

Ms. KAPTUR. Mr. Speaker, this week the House was scheduled to take up a measure relating to fast track trade authority but, for some reason, it got pulled from the schedule and we were not told why. We know President Bush has called fast track one of his top legislative priorities, even though it will lead to more lost jobs and even higher trade deficits for our country. So it is a bit of a mystery why we did not take up this important measure.

Mr. Speaker, the President wants fast track to pave the way for the so-called Free Trade Agreement of the Americas, a kind of super NAFTA. This super NAFTA would extend NAFTA provisions to all of the countries in our hemisphere except Cuba. But why would we want a super NAFTA, considering the damage that NAFTA has caused in the past 8 years? NAFTA has been like a tornado, ripping up jobs and tearing apart communities from the textile areas of the Carolinas to the agricultural valleys in California and Florida, to the automobile industry in the Great Lakes region.

Now, according to the Los Angeles Times, the latest of our exports are high-wage jobs. Before NAFTA, we had a trade surplus with Mexico. We sent them more than they sent us. In 1993, in fact, before NAFTA, America held a surplus of over \$6 billion with Mexico. Yes, that was a surplus. Where are we today post-NAFTA? Well, we had a trade deficit, a record deficit of nearly \$30 billion with Mexico in one year; that is billion, translated into over 600,000 more lost jobs in our country.

Do we think the balance of accounts was any better with Canada? Wrong. Our trade deficit with Canada for the year 2001 was over \$50 billion. That translates into 1 million less jobs in our country.

Who can call this kind of policy a success? Most estimates indicate that more than 3 million jobs, direct and related, have been lost post-NAFTA. Analysis shows State-by-State job loss figures range from a low of 6,838 in North Dakota to a high of over 364,000 in California. Other hard-hit States include my own of Ohio, but add Texas, New York, California, Michigan, Pennsylvania, North Carolina, Illinois, Tennessee, Florida, Indiana, Georgia, New Jersey, each with a loss of over 100,000 good jobs. Those may sound like numbers to the White House or some of my colleagues on the other side of the aisle, but each one of those numbers is a family fighting to put food on the table, to pay for college and medical costs, and is a strong indicator as well of America's waning manufacturing and agricultural strength. If that is the wave of the future, I sure do not want any part of it.

Under the Free Trade Agreement of the Americas, the "Super NAFTA," instead of just covering Mexico and Canada, now we are going to add 31 more countries into the mix, like Argentina, Brazil, Colombia, and Venezuela. In the first 3 months of this year alone, we al-

ready had a trade deficit with those countries of \$6 billion. So why would anyone want to exacerbate a situation which is already working against the interests of our people?

This appears to be what the administration is fighting for: more lost jobs, more trade deficits. When will this job hemorrhage end? When we have no manufacturing base to speak of? When our markets are flooded with agricultural products from every place else in the world?

Mr. Speaker, many of our working families are suffering. In fact, millions of them are. America is becoming a bazaar to the world's goods and, at the same time, we are hollowing out our own productive strength here at home. It is no surprise to us here to tell the American people that 75 cents of every farm dollar today is Federal subsidy.

□ 1500

Farmers are farming the government, not the market. Our agricultural policies are only working to hold the farm credit system together so we do not have a depression in rural America, and in manufacturing America we have had a depression. I do not know why it is not on the front pages of every newspaper in the country. We have lost over 2 million jobs, more in the last 2 years. Talk to anybody in the integrated steel industry. Talk to anybody in the machine tool industry. Talk to the electronics industry.

It seems to me we ought to have trade policies that work for America again. We should not be trading away our good jobs, and fast track is not a responsible plan for a secure economic future. Why should we have a fast track for more lost jobs and higher trade deficits?

Someone ought to pay attention, and we ought to reject any fast track proposal that is brought to this floor.

PRESCRIPTION DRUGS

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

Mr. CUMMINGS. This afternoon, Mr. Speaker, I just wanted to address this whole issue of prescription drugs. It is an issue that is on the forefront of the minds of just about every senior in my district.

Over the past year, I have visited at least 25 senior centers, and the stories that we are told over and over again would bring tears to almost anyone's eyes. Just the other day, we had a young lady, I say young, 70 years young, who in a meeting of seniors said to me, Mr. CUMMINGS, I worked all my life. I worked very hard. Now that I am older, I find myself unable to afford my prescriptions. I go from drugstore to drugstore trying to collect samples, because I simply cannot afford the cost of prescription drugs. I wish that the Congress would be in tune with me and give me back my dignity.

Then there was the gentleman at the Jewish senior citizen home in my district who stood up and said, You know, I cannot afford my prescription drugs anymore. What I am doing is cutting them in half and taking half of the prescribed dosage. I am 77 years old, and I am getting older and sicker every day. I want you to do something about it. Then he said something that is embedded in the DNA of every part of my memory bank. He said, Mr. CUMMINGS, if the Congress does not do something fairly soon, I will be dead.

We have other people in our districts throughout the country who are purchasing half of a prescription because they simply cannot afford the entire prescription. So I was very pleased today to hear and participate as the Democrats proposed a prescription drug plan. I know the Republicans have done the same thing.

The issue now is that this Congress, Mr. Speaker, must act. There are many people who are depending upon us to come up with a reasonable plan so that they can live. While we are about the business of protecting our country against outside forces, we have to make sure that we do not deteriorate from the inside. These are people who have given their blood, sweat, and tears to lift up this great country; and they are in their senior years. It is a time when they should be resting and relaxing and feeling comfortable about their lives, but they are coming to a point where they are not only losing their dignity, but slowly but surely losing their lives.

So I am hoping, Mr. Speaker, that we will take the words of those seniors who are not only in the Seventh Congressional District of Maryland, but those seniors who are throughout our entire country waiting and praying that we will take action.

Last but not least, I have often said, Mr. Speaker, that we have one life to live, and that this is no dress rehearsal. This so happens to be that life. I think it should be our goal to bring the very best life to our very, very valued citizens, the very best life that we can.

After all, this is one of the greatest countries in this world, and we should treat our seniors in a way that reflects the greatness of our country.

SOCIAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Florida (Mr. FOLEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. FOLEY. Mr. Speaker, let me first indicate Florida's pride in the gentleman's being in the chair today. We are delighted to see the gentleman from Florida (Mr. KELLER) as Chair of the House and Speaker pro tempore.

