the next 75 years.

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It is interesting that in the earlier years there were less changes, and we needed less money from the general fund to accommodate the continuation of Social Security. In other words, putting off that bill, missing our opportunity for the last 8 years has meant that the changes are going to be more dramatic. Somehow we have got to do it without reducing benefits for existing or near-term retirees and somehow we have got to do it with yet again increasing taxes on working Americans.

I am going to go through a few charts very quickly. This is, of course, a picture of President Franklin Delano Roosevelt. When he created the Social Security program over 6 decades ago, he wanted it to feature a private sector component to build retirement income. Social Security was supposed to be one leg of a three-legged stool to support retirees. It was supposed to go hand in hand with personal savings and private pension plans.

A lot of people have said, well, Social Security somehow is going to solve the problem and so maybe I do not need to save. So where we have ended up in this country is having a lower savings than most any of the other industrialized countries in the world. Somehow

because savings and investment are important, we need to refurbish and encourage savings and investment; and we need to save Social Security to the full extent of its benefits.

How do we do that? That is the question. That is the argument in this election year. The system is stretched to its limits. 78 million baby boomers begin retiring in 2008. Social Security spending exceeds tax revenues in 2015. So as the baby boomers retire, these are the higher wage earners now, so since Social Security taxes are based on how much one's income is, they go out of the high paying-in mode, if you will, and start taking the higher benefits, because benefits are also indexed to how much one paid in during one's working life. So the problem is Social Security trust funds go broke in 2013 although the crisis could arrive much sooner.

I want to spend a little time on the crisis arriving much sooner, because it is 2015 up here when tax revenues are going to be short of paying benefits. Then the question is, or I could say the problem, where does the money come from to start supplementing those benefits over and above tax increases? What should make us all very nervous, Mr. Speaker, is that, in the past, in 1978, in 1977 and again in 1983, what we did when we ran into a financial problem of being short money, we reduced benefits and increased taxes.

Let us not put it off. Let us not do it again. It is too much of a burden. It is too disruptive for the economy to yet again increase taxes on the American worker.

Insolvency is certain. It is not some wild-eyed, green-shaded economist predicting insolvency. We know how many people there are, and we know when they are going to retire. We know that people will live longer in retirement. We know how much they will pay in taxes. We know how much they are going to take out in benefits. It is all a strict formula. Payroll taxes will not cover benefits starting in 2015, and the shortfalls will add up to \$120 trillion between 2015 and 2075; \$120 trillion.

Who knows what \$120 trillion is? Most of us in this Chamber certainly do not. But our annual budget is approaching \$1.9 trillion. That is the annual budget, \$1.9 trillion. But for the next 75 years, between 15 and 75, it is going to take \$120 trillion more than what is coming in in Social Security taxes to accommodate the benefits that we have promised the American people.

One thing that needs to be done is we need to start getting a better return on that investment that employees and employers are paying into Social Security.

The demographics are part of what is causing the insolvency. Our pay as you go retirement system will not meet the challenge of demographic change.

Let me just state, before we get to how many workers are paying in their taxes for each retiree, that when this

system started in 1935, when we started Social Security, the average age, the average life-span was 62 years. That meant that most people paid into Social Security taxes all their lives but did not take out Social Security benefits. So that pay as you go worked very well in those years.

But what is happening now, there are fewer workers paying in every year because of the reduction in birth rate, because life-span is increasing. In 1940, for example, there were 38 workers paying in their Social Security taxes that was immediately sent out, it almost goes out the same week that Treasury gets it, 38 people paying in their Social Security tax to accommodate every one retiree. Today there are three workers paying in their Social Security tax to pay the benefits for that one retiree. By 2025, the estimate is that there will be two workers. So there is a tremendous burden on those two workers. If the benefits in today's dollars are, some of the average is \$1,200 a month, for that \$1,200 a month, that means in today's dollars each one of those workers is going to have to chip in \$600 a month to pay for the retirement benefits.

Again, we are not talking about touching the insurance portion of Social Security. The disability insurance is never being considered to be invested in anything else. It is an insurance program. Whether it is Governor Bush's plan or my plan or the plan of the gentleman from Arizona (Mr. KOLBE) and the gentleman from Texas (Mr. STENHOLM), it never touches that portion that is the insurance portion of Social Security.

