

Speaker, allow me to assure Members that their arguments are without substance.

According to a study by Professor Jerry Hausman, an economist at MIT, the assumptions from opponents such as the Consuming Industry's Trade Action Council were fundamentally flawed. Hausman's study, which unlike the CITAC study so often quoted in the media, accurately reflected the current steel market, showed the tariffs would cost the average consumer about \$2 a year and have no negative impact on the U.S. economy. This was a study of stronger remedies than were actually proposed by the International Trade Commission. Hausman's study showed that the section 201 remedies would provide a net benefit of \$9 billion a year to the U.S. economy. Steel constitutes only a small share of the total cost of most products that contain steel, so the cost to the consumer and the costs on a single consumer item would be minimal.

For a typical family car, the increase caused by the imposition of a 40 percent tariff would be about \$60, a 30 percent tariff in the tariff structure proposed by the President would be substantially less. For a refrigerator, the increase would be less than \$3.

Again, I have to congratulate the President for being engaged on these issues, looking past the cannot at the substance, and being concerned about many of the communities we have in places like western Pennsylvania, Ohio, and West Virginia where people have built a living and built living wages around a steel industry that we need to have in this country for strategic reasons, and if we are going to maintain our industrial base.

Mr. Speaker, this administration has had the courage to take on this tough issue. We need to do more in Congress. We need to look at the issue of legacy costs. We need to look at ways potentially of participating in a global effort to rationalize the industry; but in the end, we can build on this 201 decision, we can build on the President's courage, and working with the administration, we have an opportunity to lay the groundwork for a strong, healthy competitive world-class American steel industry that is allowed to compete on a level playing field.

INTEGRITY ABOVE ALL

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

Mr. MCINNIS. Mr. Speaker, this morning the Committee on Resources heard testimony from investigators and from the Forest Service, Fish and Wildlife and others in regards to a scheme put forward by several Federal employees to alter a lynx study in the northwestern part of the Nation.

It is very important for us as government employees to maintain the integ-

rity of the process, and a part of that goes clear down to our field employees upon whom we depend very heavily to deliver a product that they are required by protocol to deliver. What do I mean by this? What happened is we had several biologists, Ray Scharpf, Mitch Wainright, Sarah LaMarr and Tim McCracken, Federal employees involved in a lynx study in the northwest part of this Nation. These are professional biologists or associated with professional biologists.

Their job was to go out and determine whether or not there was any evidence of lynx in a forest, to then determine whether or not further investigation was necessary. What these individuals did was go out and planted evidence. They planted evidence, just like a bad cop goes into a house and plants drugs. They planted lynx hair and submitted the lynx hair to the laboratory in hopes that the laboratory would assume that there were now lynx in this area that they had studied.

The average biologist that we have working for the Forest Service or for the Fish and Wildlife are people of high integrity. I cannot think of a biologist that I have met that I have not been fairly confident of the integrity and the standards that they rise to.

But in this case, these Federal employees brought a disgrace upon the United States Government and brought a disgrace upon these agencies by planting evidence and submitting false samples for a survey. Unfortunately, these employees are still employed by the Federal Government. Fortunately, we had a whistle blower. An employee on his last day called in the fact that false samples had been submitted to this survey.

My point in taking the floor today is that I appreciate the Members who attended the hearing today, and I especially appreciate the investigators who went out and came up with these conclusions. We know that these employees knew that what they were doing was wrong and outside their protocol, but they still carried out their actions.

Mr. Speaker, today we had a good hearing about it, and I think we will be able to install some fire walls that will prevent this type of scheme from happening again. In the meantime, it has unfortunately cast a small shadow upon the profession. What we need to do is assure that that profession has no shadow at all because their importance in our studies out there are absolutely critical. We depend on them very much, very much; and we have good reason to depend on them. They are the experts, but integrity comes first and above all.

STOP IMPENDING RAID ON SOCIAL SECURITY

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

Mr. CARSON of Oklahoma. Mr. Speaker, I rise today, along with several of my colleagues, to discuss the most pressing domestic issue of our time, that of Social Security.

Let me first begin by thanking my fellow freshman Democrat, the gentleman from Rhode Island (Mr. LANGEVIN), for his leadership in organizing with me this Special Order about the impending raid of Social Security. I also want to thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for her leadership and assistance in organizing our colleagues here today.

Our Nation faces incredible challenges; this we all know as we stand united in a war on terrorism. All of our thoughts and prayers are with our men and women in uniform today. This afternoon I stand before this House to talk about one of the most pressing domestic issues of our time, an issue that cannot be ignored even as we fight a war abroad, and that is Social Security.