We are also delighted to have a conversation today in calm and measured tones about an issue that is vitally, vitally important, to every American.

That topic is Social Security. Typically, when we mention Social Security, people 65 and older are all ears and stay tuned to the debate. What we hope to do today is spend some time on this very valuable program, this important program, this safety net, if you will, for all Americans 65 and above and those yet to reach that wonderful age.

We would also like to put to rest some of the demagoguery relative to this issue. We find so often that people, particularly the minority party, regrettably, have sought to use Social Security as a political issue to try and divide people and suggest that they had better vote for their side if they want to see Social Security preserved.

Let me start with a personal anecdote, if you will. My grandmother came from Poland. She came to the United States of America. Her husband died, and she raised my mother and her sister on her own. She was a maid in the Travelodge Motel, and she cleaned 28 rooms a day. It was a job she was proud of, and a job she did well.

But in her later years, the one thing was certain, she depended desperately on that Social Security check, and she depended on Medicare. She died with but \$10,000 in the bank, her life's savings, all a woman of her means could afford to save in her lifetime while she cared for her two dependent children, paid her taxes, contributed to the church, did volunteer work, and helped the community in many ways.

I remember her waiting anxiously for that check every month. She could have counted on us, but she wanted to be self-sufficient, and Social Security provided that self-sufficiency. So it is in her memory that I stand today as a proud Member of the Republican Party talking about ways to correct and strengthen and improve Social Security.

Now, they use tag lines on the other side of the aisle like "privatize" and "take away" and "diminish" and "raid" and "abscond"; and it is amazing, rather than constructive rhetoric, like, let us see if we can work together to fix a problem, they simply say, let us be in charge, and we will make certain Social Security is fully protected.

Well, we have had that experiment. In fact, since 1935, when Social Security was created, they ran this place for 40 years. They ran this place into looming and growing deficits. So if we look at the facts of the matter, we will see that our stewardship of Social Security has actually been more on the point of making certain that it not only is fundamentally and financially secure, but that it also has long-term potential for future generations.

We have to think more than just the current voting age population of 65 and above. We have to think of those born today in this country. We have to think of those who are just entering the workforce at 17, whether they are in Orlando or Palm Beach or Fort Lauderdale. The three Members here on

Florida Day right now are Floridians. I am from the district with the largest population of seniors in all 435 districts in America. Seniors matter to me. Social Security matters to me. My legacy that I hope that I can leave in this process to my grandmother's memory matters to me.

I do not want to try and convince people to vote for our party by scaring people. I would like them to have a chance to look at the record and say, this group of individuals, hopefully including some fair-minded Democrats, came to this great city in this great Nation and endeavored to fix a growing problem.

Now, I am joined, fortunately, today, by the chairman of the Subcommittee on Social Security who happens to adjoin me in the neighboring congressional district in Florida, a person who knows not only full well of Social Security's importance, but some of the remedies that we have prescribed to make it financially secure.

He represents an equally large number of senior citizens; and every day he comes to work he considers and reflects on that same awesome responsibility, that it is not just about getting elected and reelected, it is about doing something while we are here to earn the confidence of the voters. He has been here since 1980, I might add, in a largely Democratic district; so I think he has proven to Members of all political stripes that he has the best interests of seniors, not Democratic seniors or Republican seniors or Independent seniors or nonaffiliated seniors, but of all seniors, at heart.

Mr. Speaker, I yield to the gentleman from Fort Lauderdale, Florida (Mr. SHAW), chairman of the Subcommittee on Social Security.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding to me. I would like to congratulate him for reserving this time, because what we do need is some time for some quiet reflection so that we can examine the problem, look at it in a very rational way, no yelling and screaming, no talking about scare tactics about privatizing, which is ridiculous, no talking about cutting benefits and all of these things. But it is time that this Congress and the American people really reflect upon exactly what the problem is and why are we trying to do something about it.

I am going to refer to four charts during the few moments that I will be here. I think they certainly graphically show what the problem is.

Social Security is one of the greatest anti-poverty programs that we have ever had in this country. It is not a welfare program; it is a program in which we pay in all of our working years, and then if we become disabled or retire, it is there for us. It is exactly the right thing to do.

Now, it has been a pay-as-you-go system ever since it has been put in place. In 1945, there were 42 workers for every retiree. As we can see from this graph, it is a great system as a pay-as-you-go

system. There was no need to forward-fund on Social Security. The system was working beautifully.

Now we are at 2002. We find that there are only three workers for every retiree. We still have a pay-as-you-go system; and as we know by listening to many of the speeches on the floor of this House and reading in the news media, we see that we still have a surplus in Social Security, so it is still working as a pay-as-you-go system.

But then we also look ahead, and we know that by 2035 there will only be two workers per retiree. Now, every working American or most working Americans pay in 1½ months of wages per year to take care of the Social Security program. That is a lot of money, particularly to our low- and middle-income people; and probably for many of our low-wage workers, it is the biggest tax and maybe in some instances the only tax they pay; but 1½ months working for this retirement system is a lot. It is up to this Congress to look ahead and see what can we do for today's workers to be sure that the system is going to be there for them.

There is no reason to change it for the older workers, people in retirement. There is no reason to invade the trust fund. There is no reason to sidetrack any of those taxes. Those taxes are there and that program is there for them. They have paid into it their whole working life, and I do not know any Member of Congress that would take anything away from them.

But let us see where we are going to go and what is going to happen. By the way, all of the figures that I am using here this afternoon are from the Social Security Administration. This is the same under both the Bush, as well as the Clinton, administration, so there are no partisan figures that are being used here. These are factual figures which no Member of Congress or no person in the government or elsewhere can refute.

What happens if we do nothing? If we do nothing, we find that in 2041 there could be as much as a 27 percent reduction in benefits. Now, those of us who know or have talked to or worked with people that are at the lower-income level, we know this would be devastating. It is really unthinkable. But then when we look ahead to 2076, we see a 33 percent reduction in benefits if Congress does nothing.

□ 1515

But Congress can, as we know, and as Congress sometimes does, they could raise the taxes. And if they were to raise the taxes, we see right now where 12.4 percent of the wages go into the Social Security system. To keep the benefits the way they are, Congress would have to raise the taxes in 2041 to an amount equal to almost 17 percent of the workers' wages, and in 2076 you are getting over 18, almost 19 percent increase in the taxes. Now, this is something that is totally unacceptable.