I was trying to represent how serious the unfunded liability is for Social Security. So this chart sort of represents what I call a bleak future of future deficits. Because of the large tax increases in 1983 when we started having problems coming up with the money, we really jacked up those taxes, those payroll taxes for Social Security in 1983.

So that means that there is more money coming in to Social Security than is needed to pay benefits. But that runs out in the year 2015. I think it is, I am trying to think of the best word, maybe unconscionable is a good word, to start promising more benefits now in Social Security or to stand aside and not do anything to solve Social Security because all of this red most likely is going to have to be paid with tax increases.

We cannot borrow \$120 trillion because the economists say to borrow that much from the private sector would totally disrupt the economy. But really there are only three choices. We either increase taxes, reduce benefits, or we borrow from the private sector. So to do nothing I think puts a huge burden on our kids and our grandkids.

Some have said, well, the economy is great, the economic growth will solve the Social Security problem. Social Security benefits, however, are indexed to

wage growth. That means the more money one makes now one pays in more Social Security taxes now, but eventually one's benefits are also going to be higher.

So in the long run, economic expansion and higher wages are a short-term benefit, but it leaves a long-term hole. When the economy grows, workers pay more in taxes but also will earn more in benefits when they retire.

Growth makes the numbers look better now but leaves that larger hole to fill later. The administration has used these short-term advantages as an excuse to do nothing.

I think it is unfair, I think it is, in a way, untruthful for anybody to suggest that somehow because we do not hit the problem until 2015, another 14 years from now, that we do not have to worry about it now, because, again, to put off this problem not to take advantage of the surpluses while we have them is going to be just a huge burden on future young people and their taxes.

It is now predicted that to pay Social Security, Medicare and Medicaid, it would take 47 percent payroll tax within the next 40 years. So if we do nothing, no changes, no better return on the money coming in, payroll taxes could go up to 47 percent to cover the cost of Medicare and Medicaid and Social Security.

There is no Social Security account with one's name on it. The Supreme Court, on two decisions now, have said, look, the Social Security tax is a tax. Any benefits that people decide to give to seniors or the disabled is a decision of Congress and the President. There is no relation, there is no entitlement to Social Security benefits. So what should make us all a little nervous is, when times really get tough, will Congress and the President decide to reduce benefits, or will they increase taxes, or will they do both?

This is a quote that I brought from President Clinton's Office of Management and Budget: These trust fund balances are available to finance future benefit payments and other trust fund expenditures but only in a bookkeeping sense.

This is the trust fund they are talking about. They are the claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures.

In the trust fund, for the last 40 years, up until the last 5 years, we have been taking all the Social Security surplus and spending it on other government programs. So a lot of people, as I give talks in my district and throughout the country, they said, well, look, if government would just keep its hands off those trust funds, we would be okay.

Government has got to keep its paws off the trust funds, but it is still not enough that we will get into. We have got to do more. What we did 3, 4 years ago in this Congress is we started saying, look, we are going to slow down

the growth of government. We are going to save and put aside the Social Security trust funds.

I introduced a bill 3 years ago that said we are not going to spend any of the Social Security surplus, and we started implementing that. We called it a lockbox for the Social Security surplus. But what it does is it makes sure that we do not spend any of the Social Security surplus for other government programs. We do not expand government that is going to be demanded for that increased expansion in the future. That is a good start.

This year to draw the line in the sand, our Republican conference said, well, we need public support, again, if we are not going to increase spending so much and let this government bureaucracy continue to grow as fast as it has grown in the past.

So this year what we did is we came up with another sort of gimmick, but it is going to do the job. It says we are going to take 90 percent of all of the surplus, Social Security and so-called on budget surplus, and we are going to use 90 percent of all that total surplus to pay down the debt held by the public, and only 10 percent is going to be available for spending.

Now, there is enough public support on that, that these appropriation bills we are going to pass in the next, hopefully this week, but within the next 2 weeks is going to live within that commitment to use 90 percent of the surplus to pay down the debt held by the public.

I am concerned with the suggestion, in fact this is the Vice President's suggestion on Social Security that we pay down the debt held by the public and then we use that interest savings, what we are paying in interest of what we owe on the \$3.4 trillion that is the debt held by the public.