Around the world as populations of developed countries grow older, the cost of paying for pension and health benefits rise. In the United States, more than 44 million people collect benefits from our Social Security system. Social Security represents one of the most important and depended-upon programs in this Nation's history.

Social Security is a great American success story, having reduced the percentage of poverty among our Nation's retirees from over 50 percent to 11 percent since the program's inception in 1935. Moreover, Social Security is not simply a retirement program; it is also a program that provides disability and survivor's benefits to over 13 million workers and their families.

Last year this House and this country had a 10-year estimated \$5.6 trillion unified surplus, which included \$3 trillion in non-Social Security surplus. But how times can change. In less than a year, \$4 trillion of that surplus is now gone due to tax cuts, the downturn in our economy, and the war effort.

The greatest tragedy is not simply the diminution of the surplus, but also the fact that the proposed budget now before us in this House diverts \$1.4 trillion of the Social Security trust fund and \$556 billion from the Medicare trust fund to pay for spending and new tax cuts.

I have supported and continue to support tax cuts, specific tax cuts, but not tax cuts that undermine our ability to honor our promises and commitments. I support, as do so many Members of this House, a fiscally responsible plan for our Federal budget, a plan that recognizes the current health of the Social Security trust fund, while also recognizing the need in the future to protect it.

Because of the current strength of the trust fund, we have an opportunity before us as a Nation that we will not have too much longer to protect the reserves that will be vital in ensuring the

program's survival for future generations. The question today is when are we going to stop talking about saving the Social Security trust fund and finally do it.

Legislation has been proposed, but no action has been taken. We continue to use duplicitous accounting to hide the real deficits this country faces in the coming years when the largest generation in American history, the baby boomers, begin to retire.

It is hard for me to understand how, in what is obviously the most successful and popular Federal program ever conceived, how it can be subtly cut and raided for short-term convenience. The time has come for us as a Nation and as a House to make the tough decisions to save Social Security for our children and for our children's children.

There is a very real and looming threat that we may not be able to meet all of the promised obligations unless we commit to make the prudent fiscal choices today. As I mentioned, we have been presented with a budget that proposes a spending deficit in the Social Security trust fund of \$1.5 trillion. Before we even begin the debate on long-term solvency of Social Security, I find it irresponsible that the Congress is being asked to force Social Security's obsolescence by raiding the trust fund and risking the fiscal health of a system that has been so successful. When, I ask, are we going to make the hard decisions of financial prudence?

I believe that we can achieve our long-term goals of preserving our Social Security system to prevent our Nation's seniors from falling back into poverty while also updating and reforming Social Security to meet the challenges of our modern era. It is true the baby boomers are rapidly approaching retirement. The oldest will be retiring by 2008, and it is true by 2021, the Social Security system will be taking in less revenue than it pays out in benefits. But as we proved in 1983 and as we can prove again today, we can save a program that has worked so well for so many for so many years, and it is incumbent upon us to make these tough decisions.

As the recent Enron debacle reminds us, it is critical to have a safety net in place, and a solvent one at that, to protect seniors when they retire. As workers across the country have watched their life savings, their 401(k)s lose 24, 35, even 50 percent of their value, and some regrettably have seen their 401(k)s and pensions evaporate altogether, it is critical that Americans know Social Security will be there to ensure that their minimum needs are met.

Mr. Speaker, in the last election perhaps the most used phrase was the Social Security trust fund would always remain in a so-called "lockbox" unable to be touched by the spending desires or tax cuts of some in Congress or of the administration. I do not believe any American argues against making sure that there are adequate resources

to fighting the war on terrorism or defending the home front. However, we cannot allow the Social Security trust fund to become the credit card on which we charge a smorgasbord of new spending for tax cuts.

□ 1530

Mr. Speaker, today is the day, finally, in which we stand on principle as a Congress to send a clear message to this generation as well as the future generations of retiring workers that there will be, forever, a solvent, secure and dependable public Social Security program in this country.

Mr. Speaker, I yield to the gentleman from Rhode Island (Mr. LANGEVIN) to also address this subject.

Mr. LANGEVIN. I thank my colleague for yielding.

I would like to begin by thanking my colleagues and friends, the gentleman from Oklahoma (Mr. CARSON) and the gentlewoman from California (Ms. MILLENDER-MCDONALD), for joining me in focusing attention on this critically important issue. Together with a number of our esteemed colleagues, we are declaring that we will not accept a budget that jeopardizes Social Security or Medicare, programs that are essential to my constituents in Rhode Island and to Americans everywhere.

As we consider this year's budget, we have a choice, to preserve Social Security and protect our Nation's elderly from poverty, or divert funds for this program to less critical priorities. To meet the needs of our country's rapidly growing senior population, I choose to prioritize Social Security and Medicare and will fight for a budget that reflects that choice.