We cannot go to American workers and say we are going to give you this

tremendous increase in your taxes. We will literally be taking food out of the mouths of the children. We will be taking rent money. This is unacceptable. Likewise, this is an unacceptable, the cut in benefits. But we do not have to do it. But if Congress does nothing, which is the only plan that I have heard from Members, many of the Members on the other side of the aisle when they say we do not have to do anything, we are looking at a \$25 trillion deficit in the Social Security trust fund.

We see here that we are going to have surpluses up to about 2017, and then beginning in 2017, we are going into a shortfall and we are going to have a \$25 trillion deficit. This would be shattering to the economy of the United States. The biggest economy in the world cannot sustain that.

This is not only a problem in the United States, it is all over the industrialized world. People are living longer and they are having fewer kids and this is the problem that we have. So we have got a workforce as it applies to the amount of seniors, the workforce is decreasing, the numbers of seniors is increasing, and the system is definitely stressed. And the Congress needs to do something.

Mr. FOLEY. Mr. Speaker, if the gentleman would go back to the chart, I think it is very telling about the tax increases, but I think it is more telling about the time required for a person to work in a given 12-month period in order to pay those taxes. Can the gentleman illuminate that for us?

Mr. SHAW. Mr. Speaker, I was speaking to a reporter the other day. I could tell from her voice that she was certainly a lot younger than I am. We were talking about the Social Security and what was happening to it. And I said, Would you go to work for this newspaper if during the interview they said you are going to work about one and a half months a year to pay into the retirement funds but yet it is not going to be there for you? And she said no.

Then I asked her the question, Do you think Social Security is going to be there for you? She said no. That does not have to be the answer.

The problem that we have today is that the young people are just not focusing. I am looking at some of the pages sitting here on the floor this afternoon. Retirement is the furthest thing from their minds. But when you start explaining to them that you are going to work a month and a half a year to pay for my retirement, then they say, well, wait a minute, what about mine? And this is what we have to think about. If we care about our kids, if we care about our grandkids, if we care about the legacy that this Congress is going to leave to the United States, it is time that we start focusing on this problem. And the idea of doing nothing and bringing up these terrible deficits, this is unthinkable because this is an economy that cannot

sustain itself with this type of a, with a deficit. But this is the answer for doing nothing.

Now, I am not suggesting, I have got on here under the Democrats Do Nothing Plan, cash flow deficit starts in 2017, and this chart would indicate that their plan would build up to \$25 trillion deficit. I do not believe what they say, when they simply say, oh, we will do nothing and the money that we are going to save from the interest that we are not going to have to pay on the borrowed revenue will take care of the problem.

I beg your pardon? Going to take care of a \$25 trillion problem? Come on. Even the newest math cannot get you there. I mean, we always talked about voodoo economics, but this is beyond this. This is post-post graduate voodoo economics.

This is what the facts are and these facts are reported by the Social Security Administration.

Mr. FOLEY. Mr. Speaker, if the gentleman would also explain the Social Security trust fund because that is a misnomer. There has been a lot of debate today, in fact, about raiding the fund, borrowing the fund, stealing from the fund, which we know is false, patent rhetoric. But if the gentleman would explain the fundamentals of the trust fund for us.

Mr. SHAW. Mr. Speaker, I am glad the gentleman suggested that.

The way the Social Security trust fund works, the way Social Security works, your FICA and payroll taxes are paid into the Social Security Administration. The money is paid out of the trust funds in order to pay the benefits, the survey benefits, disability benefits, pension benefits. The benefits that come out of Social Security are paid out of the trust fund. The monies that are left then go into the general fund. That is what we call the surplus. This is money that is over and above what is necessary to pay the benefits under Social Security.

Surpluses by law are replaced by Treasury bills. These treasury bills are nonnegotiable Treasury bills which are IOUs by the government to the government.

Mr. Greenspan testified before the Committee on Ways and Means and said these are really not economic assets. And you can compare them to writing yourself an IOU and declaring that as an asset. It is not an asset. It is simply an IOU by the government to the government.

So we will continue to have surpluses, according to the Social Security Administration, until the year 2017. But beginning in 2017, the Congress is going to have to find the money to pay the benefits, whether it increases taxes, whether it cuts benefits, or whether it just simply goes into the red and produces this type of shortfall for the next 60 years. This is what we are facing and this is what future Congresses are facing.

Now there is a number of plans that are out there that do address this di-

lemma that we find ourselves in, and there are some very good plans. The plan that I have developed adds something to Social Security without touching the trust fund, without touching any of the FICA taxes that are going into the Social Security trust fund. And I believe that this is the best way to go. And I have demonstrated through the Social Security Administration that if we were to enact this Social Security Plus Plan that we would not only be able to avoid all of this red ink, we would keep benefits every bit, if not better, than they are today; we could add to it a retirement bonus which would be paid out of these added funds that are being put into the Social Security Administration. It assumes that every dime that goes into this would have to be borrowed and paid back, and not only would they be paid back over the between now and 2075, but it would create a surplus of \$1 trillion.

Now, this is what we need to leave to our kids; and this is what we need to be able to try to do.

Now, you have heard a lot on this floor, they are saying the Bush administration or the Republicans have a secret plan to privatize Social Security. How are you going to privatize something that is looking down the barrel of a \$25 trillion deficit? The private sector would not take this unfunded liability over, so that is absolutely ridiculous.

The Social Security Administration needs to stay in place exactly as it is today. The American seniors, when they were young workers, they paid into this system their whole working life, and it is not up to this Congress or any Congress to dismantle the Social Security trust fund. It needs to be kept in place exactly as it is today. But we need to add to it, add to it as an add-on, as an addition. And my particular plan, which we have looked at and which I know you have carefully examined, it would take money actually out of the Treasury. No more taxes. But it would take it out of the Treasury under monies that could be borrowed as a bridge and put into individual retirement accounts, not all in one stock as you would hear. As soon as you start talking about individual accounts, everyone starts yelling Enron.

Well, if you had one Enron in your portfolio, that would be a danger but this would not allow that. They would be widespread like index funds. And it would only be 60 percent in corporate stocks and it would be 40 percent in corporate bonds.

