



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

Vol. 146

WASHINGTON, TUESDAY, MAY 9, 2000

No. 56

House of Representatives

The House met at 9:30 a.m. and was called to order by the Speaker pro tempore (Mr. COOKSEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 9, 2000.

I hereby appoint the Honorable JOHN COOKSEY to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 317. Concurrent resolution expressing the sense of the Congress on the death of John Cardinal O'Connor, Archbishop of New York.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. SMITH) for 5 minutes.

ON SOCIAL SECURITY

Mr. SMITH of Michigan. Mr. Speaker, I would like to make a couple of comments on Social Security.

If the American people insist that it be an issue in this presidential campaign, it will receive the kind of discussion and debate that is needed and very appropriate.

Social Security is one of our most important government programs. Spendingwise it is our largest government program. Social Security benefits takes a larger percentage of the Federal budget than the Department of Defense, more than we spend on the other 12 appropriation bills.

The interest on the total debt is about 20 percent of our total budget. Social Security payments represent approximately 22 percent of the total Federal budget.

It has been suggested by some that Social Security is not that big a problem; that if we are able to have the kind of economic growth that we have had in the past, then the economy will take care of the problems. Two facts need to be considered: One, that the official estimate of increase in GDP, (gross domestic product), is not going to be as great in the next 30 years as it has been in the last 30 years, simply because, even with the increase in productivity, we have fewer workers trying to produce the gadgets, the gadgets, the goods and services that represent the GDP. GDP ultimately represents productivity times the number of people involved in trying to utilize that productivity. So the growth in GDP is slowing down.

Secondly, because of the fact that Social Security's benefits are based on earnings, the greater the earnings, the higher the eventual benefits are going to be. So even if we were to have an exceptionally strong increase in the economy, GDP, the cost of benefits would grow proportionally.

Existing retirees have a cost of living or inflation index to adjust their bene-

fits. Future retirees, as they retire, have their Social Security benefits increased based on wage inflation that is higher than standard inflation. So, again, as the economy expands, with lower unemployment and higher wages, so will the cost of eventual benefits.

So over the short run, we see an increase in Social Security taxes coming in that makes the situation look somewhat better than it is because, ultimately, eventually, when those workers retire, they are going to receive that much higher Social Security benefit.

Now, some have said let us do nothing. We do not want to disrupt this great program where we are guaranteed a monthly payment for the rest of our lives. The problem is that we are running out of money in the Social Security system. It is, in effect, going broke.

Some people have said, well, look, somehow government is going to keep those promises. But in that regard, let me just bring to the attention of those interested, what happened in the past when Social Security had problems. The Congress and the President in 1977, reduced benefits and increased taxes. In 1983, again short of money. What happened? Again, benefits were reduced and taxes were increased.

Seventy-five percent of Americans, Mr. Speaker, now pay more in Social Security tax than they do their income tax. It is important we face up to this problem this election; that we do not put it aside, that we do not demagogue it; that we do not start criticizing some of the solutions. Because if we start criticizing particular parts of the solutions, it will be that much tougher, when Democrats and Republicans ultimately get together, hopefully under the leadership of a President that is willing to move ahead on this issue, to save Social Security, to keep it solvent.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



Printed on recycled paper.

H2657