The administration's budget, on the other hand, raids \$1.5 trillion of the Social Security Trust Fund surplus, the very fund Congress voted five times to place in a lockbox to ensure its solvency. This choice is unacceptable to me, and it is unacceptable to the two-thirds of recipients who rely on Social Security for the majority of their income and the almost 20 percent who rely on it for their entire income.

Last year, the Congressional Budget Office projected a 10-year non-Social Security surplus of \$3.1 trillion. Just 1 year later, the projection has plunged to a deficit of \$742 billion. The administration uses a series of gimmicks and unrealistic assumptions to disguise the fact that the government will run a much larger deficit than its budget predicts, virtually guaranteeing that the Social Security surplus will disappear over the next decade, leaving 200 million Americans who currently rely on Social Security, or will in the future, with no financial security in their most vulnerable years. A raid on the Social Security Trust Fund today is a promise to cut Social Security tomorrow.

In Rhode Island, Social Security provides a vital lifeline for a significant percentage of the population. Rhode Island ranks fifth in the Nation for the

percentage of residents over 75 and sixth in the Nation for those over 65. In my district alone, 110,000 people rely on Social Security for their livelihood. These Rhode Islanders worry about whether Social Security will continue to be there when they need it, and they are tired of hearing promises from politicians that are not backed up with action.

Mr. Speaker, I am proud to stand with my Democratic colleagues to fight to preserve Social Security's core structure and ensure that we do not revert to an era of overwhelming poverty among the elderly. We have a choice. I choose America's seniors. I choose a responsible, honest budget that does not sacrifice the most vulnerable among us. I know those Members who join me today have made that same choice. I urge the rest of my colleagues to do the same.

Mr. CARSON of Oklahoma. I know the gentleman from Rhode Island (Mr. LANGEVIN) has worked hard on these issues over the last few months as well. We appreciate his comments on the issue.

Mr. Speaker, I yield to the gentleman from Texas (Mr. RODRIGUEZ) who has also worked passionately on these issues and whose words are always eloquent on this subject. Mr. RODRIGUEZ. I thank the gentleman for allowing us to talk about the important issue of Social Security. I also thank the gentleman from Rhode Island (Mr. LANGEVIN) for his efforts. I know that we are all concerned. I also wanted to take this opportunity to thank the gentlewoman from California (Ms. MILLENDER-MCDONALD), who is not here but I know who also is concerned and who might join us a little later as well as the gentleman from Oklahoma (Mr. CARSON).

Let me just indicate that, when it comes to Social Security, it is one of the issues that hits home and it is one of the areas that we forget that, during the time prior to Social Security, we had the largest problems that we had regarding poverty among our seniors. This has been one of the best programs to alleviate poverty among our seniors. So I am pleased to stand today and make some comments as we reach this critical time of reviewing and dealing with the issue of how we respond to the difficulties that we find ourselves in.

As a country, we are often faced with challenging obstacles on our quest to do what is just. The resources we have at our disposal are not infinite, as we all recognize. At these critical moments Americans expect their leaders to stand strong and make decisions that reflect all that makes this country great. Our seniors are facing a dilemma, one that threatens the security and trust they have as they reach retirement. We must fight to preserve our Social Security Trust Fund and honor our country's commitment to our seniors.

The President's budget does not honor the commitment to our seniors

and, in turn, fails all Americans. The President's new budget raids the Social Security surplus to pay for other government programs, not just one year but every year for the next 10 years. Ultimately, the President's plan would spend \$1.5 trillion in Social Security surplus dollars to fund programs other than Social Security. This year alone, \$262 billion in Social Security surplus funds are redirected. In the year 2003, the President's budget projects using \$259 billion. All this money would be taken out of the trust fund and used to fund other programs.

One of the things that bothers me and irritates me is that we dealt with the tax cut and at a time right now when our first response should be in terms of defending our homeland, taking care of the war, we are choosing to respond to all the problems with a tax cut, when we ought to be telling those corporations they also have an obligation to pay for defending this country, and our seniors should not be carrying the burden for that to be occurring.

Now is the time for us to focus on a long-term budget plan that will recover as the economy recovers, returning us to an era where we can fully protect and even strengthen the Social Security Trust Fund. We need to recommit to the idea of Social Security surplus dollars only for Social Security and paying down the national debt. Our national debt now stands at \$3.4 trillion. Paying down the national debt will strengthen the financing of the Social Security Trust Fund over the long term and will allow us to keep our commitment to seniors.