Let me just give my colleagues a quick note on that. The total debt of this country is \$5.6 trillion. Of that \$5.6 trillion, \$3.4 trillion is the so-called Treasury bills. It is what Treasury has its weekly auctions. When one buys a bond or any other Treasury paper, that is the debt held by the public. That accounts for \$3.4 trillion out of the \$5.6 trillion total.

The rest, there is about a trillion that is owed to the Social Security Trust Fund and then another trillion that is owed to all of the other 120 trust funds in government. So we are still sort of playing creative financing games. We have got to be careful about doing that.

But the Vice President has suggested pay down this debt and then accommodate what he suggests that will save Social Security until 2057. The problem is that it is going to take \$46.6 trillion between now and 2057 to accommodate the shortfall, the shortage, where we need another \$46.6 trillion over and above what is coming in in Social Security taxes.

□ 1630

And so to pay down this amount cannot accommodate the need for that

many dollars over and above taxes. So I think it is, I guess some people have been using the words "fuzzy math." This is fuzzy math.

This is another way of depicting what the problem is if we simply rely on the \$260 billion a year that we are now using to service the debt held by the public. \$260 billion a year. It may be reasonable to say, well, we can add another IOU to the trust fund to the amount of \$260 billion a year, but here the blue shade at the bottom represents the \$260 billion a year for the next 57 years. Still, the difference between that \$260 billion a year in total leaves a shortfall of \$35 trillion that is needed over and above the \$260 billion in interest. So it still is not going to accommodate the needs. So to not be totally up front with the American people, I think, is unfair.

The biggest risk is doing nothing at all. Social Security has a total unfunded liability of over \$9 trillion. I mentioned the \$120 trillion over the next 75 years. If we put \$9 trillion into a savings account now, earning a real 7 percent, then it will be worth the \$120 trillion as we need it over the next 75 years. But we need, today, an unfunded liability of coming up with \$9 trillion today and putting it into that kind of an interesting bearing account if we are to have enough money.

The Social Security trust fund contains nothing but IOUs in a steel box in Maryland. Again, the challenge is coming up with the money we need to pay these benefits. To keep paying promised Social Security benefits, the payroll tax, if we make no changes in the program, no systemic changes, the payroll tax will have to be increased by nearly 50 percent or benefits will have to be cut by 30 percent. Neither one of these should be acceptable to this body or the President or the other Chamber, and that is why it is important that we move ahead.

I have introduced Social Security legislation, as I mentioned, that does not have any tax increase, that does not reduce the benefits for seniors or near-term seniors, very similar to what Governor Bush has suggested that we do with Social Security to make sure that we get a better return on investment.

I wonder if my colleagues can guess how much the average retiree will get back, in their retirement years, of the money they and their employer put into Social Security; 1.9 percent, on average. Some get back a negative return.

Just a mention of the Social Security lockbox. It is maybe a little gimmicky, but it accomplished our goal this past year in saying, look, we are not going to spend any of the Social Security surplus for anything except Social Security or to pay down the debt held by the public. And the Vice President, by the way, as an officer of the United States Senate, I am sure could help us get that bill through the Senate. We passed it in this Chamber, sent it to

the Senate; and now, as I understand it, there has been a threat of a filibuster. So the Vice President could help us get that bill passed and into law so that the lockbox is locked in.

I mentioned the return of Social Security. The real return of Social Security is less than 2 percent for most workers and shows a negative return for some compared to over 7 percent for the marketplace. So over the last 100 years, the equity market has given a real return of 7 percent. But looking at this chart, we see the light blue over here that shows that minorities actually have a negative return. One reason for that is that, for example, a young black male on average is going to have a life-span of 62 years.

So that means that they die before they are eligible for their Social Security benefits. So they pay in all their life and do not get anything in return. If there was a retirement account in their individual name, at least it would go into their estate and the government could not mess around with the benefits in the future. The average is 1.9 percent return for the average retiree; and again, the market average for a real return on investments is 7 percent.

I am going to get a little more into this. This is another way of expressing that Social Security is a bad investment right now. The insurance part for disability is good, and that needs to be totally saved. That cannot be privately invested. It has to stay in the same system as it is. It is working well. But the rest of Social Security, as an investment, is not good.