Now, what the Social Security Administration, they did a lookback over the last 75 years which encompasses a depression, a Great Depression, and they said these individual retirement accounts would grow at a rate that would create over 75 years, which would create a \$1 trillion surplus.

Now, we do not have to adopt this plan. There are other plans out there. But it is time that the Congress quit

talking about doing nothing. They say the sky is falling and then they think that is some kind of a joke. This is no joke. This is 2017 which is right around the corner. And we need to start planning for it, whether we use the plan that I have developed or whether they have come forward with another plan. I would be delighted to hear their plan. But this is the only plan that they have put forward among their leadership.

Now, I will quickly say that there are a few Members on the other side of the aisle that have developed plans. One of the Members has developed a plan, one of the Democrat Members has joined with a Republican Member in developing a plan which I think you may hear about yet within the next few minutes, and I congratulate him for doing that. But Social Security, and I am thinking of what the gentleman from Florida (Mr. FOLEY) was talking about with his grandmother, and in there cleaning all of those rooms every day and paying into a Social Security fund that kept her out of poverty.

I am reminded of a statement that was made here on the floor that life was to be enjoyed, not endured. And that is what we need to work with. And all of us know that today's seniors are going to be just fine. Nobody is even thinking about cutting the benefits. But I am also saying we do not have to cut the benefits of tomorrow's seniors either if we start planning ahead today. If you start building on top of the existing plan, not substituting, not taking anything away from it.

Mr. FOLEY. Mr. Speaker, if the gentleman would tell us about his vested interest in this program. How many grandchildren and children does the gentleman have?

Mr. SHAW. Mr. Speaker, I am doing my part to increase the number of workers per retiree with 4 children and 13 grandchildren. But those are the kids I am worried about because I know, particularly when these grandchildren retire, they are going to be in deep trouble. They will be up to their eyebrows in this red ink. And we can avoid it, and we must avoid it, and we must work together and quit all of this junk about raiding the trust fund. I have just explained there is no money in the trust fund. How can you raid the trust fund? The trust fund has nothing but Treasury bills. But beginning in 2017, there is no surplus. You cannot send the seniors Treasury bills. You have got to send them cash. So the Social Security Administration is going to have to be looking towards the Treasury of the United States to get the money because there will not be enough FICA taxes coming in beginning in 2017 in order to pay the benefits.

We must not get in a situation where we are thinking about reducing the benefits. That would be grossly unfair. People paying into this system, relying on it, and then just before they come into retirement, the Congress decides

to decrease the benefits. The next generations of workers, they get in under the workforce, Congress talks about raising their taxes. That is not fair, particularly when you do not have to do it. But the problem is getting the politics out of this.

I will be so glad when this next election gets behind us because I have a feeling that the Democrats will no longer say this is what they support, because this makes absolutely no sense. It makes no sense. And I am sure that once we get the politics out of this that we will be able to work with the minority party and reform the Social Security system.

To do otherwise, I will tell you tomorrow's generation will turn our pictures to the wall and that is where they should be put if we do not step forward and do something for future generations.

This is not only important for today's seniors, it is not only important for those who are about to go into retirement, but it is our kids and our grandkids, too. This is tremendously important. It would be absolutely sinful and pitiful for this Congress to do less than to save Social Security for this generation and the next generation.

Mr. Speaker, I thank the gentleman and, again, I compliment him for taking this time. I think that the more we can get this word out, the more the American people will demand that their Congress, that their representatives, the people who work for them, come here to Washington and not play politics with this great retirement system, but to fix it and be sure that it is going to be at least as good for the next generation as it is for this generation. We can do it, but we need to do it on a bipartisan basis.

□ 1530

We need to do it by everybody down on the playing field and not having half the team or the opponents up in the bleachers throwing rocks at us that are down there on the field that are trying to do something. That is grossly unfair. So when people start talking about people wanting to privatize Social Security, we should laugh at them. There is no one in this House that has ever talked about privatizing Social Security; and when they start talking about raiding the trust fund, we should laugh then because we know that there is no money in the trust fund. There is only nonnegotiable Treasury bills.

Now is the time to really move forward, lay the groundwork, so that we can, within hopefully next year, come together in a bipartisan way and solve this problem. That is what the American people sent us here for, and I compliment my colleague again, and I know that he and I both have a tremendous number of wonderful seniors in our shared districts, and I know that is what they want us to do.

Mr. FOLEY. Mr. Speaker, let me compliment the chairman of the Sub-

committee on Social Security again, and let me also emphasize that the gentleman from Florida (Mr. SHAW) took his plan, the plan that I have cosponsored, down to the editorial boards of our newspapers in Florida, and let me mention one in particular, the Palm Beach Post, that is known for a rather liberal look, for the agenda of America; and they looked at the gentleman from Florida's (Mr. SHAW) plan very thoroughly, in fact, complimented the gentleman on the authorship of the plan and willing to take the debate forward to the American public on the importance of saving this valuable program. Sun Sentinel, as well part of a large chain of newspapers throughout the country, also opined that they felt it was not only a very good plan but an excellent starting point to begin the bipartisan debate on this valuable program.

This is not just two Members of Congress talking to ourselves, wanting to hear our own voices. We have actually taken these ideas, as the gentleman from Arizona (Mr. KOLBE) is going to share with us soon his, he has been working with the gentleman from Texas (Mr. STENHOLM), a noted Democrat, who has been very engaged in this constructive, bipartisan debate; but this is not just our voices in an echo chamber. People have actually reviewed the fine points of this document and suggested it was a great opportunity to not only enhance Social Security for today's recipients but for generations to come.

I want to thank the gentleman for spending time. Now it is indeed my pleasure and privilege to introduce the gentleman from Arizona (Mr. KOLBE), another State that shares a large population of seniors, but also who has a tremendous amount of young, innovative working families trying to earn a living and go to college and working to make a better economy for the great State of Arizona; and the gentleman has been long endeavoring on Social Security, not just timely this week or this month, but my colleague has been working on it for a significant length of time, another true patriot in the effort to preserve and protect Social Security. I yield to the gentleman.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding to me, and I really want to commend both my colleagues from south Florida for their efforts today to talk to the American people about an issue that I think is so vitally important. In fact, I do not think there is anything long run, long term that is more important for us to be talking about than how we are going to preserve and protect and save Social Security, which I think is undeniably the most important, the most successful anti-poverty program we have ever had for senior citizens in this country.