Our seniors deserve better than a piece of paper which attempts to guarantee their rights to receive benefits. That piece of paper means nothing. You can tell that to our veterans who have been told that they should have access to health care and we have not delivered for them. This piece of paper also will mean nothing. What we need to do is do the right thing in our budget, be able to pay down debt and be able to take care of our seniors.

As we look, and I would hope that we just do not look at those that are now receiving those benefits but we reach out and look at those baby boomers that are getting ready to reach that age, because they have also paid into the fund. In addition to them, we all recognize that the kids of the baby boomers, what we call the baby echo, we also need to consider the baby echo.

As we move forward on Social Security, there are special populations, Hispanics, for example, one out of every three Hispanics only have another pension, while one out of two Anglos have other pensions. So there are certain special populations out there that get disproportionately hit and depend on Social Security much more than other populations, especially Hispanic women who are the ones that are hit the hardest and if there is any move to privatize will be in complete jeopardy.

One of the things, and I want to thank the Members that are here to-

night, because we need to talk about this. There is a great deal of talk right now, but what is transpiring and what is occurring already in the budget has a direct impact on our Social Security. I do not care, and I hate to see people come and talk about it and then they vote for those tax cuts that jeopardize not only our economy but the Nation as a whole and our fight in this war on terrorism. We are fighting this war on terrorism on the backs of our seniors.

Every single war we have had, we have always had a tax. When we had the Spanish American War, we had a tax on phones. When we had World War II, we had taxes. This is the only war that we have decided to give tax cuts to the wealthiest at the same time that we burden our seniors by taking their trust fund and their security from them. So it is unfair that we do this, but it is a good opportunity to begin to talk about where we are at.

Once again, I want to thank the gentleman for allowing me to say a few words. I know we have some additional colleagues that have come on board. I thank the gentleman for his efforts.

Mr. CARSON of Oklahoma. Mr. Speaker, I thank my friend from Texas for his impassioned words about the future of Social Security and the imperative on all of us, especially those of us with a real commitment to our seniors, and to remember that so many promises to our veterans were made more in rhetoric than in reality and that we should not do the same thing with Social Security. I thank the gentleman for his comments.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. I thank my friend from Oklahoma for yielding and my other colleagues who have commented.

It is easy for folks who have not been in this body over a period of time or who are not old enough to realize and remember some of our folks who have had it so tough. Those of us who understand history remember that Social Security is a retirement system that has really been a bedrock. It is really that foundation that a lot of the other retirement systems were built on. Whether a person has no other plan, whether they have a 401(k), a 201(k) or no K, we always start with Social Security. If you go to a retirement planner and they want to help you if you have money, they still want to start with looking at Social Security, because that is the foundation or bedrock.

It has been that way since President Roosevelt signed it into law in 1935. It has been one of the most successful government initiatives, lifting millions of seniors and working families out of poverty in the 20th century.

But there was a time before Social Security, I remember my history, when seniors suffered in abject poverty. Too many people could not afford the basic human needs of food and shelter, and even some died homeless on the streets, far more than we see today.

The creation of Social Security is one of the landmark achievements, as I have said, of the 20th century. Together, we declared that seniors should not be forced to live in Third World poverty here in America. Together, this Congress, I was not here, but this Congress did it, a previous Congress. The House and Senate, along with the President, said that we are going to make a compact and we are going to make it with our seniors, seniors like my mother and my mother-in-law, that we are going to deal with generation to generation. The younger generation is going to help the older generation, and you are not going to be left in poverty.

My mother-in-law lost her husband when she was, I think, a relatively young lady of 59. My dad lost his life early on. People forget the survivor benefit that the wives tap into. Yes, there is a disparity now in what women draw because they are not in the workforce as long, but there is that provision to make it available. You cannot buy it with any other insurance. Congress in my opinion does not have the right to break that contract.

There is no question that Social Security is facing a serious challenge. The system has been deteriorating over recent years in terms of money available. But we made a lot of progress in the 1990s when we had a full economy, we had a growing budget, we had money available. It seems to me I remember last year that we were talking about having surpluses as far as the eye could see. What a difference a year makes. Now we are looking at deficits as far as the eye can see. But over the next few decades, we must act and we must act to make sure that it is secure, that it is safe. Otherwise, we will not be holding up our end of that compact.

There are those, including the people who served on the President's commission, who feel that privatizing Social Security is the answer to this problem. I respectfully disagree. Last year, when the President appointed his commission on Social Security, that commission, I think, was stacked and stacked with members, every one, who wanted to privatize it.

□ 1545

Now, if you want to privatize, that is one thing; but do not do it to the folks without letting the people involved be involved in it. There should have been on that commission beneficiaries. There should have been minorities on it, there should have been women, there should have been seniors. In the end, the commission offered only three flawed plans to privatize Social Security and failed to provide any kind of plan to restore the solvency of the system.