For example, if a person retired 5 years ago, they would have had to live 16 years after retirement to break even with what that individual and his or her employer paid into Social Security. By 2005, they would have to live to be 23 years. Remember, at one time there were 38 people working for every retiree. If someone retired in 1940, in 2 months they got back everything they and their employer put into it. But for our kids and our grandkids, if they retire after 2015 and 2025, they will have to live 26 years after retirement to break even. It is not a good investment. How can we do better than the 1.9 percent? A CD gives better than 1.9 percent.

This is the picture I have on my wall of my office. When I come out to vote, I look at my grandkids. Bonnie and I have nine grandkids, and I think they really are the generation at risk. It is easy for politicians to make all kinds of promises now and to do more things for more people so that they can get elected to office, but part of the decision has got to be what are our high standards of living, and doing what we think we deserve now, going to do to our kids and our grandkids in terms of the obligation that they are going to have in taxes or paying off our bills.

I am a farmer from Michigan, and it has always been a goal in our farm community to just try to pay down the

mortgage to let our kids have a little better start than we might have had. But in this Congress, in this government, what we are doing is increasing the debt, increasing the mortgage on our kids and our grandkids. Let us not do this.

I will do this for practice now, in case my family is looking. This is my oldest, Nick Smith; this is my youngest, Frances, and Claire and Emily, and George is a tiger, and here is Henry and James, and Selena. I might show that again, because I would hope that every grandparent, I would hope every grandparent, Mr. Speaker, considers the implication of not doing anything and just saying, well, Social Security is important, we have to put it first, but they have to come up with a plan. It should be scored by the Social Security Administration to keep Social Security solvent for the next 75 years.

Just look what we have done on tax increases and think what is going to happen in the future if we continue to depend on tax increases on working Americans. In 1940, the rate was 2 percent, 1 percent for the employee, 1 percent for the employer; a total of 2 percent on the first \$3,000 for a total of \$60 a year taxes for Social Security. By 1960, that went up to 6 percent, 3 percent for the employee, 3 percent for the employer, first \$4,800; total a year \$288. In 1980, we jumped the taxes again because benefits were jacked up and people said, well, we need more money. So again we imposed this tax on the American worker of 10.16 percent of everything they made, and so the base was \$25,900; the total tax by the employee and the employer went up to \$2,631. Today, our taxes are 12.4 percent on the first \$76,000, and the \$76,000 is indexed for inflation. So that \$76,000 base goes up every year.

So I think the question is, if we keep putting this problem off, like we have in the past, are we going to do the same thing we did in 1977 and 1983, reduce benefits and increase taxes? I am concerned that the temptation to do that is going to be great, and that is why it is so important that during these good times, where we have a surplus, not in Social Security but in the general fund, that we use that surplus now. We do not spend it on expanded government, but we use it to make sure that we keep Social Security safe. And that means we have to introduce bills.

In the legislation that I introduced, what I did was I started out allowing 2.5 percent, or the equivalent of 2.5 percent of the taxes to be invested in a private retirement account that can only be used after retirement; that can only be invested in safe investments, index funds or other safe investments determined by the Secretary of the Treasury. So it is only for retirement; it does not go out of Social Security. Like Governor Bush's proposal, it does not go out of Social Security; it supplements Social Security.

There have been suggestions that one way to do it, and we could do this, is

that for every \$4 an individual makes on their investments, they would lose \$3 of Social Security benefits. So it can be a fail-safe system, and what we have to accomplish is a return of better than the 1.9 percent.

This pie chart is part of the problem. We have raised social security taxes so high that 76 percent of American workers pay more in the Social Security tax than they do in the income tax; 78 percent of American workers now, if we add the Medicare to it, 78 percent of the American workers pay more in the FICA payroll reduction tax than they do in the income tax. So when we talk about income tax changes, somehow we have also got to get to the top of the discussion priorities: What do we do about the FICA tax? Are we just going to continue increasing the FICA tax to accommodate the demand for more spending by this Congress?

These are the six principles of Social Security. Senator ROD GRAMS from Minnesota has these criteria. I have these criteria in my bill. Governor Bush has these criteria in his proposal.

Number one, protect current and future beneficiaries; two, allow freedom of choice; three, preserve the safety net; four, make Americans better off, not worse off; five, create a fully funded system; and, six, no tax increases, and no reduction in benefits for seniors or near-term retirees.