The gentleman from Florida, the chairman of the subcommittee, has pointed out very well exactly the problems that we face; and we see them on these charts that are here. Several of

us in this body have recognized this problem for several years now and have been working to try to make sure that we can find solutions to the problem.

Since 1995 when I formed the Public Pension Reform Caucus here in Congress with my colleague, the gentleman from Texas (Mr. STENHOLM), we then began the process of slowly working through different options. Since 1999 we have had two bills that we have proposed in the Congress of the United States that I believe go a long way towards dealing in a very rational, sensible way with the problems that Social Security faces.

So I think it is clear that there are Members of Congress that understand the fiscal and demographic pressures that are facing Social Security and that want to engage in a constructive dialogue on reform.

Again, some of the charts that we saw here from the gentleman from Florida (Mr. SHAW) show very clearly what the demographics show us and the problem that we have, the fiscal shortfall that we are going to have with Social Security. Unfortunately, there are some Members who want to use Social Security for their own partisan political advantage in an election year.

Scaring seniors about Social Security might do wonders in the polls for some Members, but I do not think the politics of fear should be acceptable to the American people; and frankly, I do not think it is acceptable. I think instinctively the American people do sense, do understand that Social Security is in trouble today. If we ask young people, and by overwhelming majorities, younger people know that Social Security, as it is currently constituted, cannot be there for them when they get ready to retire; and so simply doing nothing is really not an option.

There are legitimate differences of opinion on how best to tackle the looming financial deficit in Social Security. There are a number of different ways that we might fix Social Security, and I think we need to honestly debate all of the different approaches that are out there. We heard one of them described by the gentleman from Florida (Mr. SHAW). There is the Kolbe-Stenholm plan. But one thing for certain is not an option and that is complete inaction.

Let me just review again a little bit of what the gentleman from Florida (Mr. SHAW) laid out for us here today, and that is, some of the financial problems that the Social Security trust fund faces in the coming years.

The trust fund, as my colleague correctly pointed out, it is a trust fund in name only. It has in it only the IOUs of the government, that is, the IOUs for the trust fund, nonnegotiable government instruments. That trust fund faces an enormous unfunded liability under current law. It is not because of anybody robbing the trust fund. It is not because of anybody taking the

money and doing anything with it. It is the very simple fact that the demographics of people living longer, growing older, a larger older population and a smaller working population, people starting their families later, having fewer children, the demographics of those who pay the taxes for Social Security to support those who receive the Social Security benefits simply do not work in the long run.

The result is that we have promised to pay, as this shows, \$25 trillion more in benefits than we have promised to collect right now in payroll taxes. I will repeat that number. We are looking at a \$25 trillion, trillion, not million, not millions, trillion, shortfall in the Social Security trust fund in the gap between what we are going to collect in taxes and what we have promised to pay out in benefits over the next generation or two.

It is just 15 years from now that Social Security will for the first time begin to run annual cash deficits, and as the gentleman from Florida (Mr. SHAW) pointed out, since seniors expect not a piece of paper but a check that is negotiable, we have to convert these IOUs into cash. That means the government has to start to borrow money or we raise taxes. We raise taxes or we borrow money in order to pay those benefits.

That is when the deficit, in just 15 short years, becomes a very serious problem. Now, 15 years is not that far from now; 15 years before was not that long ago. Fifteen years ago we were just at the end of Ronald Reagan's administration. I was here in the House of Representatives. Fifteen years from now, most of the people that are listening to this or here on the floor will still be either retired or the young people that we see here on the floor will be in the middle of the early part of their working years. They will be paying these taxes and wondering what has happened to the Social Security system, why am I paying these taxes when it is clear there is not going to be anything there to pay the tax for me.

By the year 2030, the annual deficit in Social Security in one single program alone will reach \$630 billion; and in that one single program, we will be running an annual deficit in Social Security of \$630 billion. That means the government is going to have to borrow \$630 billion in addition to the payroll taxes it is collecting just to pay the benefits that it has promised to pay for retirees at that point.

Between years 2017 and 2041, the Federal Government will need to raise almost \$4 trillion in new money to redeem the Treasury bills held in the Social Security trust fund. Just to give my colleagues an idea of the magnitude of what this means, how could we make up that deficit, how could we make up that shortfall? Well, we could do so by cutting some government programs. If we cut out all the spending, all the spending that the Federal Government does on Head Start, the WIC

program which supports women and infant children; all the money we spend in education programs at the Federal level; all the money we spend in the Interior Department to support our public lands and parks, national parks and monuments here in Washington, D.C.; all the money we spend for veterans programs, including health care for veterans; and all the money that we spend in commerce, to support NOAA and trade promotion, everything else that the Commerce Department does; all the money we spend for environmental protection, EPA; and all the money we spend on space in NASA, if we cut out all of that, all of that, we still would not be making up the shortfall that we would experience each year by the time we get to the year 2040 of the deficit that we will be experiencing in Social Security.

So the options are pretty bleak unless we do something now, unless we begin to face up to the realities of this problem now. The government is going to be forced to increase taxes on American workers or businesses, or they are going to have to make deep cutbacks in other programs to free up funds to meet our Social Security obligation; or of course, there is the option which none of us believe is an option at all, and that would be to cut Social Security benefits for the people when we have already promised it to them.

So the choices we can make are some tough ones. We can either make the tough choices today to deal honestly with the challenges that the Social Security system poses to us, or we can leave a fiscal time bomb for future generations and truly put the benefits at risk. That is why, Mr. Speaker, bipartisanship and candor have to be at the heart of what we are going to do about Social Security.

This debate, as we have just heard from the previous speaker, is often characterized as an either/or choice between two ideological poles. Either we have the status quo or we have privatization. Defenders, of course, of the status quo argue that any reform that includes a market-based component is going to undermine the current safety net features and expose workers to dangerous risks; and the other side, the advocates of full privatization, suggest that creation of a privately managed personal account is painlessly going to solve the challenges, but forget that Social Security provides more than just retirement income. It provides for disability insurance for the needs of other special populations.