In that regard, I cannot support any privatization plan that would jeopardize the retirement security of our seniors and working families, because for many families in America, that is the only security they have. The recent

Enron scandal clearly demonstrates that we cannot allow the retirement security of our working Americans to become the victims of unrestrained corporate greed and mismanagement.

Social Security was designed to be a safety net, a safety net, and a compact between generations, as I said earlier, not a privatized vehicle of massive wealth for some and massive poverty for others.

Some would say, well, you know, look at what the stock market has done. Look at those who had 401(k)s last year and 201(k)s this year, and some of them may have zero(k)s if they have it in the wrong stock. That is just absolutely not what Social Security was meant to be; and there are many problems, in my opinion, with privatizing Social Security.

First, if you take money out of the trust fund to put in private accounts, then you weaken the system. One of the plans offered by the President's commission would remove \$1.5 trillion, that is with a T, from the trust fund over 10 years.

Privatization also means benefit cuts. Another of the commission's plans would have reduced the benefits promised to future retirees by as much as 46 percent. Every privatization plan that I have seen thus far has what is called a "clawback" provision. That means in a privatized system beneficiaries will not receive both the full value of their private accounts and, along with that, their full Social Security benefit, so you lose something. That is not the commitment that was made.

In addition, a system based upon individual accounts would also disproportionately hurt women because they would suffer from low account deposits and likely lose their spousal benefits, because, for a lot of women, that is how they step up to higher incomes. Minorities would be literally short-changed because private accounts would erode the progressivity of the system. Finally, the transitional costs associated with privatization puts the system solvency and the retirement security of those who depend on it at risk at a much more rapid pace.

The majority in this House now proposes to issue what are called certificates to Social Security recipients. I call them sham certificates. That reminds me last year they also sent out letters, the administration did, to folks and said you are going to get a tax cut, \$300 or \$600. I held a town hall meeting a little over a month after those letters went out and this lady came in and she was quite upset. She had been expecting that \$600, she and her husband were. They did not tell her you had to pay so much in income taxes. They said you are going to get the check. She got \$3 and some change. She lost her job and had to sell her car to keep her family together.

This Congress has a responsibility not to play charades and sham games, not to be playing gotcha and ideology.

We have a responsibility to do the people's business. People who draw a Social Security check do not want games being played. They want their check, they want their money, and they want that contract and commitment to be there. People count on their Social Security benefits too, and these certificates would only be worth no more than the paper they are written on, because if the other stuff is not worth anything, it is sort of like the locked box. You know, you can lock a box, but what happened to the locked box? It is about having the integrity to tell people the truth and then following through and doing it.

We can find something better to do with the \$10 billion we are talking about using to send worthless certificates. Folks in my district learned the hard way to be skeptical when they are promised something that they know does not come through.

I, like my other colleagues who have been on the floor this evening, am willing to work with anyone in good faith to strengthen the bedrock that is Social Security; but we really must put aside partisan gimmicks and ideological differences, like certificates that are not worth the paper they are written on, or privatization plans that only make Social Security budgetary problems worse. We really ought to have a major study, if we are really serious about doing what we ought to do for the people, and bring the people to the table.

I was really disappointed last year that no one from this body was on the commission. If you are going to get something done, you ought to have Members of Congress involved who ultimately are going to have to be involved in the process. I urge all my colleagues in this House to get serious about Social Security reform if we are going to do it, because the time is here.

I want to thank the gentleman from Oklahoma for putting together this Special Order this afternoon. This is an important issue. It is important not just to the people who are now drawing Social Security; it is important to a lot of folks who ultimately are going to be drawing it. But, more importantly, it is important to the young people who are paying into it. They have a right to know that we are going to keep that commitment and that contract that has been made over generations to them as they pay in. And it has to get beyond gimmicks, and who has got the best idea to play gotcha with or get ready for the next election.

It is about good policy, not good politics. It is about doing what is right for our seniors, people like my mother and mother-in-law and their friends and others like them all across America who depend on Social Security every month. If the stock market is up, they get their check. If the stock market is down, they get their check. They do not worry about where the stock market is. They know that the United States Government stands four square

behind the commitment it made, and we as Members of this Congress have that same solemn obligation that Members who have stood here before us had, and we cannot drop the ball now.

I thank the gentleman for putting together this Special Order and allowing me a few minutes to participate in it.