Personal retirement accounts. How much of a risk is it? In the first place, they do not come out of Social Security. They are part of the Social Security benefit. They become part of the Social Security retirement benefits and an offset to the fixed program; yet everybody would have the option whether to go into this kind of an investment where they can invest and own their own retirement account or whether they stay in the same system. A worker will own their own retirement account. It is limited to safe investments that will earn more than the 1.9 percent paid by Social Security.

This was a chart I got from Senator GRAMS; no new taxes. I think that has to be paramount. The burden on social security taxes on so many working families today is already way too high.

A little more on personal retirement accounts. If, for example, if an individual is able to invest 2 percent of their earnings, if John Doe makes an average of \$36,000 a year, he can expect monthly payments of \$6,000 rather than the \$1,280 from Social Security, if he has his own PRA to supplement it.

I think it is good that when we passed the Social Security bill in 1935 there were provisions that said counties and States do not have to opt into Social Security. They could develop their own retirement system if they were a county employee or a State employee. Several counties in the United States, Galveston County, Texas, being one of them, opted to go into personal savings accounts.

□ 1645

Employees of Galveston County, Texas, that opted out of Social Security,

here is what they are getting: Death benefits \$75,000. Social Security would pay a burial benefit of \$253. The disability benefits \$1,280 for Social Security. The Galveston plan is accommodating \$2,749. For retirement benefits Social Security is the same as disability, \$1,280. The Galveston plan is paying \$4,790 a month for their retirees.

Spouses and survivor benefits under the Galveston County plan: This is a young lady by the name of Wendy Colehill that used her death benefits check of \$126,000 to pay for her husband's funeral and to get a college education.

I just put this up here just to try to emphasize that those kind of personal investments can do much better for us. And so, there has got to be a safety net for everybody. I mean, we are not a society that is going to let old people go hungry or go without shelter, but we have got to look for ways that are going to supplement the income coming in for these retirees.

She says, "Thank God that some wise men privatized Social Security here in Galveston. If I had regular Social Security, I would be broke."

San Diego is another county that has opted out of Social Security. A 30-year-old employee who earns a salary of \$30,000 for 35 years and contributes 6 percent to his PRA would receive \$3,000 per month in retirement. Under the current Social Security system, that employee would get \$1,077 a month under Social Security. So \$3,000 compared to \$1,000.

The difference between San Diego's system of PRAs and Social Security is the more than the difference in a check, it is also the difference between ownership and dependence. It is the difference between having that money there, that it is your money, that if you die before retirement age, it goes into your estate. It means that, with the Supreme Court decisions, that there is no guarantee that politicians do not mess around with that money that you have expected in your retirement.

Even those who oppose PRAs, I thought this was an interesting quote. I got this from Senator GRAMS also. This is a letter from Senators BARBARA BOXER, DIANNE FEINSTEIN, and Senator TED KENNEDY to President Clinton saying let San Diego keep their PRA program and not use a technicality to force them back into Social Security. And they said in the letter to President Clinton, "Millions of our constituents will receive higher retirement benefits from their current public pension than they would under Social Security."

I am wrapping this up with the last three charts. This again is what other countries are doing by privatizing, well ahead of America. Even these countries that are socialist countries have now gone to privatization.

The British workers chose PRAs with 10 percent returns. And who could blame them. They have got a two-tier

system. But two out of three of the British workers enrolled in the second tier, Social Security system chose to enroll in the personal retirement accounts. The British workers have enjoyed a 10 percent return on their pension investments over the past few years. The pool of PRAs in Britain exceeds nearly \$1.4 trillion, larger than their entire economy and larger than the private pensions of all other European countries combined.

The U.S. trails other countries in saving its retirement system. Of course Chile was one of the early countries. In the 18 years since Chile offered the PRAs, 90 percent of the Chilean workers have created accounts. Their average rate of return has been 11.3 percent per year. Among others, Australia, Britain, Switzerland offer workers the PRAs.

I represented the United States Public Pension Retirement Program in an international meeting in Europe 3 years ago. I was really, and I am not sure if the word is impressed or astounded, at the number of countries throughout the world that is moving their public pensions to have some real investments with some of that money that is coming in.