So if we take those two extremes of do absolutely nothing and just privatize the whole system, I think we are looking at two extremes that really do not solve the problem at all. They may make for good, albeit myopic, rhetoric. They may help at election time, but they do not acknowledge the virtues that we have of something that is in the middle.

The real solution to Social Security has to be to fuse the best of the traditional program with some market-

based options, because it is possible, it is possible, Mr. Speaker, to establish personal accounts for younger Americans, not for people who are already retired, not for people like me who are nearing retirement, but for younger people who will have time to invest in those personal accounts, who will have time to see those accounts grow.

It is possible to establish those personal accounts, personal accounts of which they have individual ownership, of which they have control of the retirement income, of which they have flexibility to decide how to invest that and to change it as they get closer to retirement. That can strengthen and improve the vital safety net protections that the Social Security system has to provide.

So none of the reform plans that I know about are anything that approaches privatization. It is simply the wrong word. It is used as a scare word, and when we hear that, just remember that it is being used as a scare word. Privatization is the wrong description. It is the wrong word; but we ought to frankly stop bickering about the label of privatization.

We are suggesting that workers be given a degree of flex. That is what we are really talking about, flexibility with how they invest a small portion of their Social Security payroll taxes, giving workers some flexibility to make some choices about their investments. We are not talking about dismantling Social Security. We are talking about investment flexibility. We are talking about ownership. We are talking about individuals having some control over their retirement options.

The directors of the Congressional Budget Office, the General Accounting Office, Federal Reserve Chairman Alan Greenspan and many other policy experts have all testified in front of various committees of Congress and the President that we must make some tough choices to return Social Security to solid financial footing.

So, Mr. Speaker, what needs to happen if we are going to have this debate, which is so important to the survival of this program, we need to acknowledge there is no magic bullet.

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There is no free lunch, no free lunch solution that is going to allow us to provide 100 percent of promised benefits without trade-offs somewhere else. But I do say that personal accounts can help make the task a lot easier for policymakers, and it can limit the impact that the deficit that we are talking about and the problems we see will have on future beneficiaries. It would give them some hope by giving them an investment that they are going to have some return in their Social Security retirement that right now they cannot look forward to seeing as we look down the road to the year 2070, to 2050, when people today just starting out in the workforce will be retiring.

Including individual accounts, personal accounts in the reform plan does

not require deeper benefit reductions than would otherwise be required. Let me repeat that. Does not require deeper benefit reductions than would otherwise be required. But neither does it mean that no changes, no reductions for future beneficiaries is going to be unnecessary. The gentleman from Texas (Mr. STENHOLM) and I have never claimed that the reform plan that we have put on the table is perfect. Members can go through the plan that I have introduced with the gentleman from Texas (Mr. STENHOLM) and select items that they want to criticize. We went too far here, not far enough there. However, we need to examine plans in their entirety. How would the plans affect the future retirement income, the Federal budget, and the health of the American economy.

If Members determine that the acceptability of reform based on adherence to simplistic pledges, a pledge of no personal accounts or a pledge of no changes to benefit levels, or a pledge of no increase in taxes, then we are never going to reach bipartisan consensus on how we fix Social Security and how we pass legislation that will actually accomplish that.

Keeping Social Security intact for those who depend on it today, and for those young people who are just starting out in life today and have some expectation that they should have something from this system, it is a commitment that none of us should ignore, and we need to find a way to bridge the gap between these generations. But the fact is the Social Security system that we have today is vastly underfunded, and it will impose staggering financial burdens on younger workers and future generations of workers if we leave it completely unchanged.

Mr. Speaker, it is time to move past the demagoguery which has overwhelmed the Social Security debate in the past, and work together to provide a secure retirement for all Americans. I believe the discussion we are having today that the gentleman from Florida (Mr. FOLEY) has initiated is a good discussion. I believe it is important that we begin this discussion today, and I commend the gentleman for having this Special Order and giving us an opportunity to talk about Social Security, the importance of Social Security, that we attach to Social Security for people who are retired today, and the importance of Social Security for young people who will depend on this system in the future. Both the current retirees and those who are working but will retire in the future, need to know that the system holds promise for them.

I hope that this debate, this discussion today, will begin the process that we need to have in this country of having a national debate on how we fix it; but let us leave no doubt about one thing: Social Security does require fixing. Doing nothing is not the option.

Mr. FOLEY. Mr. Speaker, I thank the gentleman from Arizona (Mr. KOLBE),

and of course the gentleman from Florida (Mr. SHAW) who spoke earlier, on what is a vital, important and outstanding program for seniors. The gentleman has worked a long time on this proposal. I personally commend the gentleman. We do not call the plans between Members competing, we call them complementary for a reason. We are looking for solutions to real problems, and I salute the gentleman for taking time for this discussion today.

Mr. Speaker, we have been joined by the gentleman from Ohio (Mr. PORTMAN) who has worked tirelessly on pension accounts, which are of interest to all Americans who have actually had a chance to build up their own portfolios through IRAs and 401(k)s. The gentleman has been an important architect in not only emboldening those plans to give more financial security, but actually doing something even more meaningful for some of the younger generations who may not have been able to afford to contribute the \$2,000 per year to their IRA by giving a catch-up provision that kicks in in later years so they are able to actually add to their Social Security account through their IRA plan so their retirement plan is more insured and more secure.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for that introduction, and for having this Special Order tonight. Nothing is more important to the future of this country than addressing the retirement security needs of all Americans.

We have spent a lot of time in this Congress over the past 2 or 3 years working on ways to increase two of the three legs of the retirement security stool. Those two legs are the employer-based system, which is expanding 401(k)s and expanding defined benefit plans; and we have done a lot in that regard. Next week on this floor we will be taking up legislation to ensure that those changes are permanent.

We have also helped with regard to the second leg of that stool, which is private savings. We have expanded from \$2,000 to \$5,000 the amount that someone can put aside in an individual retirement account. We have been sure through this process to also focus on the third leg of the retirement security stool, and that is the public pension side or the Social Security side.

There we have had less luck in passing legislation because, frankly, it has become, unfortunately, a very partisan issue. The reason I commend the gentleman from Florida (Mr. FOLEY) tonight for having this Special Order, and commend the President of the United States, and my colleagues who spoke earlier, they are talking about this very critical third leg. People around this country depend on Social Security. Twenty percent of the seniors in my district depend exclusively on it, and that roughly \$900 a month is critical to their being able to live their

life with a little dignity after years and years of hard work.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, it is the security of seniors we are here protecting. We are here protecting that valuable program. We are not changing their benefits; is that correct?