Mr. CARSON of Oklahoma. Mr. Speaker, I would like to thank the gentleman from North Carolina for his well-informed comments, and I also appreciate the fact that he brought up the ill-conceived nature of sending certificates to millions of seniors and Americans out there, certificates that provide no new rights and are not an enforcement mechanism for any existing rights, all at the cost of more than \$10 billion, all of this in a year when our budgets are strapped and so many very meritorious projects are going to have to go unfunded and left on the drawing room table. So I thank the gentleman for his comments and thank him for being here this afternoon as well.

Mr. Speaker, I would like to yield to someone who is equally impassioned about the subject of Social Security, the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I want to thank the gentleman from Oklahoma (Mr. CARSON) for bringing us together for this very important discussion and also want to compliment the gentleman from North Carolina (Mr. ETHERIDGE) for doing such a fine job in simplifying what could be a complicated debate.

I wanted to add my words this afternoon to the very important issue of Social Security, probably the premier program of the last century, that helped lift one-third of the Nation out of poverty. Even today, if you think about many of our seniors, certainly women, the majority receive checks in a month that average maybe around \$550, \$580 per month. Social Security for them is not pocket change; it is a lifeline. Without Social Security and Medicare, they simply could not survive.

So you would think America, during this period of the stunning collapse of Enron, would have learned an important lesson, and that certain Members of this Congress who are trying to tinker around with Social Security would have learned an important lesson, and that is that the vagaries of the market and the private sector's penchant for gambling with other people's money is no substitute, can never be a substitute, for the rock-solid guarantee of Social Security, an insurance program and a disability program. Any one of us, any one of our family members, can be struck by a disability. Social Security is the social safety net for this country.

Yet what we see in the Bush administration's proposal in the wake of Enron is not retirement security, but retirement insecurity. In fact, the lockbox that the gentleman from North Carolina (Mr. ETHERIDGE) referenced, where

we all promised we would not touch the Social Security trust fund, in that in fact that trust fund would be there to pay dollars, the billions of dollars to our seniors across this country this year, next year, and as the baby boom generation retires, what the Bush administration is actually doing is taking these dollars and giving them away; and it is giving them away by the billions.

How is that actually happening? It is happening because this trust fund is being borrowed from now to pay tax rebates to some of the wealthiest and most profitable corporations in our country, not just this year, but over the next 10 years.

If you think about who is getting the benefit, let us take a look at Enron. If you look at the tax proposals that were passed here in this House, which I did not support, what they essentially meant was that we are taking money from the trust fund, and we are giving it to companies like Enron.

Enron, unless we stop it, is going to be getting rebates, rebates that basically are transfers from the trust fund which are the accumulated savings of the American people, taken out of every worker's check, and put there for their parents or grandparents. Those dollars are being transferred, not by the thousands, not even by the millions, but by the billions, which is the amount that is in the trust fund; and if you take Enron, for example, just in the years we are serving here, the first 3 years they probably will get \$350 million in rebates.

Guess where that comes from? It comes from the one source of accumulated savings that the American people have, and that is the Social Security trust fund. So my aunt in Toledo and maybe your grandmother in Chicago, those savings that are there are being transferred because of consolidated accounting.

The Republican Party has invaded the lockbox that we promised would be there in perpetuity. Overall, the numbers show that the Congressional Budget Office projected a 10-year non-Social Security surplus of \$3.1 trillion; and now, just 1 year later, that projection has plunged to a deficit of \$742 billion, almost \$1 trillion. So the surplus that had existed technically in the annual budgets has been turned almost overnight into a deficit, and the borrowing is continuing from the Social Security trust fund.

Now, Enron just does not get a little bit. I mean, \$350 million in rebates, that is one-third of \$1 billion. None of my relatives can even imagine how much money that really is. But that is what is going on here. And if there is any program that has marked the Democratic Party, and in fact it is one of the reasons I am a Democrat, is because of this Social Security program. It meant the difference for our grandmother between the poor house and being able to live out her final years in dignity. It was very meager, but at

least it was something. It was something. To see this program violated for the likes of a chief executive officer like Ken Lay is absolutely abhorrent to me.

If I look at other corporations that are benefiting and the money coming out of the Social Security trust fund and going to them, we can look at General Electric, because General Electric is one of the companies that is not just going to get millions. Enron is going to get millions; General Electric is going to get billions out of the Social Security trust fund.

With the changes in the alternative minimum tax, it means that all of these little tax breaks and loopholes that the very well-paid accountants from companies like Arthur Andersen can find for these large corporations, they are going to get rebates through the Social Security trust fund, which sounds incredible because we were supposed to have put it in a lockbox and not touched it, and yet it is being drawn down to give money back to really the wealthiest people in our country and the wealthiest interests.