We have got countries now that are paying up to a 40 percent payroll tax to cover their senior benefits and a tremendous pressure not only on the workers and how much money they get, but a tremendous pressure on the cost of the goods they produce. So it puts those countries at a real competitive disadvantage when they have to add to the cost of products they sell enough to pay their workers to survive and still take almost half of it for their senior retirement program.

I want to save this one. This is the average rate of return on stocks in the last 100 years. But this is based on a family income of \$58,000. The returns on a PRA, the three colors, the light blue is 2 percent of your earnings, the pink is 6 percent of your earnings, and the purple is 10 percent of your earnings. And so, you can see that in 20 years you can take 10 percent of your earnings and have it valued at \$274,000. If you were to leave that in for 40 years, it would be worth \$1,389,000.

The point is that you can be an average income worker and you can retire as a wealthy retiree because of the magic of compound interest. And that means the long-term investments.

I drew this chart which represents what you would have paid in if you had left the money in for 30 years. Any year in our history, a 30-year period put around the worst depressions that we have had in the last 100 years is still going to end up with a positive return of almost three percent. The average is 2.6 percent. So, on average, leaving that investment in the equity stock markets for 30 years, it is a 2.6 return.

We have got to have provisions where you do not have to bounce out and cash in all at once. And I do this in my legislation. It has got to be done in any

legislation we have. We have got to continue the safety net. We have got to continue having options for those individuals that decide they want to stay in the same system. But we have also got to have an opportunity where individuals have that ownership, have that control by having their own accounts without the chance that Government is going to mess around with it later. And we have got to have the criteria in developing any plan that we do not have yet again another tax increase, that we do not have any benefit cuts for seniors or near-term retirees.

If anybody would like to see the details of my Social Security proposal and probably more than you ever wanted to know about Social Security, this is my website: [www.house.gov.NickSmith/welcomehtml](http://www.house.gov.NickSmith/welcomehtml).

If you go to one of the search engines and you do "Nick Smith on Social Security," it should come up here on my website.

Mr. Speaker, I think we have come a long way in terms of the lockbox, not spending the Social Security surplus. I think this year we are doing it again by saying we are going to take at least 90 percent of the total surplus and put that 90 percent for either Social Security for the time being, use it to pay down the debt held by the public, and only argue about the other 10 percent.

There is a danger of Government growing faster than it should simply because politicians get on the front page of the paper and on the television set when they take home pork barrel projects.

I think if there is anything I would ask the public, Mr. Speaker, to do in this campaign when they are talking to the representatives running for Federal office is to pin them down on Social Security. It is something that we cannot afford to give up.

□

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SHOWS) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Illinois, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

(The following Members (at the request of Mr. LATOURETTE) to revise and extend their remarks and include extraneous material:)

Mr. PORTER, for 5 minutes, today and October 24.

Mr. CANADY of Florida, for 5 minutes, October 25.

□

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1854. An act to reform the Hart-Scott-Rodino Antitrust Improvements Act of 1976; to the Committee on the Judiciary.

S. 2943. An act to authorize additional assistance for international malaria control, and to provide for coordination and consultation in providing assistance under the Foreign Assistance Act of 1961 with respect to malaria, HIV, and tuberculosis; to the Committee on International Relations.

□

#### ADJOURNMENT

Mr. SMITH of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, October 24, 2000, at 10:30 a.m., for morning hour debates.

□

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

10663. A letter from the Associate Administrator, Department of Agriculture, Agricultural Marketing Service, Fruit and Vegetable Programs, transmitting the Department's final rule—Sweet Onions Grown in the Walla Walla Valley of Southeast Washington and Northeast Oregon; Revision of Administrative Rules and Regulations [Docket No. FV00-956-1 IFR] received October 18, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10664. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Time Limited Tolerances for Pesticide Emergency Exemptions [OPP-181051A; FRL-6749-7] (RIN: 2070-AD15) received October 20, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

10665. A letter from the Office of the Secretary, Department of Defense, transmitting the Department's final rule—Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); TRICARE Prime Enrollment—received October 19, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

10666. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, Veterans Benefits Administration, transmitting the Department's final rule—Reservists Education: Monthly Verification of Enrollment and Other Reports (RIN: 2900-A168) received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

10667. A letter from the Acting Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Official Foreign Travel—received October 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10668. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 110-1110; FRL-6889-8] received October 18, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10669. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 108-