Mr. PORTMAN. Mr. Speaker, the gentleman is correct. What we are doing through these other two means, one, increasing what can be saved for retirement through a 401(k) or defined benefit plan; and, second, improving what you can save individually through your personal savings. We are helping everyone to have a more secure retirement. We are going to continue to work on that.

With regard to the third leg, Social Security, we are suggesting that the program needs to be strengthened and improved. Here are the alternatives. We can raise payroll taxes dramatically, and already payroll taxes are the most regressive tax out there, already too high. Most people around America pay more in payroll taxes than they do in Federal income taxes. Or, we can reduce benefits. We do not think that benefits ought to be reduced or payroll taxes ought to be increased to the substantial level that they would have to be in order to sustain the program. Instead, we think we ought to look at more creative ways to be absolutely sure that every senior has retirement security.

The President's principles that he has laid out are ones that most of us on the Republican side support, that any plan that changes Social Security be voluntary, that it not affect any senior who is retired or near retirement in any way at all. Any benefits they get now, they would get; but that we come up with creative ways to ensure that this program is there in the future.

I just saw a couple of charts as I was walking up that make this point very, very clearly. First, what is the problem. The problem is the way Social Security was set up. It was a pay-as-you-go system. When FDR started this program in 1945, we had 42 working Americans paying for the benefits of every one retiree. Most people did not live until age 65. Now the good news is that people are living longer, more productive lives. Also, we have this baby boom generation that is beginning to retire. That means today there are only three workers for every retiree. By the year 2035, which is not too long from now, there will only be two people working. This is the demographic problem that Social Security faces.

Again, the other two options that the other side of the aisle wants to rely on is to reduce benefits, which would be, for seniors in my district and around the country, would be a terrible result. We would have to reduce benefits by 27 percent by the year 2041, and this is based on data from the trustees of Social Security, a nonpartisan group. This is not somebody who has an ax to grind. These are the actuaries who do

the analysis and look at it from an objective basis.

By 2076, a 33 percent reduction in benefits. Is that a good result? No.

You could increase payroll taxes. Again, payroll taxes are already too high. We would have to have a substantial increase in taxes. By the year 2041, 16.9 percent increase, a 37 percent increase over today. There would have to be a 16.9 percent payroll tax, which is a 37 percent increase in payroll taxes by the year 2041.

By the year 2076, there would be a 52 percent increase in payroll taxes. Again, to me these are not solutions that we want to have to fall back on. Rather, we want to be proactive and address the program so we can be sure that our seniors have peace of mind in retirement that they so much deserve.

Here is the big picture on this chart. Right now we are here, and we have a short-term surplus in Social Security, but soon the lines will cross. The benefits going out will be greater than the amount of taxes coming in. Why? Again, because Americans are living longer. It is a good problem, but a problem that we need to deal with; and second, we have this large baby boom generation, my generation. Baby boomers ought to know that we are beginning to retire, and we are creating a huge problem for future generations to be able to fund this problem. That is why there is a \$25 trillion shortfall over time.

This is what the President is talking about. It is the right thing to do to talk about this issue. It is the wrong thing to do to make this political and partisan, to scare seniors. Do not scare my grandmother. She is 97, and has worked hard during her life. She deserves to know that check is continuing to come. She is one of those people who is living longer, and deserves to know that she is going to have security in her retirement.

The opportunity we have is to come together on a bipartisan basis and make a huge difference for the future of our country and our seniors. If we allow this to become a political football and just toss it back and forth across the aisle, or put our head in the sand and say there is no problem, we will be doing a great disservice to our future, to our seniors and to this great country. This is a challenge that this Congress must take on. It is one that I believe we can take on again. The leadership of President Bush is very important in this, and I commend him for making it one of the primary issues that he took up not only in the Presidential campaign, but since being elected has talked about increasingly. I hope that we can join hands and come together and create a better future for all Americans.

Mr. FOLEY. Mr. Speaker, as we conclude today, I thank the gentleman from Texas (Mr. ARMEY) for providing this time so Members can discuss at great length this important, valuable and vital program for American seniors.

I talked about my grandmother when I opened, and I would like to talk about my parents, Ed and Fran Foley of Lake Worth, Florida. My father is 81, and I will just leave it at the fact that my mother is younger than my dad, and I will not mention her age. I want to go home and eat over the weekend, and if I mention her age on the House floor, she may be a bit upset.

I suggest that they are both recipients of Social Security. We want to underscore to every senior like my parents, and much like my grandparent, we are not changing the benefits of Social Security recipients. We are not reducing them. We are not replacing them. We are not privatizing them. We are ensuring them. We are ensuring that seniors across America can count on that check, whether it is direct-deposited or comes to a mailbox near their home. We are ensuring that every senior who has worked hard building this economy, the greatest generation that served us in World War II, are given the confidence by this Republican leadership that we stand behind the pledge and promise that Social Security would be there in their golden years. That is a gold-plated guarantee by this body.

We are not investing their funds in the stock market. To the contrary, we are ensuring their success and survival. I reject the claims of the minority and suggest we are working productively to ensure the continuation of this valuable program.

For those who are disabled or survivors, children of people who have passed, who count on Social Security, our commitment is stronger than ever, and it is a bond we make with those who are frail in our community that need Social Security. So if you are disabled or a survivor, you can count on the continuation of this valuable program.

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We are also telling current workers that we are not going to tax them further in order to ensure a political success formula for us. We are going to make certain it works without burdening hard-working young men and women who are earning their way and supporting their families.

Today has been about speaking about a greater point of view of protecting a generation who served us in a phenomenal way, many who led us out of the Depression and through World War II, through Korea, some through Desert Storm, who because of disability are now on Social Security. This is a generation that has brought this Nation to the greatest place and the greatest time on Earth. This is a generation that we should celebrate and support and applaud. Let us not demean the debate with the silly rhetoric of scare tactics.