□ 1600

And they are not having trouble. These companies like General Electric, they are not going bankrupt. Now, Enron went bankrupt because of wrongdoing, criminal wrongdoing, it appears. And many of these other corporations, take Chevron, take Texaco, we are not talking about pennies, we are talking about hundreds of millions of dollars. The Social Security Trust Fund is being invaded to give nearly \$200 million to Texaco, three-quarters of a billion dollars to Chevron. Think about that. Think about the transfer of wealth that is occurring.

So some people are saying, well, let a senior family or someone who is going to be of retirement age someday, let them put money aside. We just have to encourage responsibility in the American people. How do we do that on minimum wage? How do we do that when we do not earn a minimum wage? How do we do that when we have no health benefits?

Yesterday I sat in the Committee on Veterans Affairs thinking about this Special Order tonight and the fact that we were taking money out of Social Security Trust Fund to give it to some of the wealthiest corporations in the country, and we have a proposal from the Bush administration to charge veterans for prescription drugs. Now, we have always had a \$2 copayment for various prescriptions, and many of our veterans average 10 prescriptions per month. What the Bush administration is doing is raising that copayment to \$7 per prescription which, per month, would be \$70, with a cap annually of over \$850 for prescription drugs for veterans.

I am sitting there and thinking, well, is this not interesting. We hear all of these patriotic speeches on behalf of our military; and yet, when it comes to

serving those who have put their life on the line, then, as they are very elderly and unable to fend for themselves, they say, now you have to pay additional money for prescription drugs. Is that what Lincoln had in mind when he said we would care for the veteran, his widow, his orphan? Is that the promise? Was it a false promise that was made?

So what we see happening is, why are we charging for prescription drugs for veterans, for those who have created and preserved the freedom that we have here in this country? Why are we charging them? Because we have to borrow. We have to take the money that should be placed into paying for those pharmaceuticals for those who have served our Nation. We are giving it away. We are giving it away to Enron in rebates, we are giving it away to General Motors in rebates, we are giving it away to Chevron in rebates, we are giving it away to IBM in rebates. That is where the money is going.

So I want to say to the gentleman from Oklahoma (Mr. CARSON), I am really very pleased that he has taken the leadership in pulling this together today, because this truly is; this is not a tangential issue for the Democratic Party, this is the core of the Democratic Party.

I was here in 1983 when we saved Social Security. It was the key issue in the election of 1992, along with the recession. We were able to reconstitute a healthy Social Security Trust Fund which served us well into this millennium. I am certainly one Member that will do nothing to weaken the system.

Mr. Speaker, I am proud to be a Democrat. I am proud to be holding the Social Security Trust Fund in our hands, and we literally do, and preserving it for the American people for this generation and generations to come.

I thank the gentleman again for giving this time this evening and urge him on in his efforts to inform the American public and to re-create that lockbox permanently.

Mr. CARSON of Oklahoma. Mr. Speaker, I would like to thank the gentlewoman from Ohio for her comments today. She is quite right in saying that, if the American public is wise, the upcoming election will be about this important issue, the most successful social program the United States has ever had. A social program that once, in 1935 when seniors were the poorest group in America, has lifted them out of poverty, so that those people in retirement no longer have to worry about making basic ends meet. Indeed, the election and this entire debate about the future of Social Security is between those people who would preserve this important program and those people who, in the name of reform, seek to dismantle it.

It is so important that people watching this today and those people who are across America and are going to be casting their ballots recognize the importance of Social Security. It is not as

a 401(k) program is, it is not as a pension program is at a private business. Those programs are important; and I in Congress, along with my colleagues, have voted to make those more accessible to our retirees. We should encourage people to invest and to save on their own. But the genius of Social Security has been always that it is a program below which we allowed no one to fall, a safety net, below which no one was allowed to fall. We can make good on the promise of retirement and the harvest of a bountiful life.

SOCIAL SECURITY: AMERICA'S MOST IMPORTANT GOVERNMENT PROGRAM

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

Mr. DEMINT. Mr. Speaker, I appreciate being here today to continue the discussion on this important issue, the issue of retirement security for America's seniors.

There has been a lot of discussion about the need to have an honest debate. I think that is very important. But we cannot have an honest debate when we have one side who is just criticizing with no plan, and our side who has been working diligently to develop a plan to guarantee benefits for today's seniors as well as to improve the Social Security system and guarantee even higher benefits for the next generation.

It is important that we recognize that Social Security is America's most important government program. It is a sacred promise to the American people. It is a Social Security contract that we cannot ignore.

Social Security is a plan that Republicans believe in, and we think that it cannot only make Americans free and secure, but it can secure our future indefinitely if we plan correctly. But we cannot have an honest debate, again, with a side that is full of critics, but no plans.

The Democrats at this point have put forward no plan to improve and save Social Security in the future. This is something we must challenge every day.

About two-thirds of retired Americans get their primary source of income from Social Security. It is too important to leave to chance. So our purpose here today is to talk about Social Security as it is and how it needs to be, how we can guarantee the benefits for today's seniors and improve the program for tomorrow.

In order for that to happen, there has to be more truth about the current Social Security program. It will not do to give a lot of statistics and a lot of misrepresentations.

We just heard the gentlewoman speaking of money coming out of the trust fund to go to corporations. This simply is not true. We want to refute

these things today and tell Americans the truth about Social Security.

The first thing we need to do before we begin the debate is to stop this shameful frightening of senior citizens. The gentleman from Missouri (Mr. GEPHARDT) was on the floor last night and talked about a secret plan to reduce benefits after the election. They say we do not need to issue a written guarantee to seniors. We must issue a written guarantee if the other side continues to say that this plan is in jeopardy, that their benefits are in jeopardy. One moment they are saying it is a rock-solid investment; the next moment they are saying that someone is going to take it away from seniors.

We have a plan to tell every senior citizen in writing that their benefits are guaranteed. The current Social Security program will meet the promised benefits of today's senior citizens. They do not need to worry that any reform plan will change that. The President has said that he will consider no plan that reduces benefits for current seniors or those near retirement. The plans introduced by Republicans, none of them reduce benefits for seniors. The plan that the Democratic side has, which is no plan, means that we will continue with the program that we know is going bankrupt.

We need to tell people the truth. The first part of that truth is to reassure our seniors that no one will reduce their benefits.

The next thing we need to do is to clarify for today's workers the true nature of this Social Security system. The other side has just suggested that it is the only accumulated savings program for many Americans. Yes, it is the only savings program for many Americans. The problem is that, even though over 12 percent of everything workers make goes into Social Security for their retirement, not one penny of that is saved for their retirement. All of that money is spent on current retirees, paying down debt, or other government programs. The current Social Security system is not set up in a way that allows it to accumulate savings.

So, again, we work all of our lives. Many Americans, 20 percent, who do not live over 65, lose everything they put into Social Security, because there is no accumulated savings.

We need to guarantee benefits to today's seniors, but for today's workers, we need to tell the Social Security Administration something very simple and something Americans already think that we are doing for them. We tell the Social Security Administration to start saving some of the money that workers are putting into the Social Security program. We do not need to privatize anything. The same Social Security system, the same structure, the same payroll withholding, can continue just as it is. The only difference is we begin to save some of that money for the future retirement of today's workers. We can do that without

compromising in any way the security and benefits of today's seniors.

There are several reform plans on the Republican side, and I want to talk about one today that the gentleman from Texas (Mr. ARMEY) and myself have introduced here in the House. This is a plan that answers many of the questions that were posed by the other side, who has no plan. This plan is called the Social Security Ownership and Guarantee Plan.

Let us talk about the words "ownership" and "guarantee." Today's Social Security program, while it may be the only savings program for most Americans, saves no money for seniors. We need to start saving and allow individuals to own their Social Security retirement account. At the same time, we need to tell every American that no American will ever receive less from Social Security under the DeMint-Army plan than they would have received under the existing plan. They have a choice not to leave the current plan at all. So they can stay where they are, or they can begin to save some of the money that is coming out of their paycheck for their retirement.

What will happen over the next 20, 30, 40 years is my children and folks in their 20s and 30s will begin to accumulate large sums of money in a personal Social Security account that guarantees them that they will have at least as good or better benefits than the current system. So instead of retiring after a whole life of putting money into Social Security, under the DeMint-Army plan, Americans will retire with hundreds of thousands of dollars in a Social Security savings account that is theirs. It can be turned into a monthly income and can be used to pass on to their children and grandchildren.

We need to recognize that for many poor working Americans the only opportunity for them to leave something to the next generation is from Social Security, and the way Social Security is set up today, all of one's benefits die with them. They have no opportunity to pass along anything that one puts into Social Security.

The DeMint-Army plan allows individuals to save, to invest in safe investments, in government bonds, and to have the money they need for retirement and money to pass on to the next generation.

Perhaps even more importantly, the DeMint-Army plan recognizes that we need to set aside even more of the income for the working poor so that they will have enough when they retire to have their own income as well as money to leave. The DeMint-Army plan allows folks at the lower income level to keep a larger part of their payroll withholding. They do not take out any more taxes. The taxes stay exactly the same. But they put up to 8 percent of their total salary into the savings account so that, when they retire, they will have something of their own.

This is a plan that helps the poor, it helps seniors, it helps America. Because what changes with this DeMint-