Again, I mentioned I come from Florida, and each political season I get ready for the attacks that run against myself or Mr. SHAW suggesting somehow we are going to take away this

valuable program. Fortunately, the voters are smart enough to reject those election lies. They are election lies. I do not like to use the word "lie" on the floor, but I cannot characterize it any other way because there is no factual basis to them. They try to scare seniors. The last candidate for President tried to scare seniors in my State of Florida, tried to win the election by scaring vulnerable seniors. To have a conversation about Social Security should not be about fright or frightening people. It should be about uplifting them in this great hall of debate.

I choose the high road in this debate as does the majority leader and the Speaker and the majority whip and every member of our conference. We have heard from several today who enunciated our plans for continuing and securing America's future. Over the next several weeks we will continue to engage in debate and respond to the charges by the other side of the aisle. We are not going to sit back and take it anymore. I made that comment last week and I make it again. Bring your charges to this floor and we are ready. We will answer your rhetoric with fact; and we will provide the information so that seniors, as they sit in their living rooms, know the truth. The truth is Social Security is a vitally important program, and we are here prepared to do our duties to ensure the continuation of this great program.

I want to thank you, Mr. Speaker, today for indulging and for all those who participated and again my thanks to the majority leader, the gentleman from Texas (Mr. ARMEY), who recognizes, as he concludes his career in the Congress as we adjourn this session, the value of this program, the value of seniors, and our commitment to continue on leading this Nation in a financially prudent and positive manner.

COLORADO FIRES

The SPEAKER pro tempore (Mr. KELLER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes.

Mr. TANCREDO. Mr. Speaker, as we stand here tonight on the floor of the House, fires are raging in my State of Colorado, fires so devastating, fires so great in proportion. Historically, they are great in proportion, and they are so big that they can be seen, as we are told now, from the Space Shuttle. The smoke and ash from the fires in Colorado can be seen by the people on the Space Shuttle.

These are in every sense of the word catastrophic fires. The one burning closest to my home, the Hayman fire, is over 100,000 acres, I understand, and will probably be burning all summer long. Hard for people to understand that, hard for anybody to get a handle on that concept; but it will probably be burning all summer long we are told, and that is just one fire. There are sev-

eral others going. There are several starting also, and this one started last Friday. Many of these are being started by arsonists. It is incredible, but that is what is happening in and around Colorado. Of course, in other States they are experiencing similar types of situations.

Now, every ounce of our effort at the present time should be and is directed to trying to fight these fires, and that is certainly appropriate. There will be plenty of time for recriminations as to how and what would be the best way to deal with these things, what would be some of the things we can do to make sure that fires of this nature do not start again, at least to the extent we are able to prevent them.

This was started by a careless camper. He had a fire, illegally. We were at a time that there were no fires allowed in the national forest, no campfires whatsoever. But the law was disregarded by some selfish and unenlightened soul. The fire got out of control, and within just really a very short period of time it had already consumed a good part of the forest around it, and is now, of course, as I say, approaching 100,000 acres, if it is not over that already, 100,000 acres.

Putting that in perspective, we are probably reaching the point when it would be about three times the size of the District of Columbia, just for people to understand what a 100,000 acre fire is. Combined, of course, with all of the other fires going on right now in Colorado, I am sure we are approaching that total.

Now, as I say, this fire was started by an illegal campfire that got away, that was left essentially unattended and got away from its confined area. There will always be fires in the forest. That is part of the natural order of things. There is no two ways about that. We cannot and should not prevent all fires.

So the issue here is not the extent to which the fire that we are witnessing right now could have been prevented. Of course, it could have been prevented, if someone had not carelessly ignited a fire at a campground. But, beyond that, it could not have been prevented even if we had done a lot of work in that forest, because right now, of course, we are in the midst of a horrendous drought. It goes all the way, frankly, from the Canadian to the Mexican border.

The middle part of the United States is facing a drought, is facing drought conditions that are unprecedented in recent history. Certainly in the last 100 years we have not seen anything like this. The snow pack is very low. I was amazed on Monday when I had the opportunity to fly into the fire area and observe the fire, to observe the damage, I was amazed as I looked at Pike's Peak, which is not too far from the site of this fire, and saw just a few ribbons of snow still there. Usually, you can see snow on Pike's Peak in July, sometimes August.

I have lived in Colorado all of my life, and I can remember many, many

summer days getting up in the morning, going out to get the paper, looking up at the mountains, and seeing a snow-capped mountain range in front of me in June or July. There is nothing. There was nothing last Monday when I went through this area. There was no snow. There has been no rain, and there are no prospects for rain that we can see on the horizon. So that is why we are going to have massive forest fires, drought, hot weather and densely forested areas.

Now, here is where we can do something about it, and this is what is important for us to try and tackle, because we do have some ability to deal with this situation. We cannot, as I say, nor should we even try, to stop natural fires from occurring. We simply should make sure, to the extent possible, that they occur in areas that have been managed, that is to say, thinned; where the undergrowth of the past 100 years of fire suppression efforts, the result of fire suppression efforts, has accumulated to the extent that we have now this tinderbox called the national forest.

It really has been man's ineptness, man's inability to manage the forest properly over the last 100 years, that has helped cause this situation, our fire suppression efforts, which has been the main thing everybody has been focused on for 100 years.

This is as seen from the space shuttle. This is the fire in Colorado. You can see the smoke plume and the fire down here.

The fact is that there are fires all over the United States, of course. There are fires burning down there. There are fires in several other locations. But this is the one that is incredible. Here is the Glenwood Springs fire. This is the one I was referring to as the Hayman fire. This is my home right here. Down by Durango we have another fire, near Trinidad, Glenwood Springs, and over here by the Utah border, just inside the Utah border. These are the fires in Colorado at the present time.

Mr. Speaker, the fact that for 100 years we have attempted to follow a policy to suppress all fires has created a devastating situation, a very, very dangerous situation in our forests. Suppression has meant that we have allowed old timber to fall, to fall to the ground, to decay and to dry out, and that becomes part, of course, of the fuel. We have allowed a tremendous amount of small saplings to grow, and that has become part of the fuel, because they stay relatively small. The forest canopy does not allow for them to grow quickly. It becomes part of the undergrowth.

When it gets like this, when it gets as dry as it is now, that is what we could certainly call a tinderbox, and it takes very little to set it off. Of course, lightning will do it. Time and time again, that is the natural way of fires to start in the forests.

However, when a forest has been thinned by our efforts, by the efforts of