

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-ArmeY 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-ArmeY 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-ArmeY 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-ArmeY 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-ArmeY 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-

Armed plan is, when the next generation arrives at retirement, they are no longer dependent on the government for their income.

□ 1615

They do not have to listen every election that somebody is going to take their income from them, or there is some secret plan to reduce benefits. They will have their own retirement account, their own retirement income. Many Americans will be wealthy from the Social Security system.

There are a lot of folks trying to frighten us today, to say if this money is saved that somehow they will not be as secure. We need to remind Americans that if they have no savings and they are totally dependent on politicians to give them a retirement income, they are not secure at all. In fact, they will continue to be frightened and manipulated, like we have heard today.

It is critically important that we talk about the truth, that we debate real plans for Social Security reform, and that we do not continue the charade of the other side that nothing is wrong and nothing has to be changed. If we do not change Social Security, within 30 years benefits will be cut nearly 30 percent. Those cuts will continue, along with increases in payroll taxes over the years. That will happen in about 2038.

Social Security is a promise of the future. This is not a problem that we cannot solve. In fact, it is an incredible opportunity for us as a Congress to reshape the Social Security program in a way that makes people not only secure but makes them free and independent in retirement. It gives the poor an opportunity to save and pass along wealth to the next generation. This is the opportunity that we need to give to the American people during the debate on Social Security.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I thank the gentleman, not only for yielding to me, but for his leadership on the issue of Social Security reform in this Congress.

Mr. Speaker, this Congress has a responsibility to inform the American people that Social Security faces serious financial problems in the not-too-distant future. We cannot afford to sit idly by while our Social Security system continues to mirror corporations that have become insolvent, like ones that have made their way onto the front pages of America's newspapers.

At present today, there are four workers supporting every one beneficiary on Social Security. By the year 2020, that ratio will dwindle to two workers for every one beneficiary. Americans will either have to endure enormous payroll tax increases or support systemic reform.

I am here today, along with the gentleman from South Carolina (Mr. DEMINT) and other colleagues, to stand

in support of systemic and visionary reform that even includes the idea of personal retirement accounts. Mr. Speaker, the personal accounts proposals that are being debated in Congress today are completely voluntary, and, I would offer and emphasize, completely safe. Investments would be made in highly diversified companies plus government and corporate bonds, a popular pension plan among many Members of Congress.

If it is an option for those of us in this Chamber, it should certainly be an option for American taxpayers. Let us give workers real ownership of their Social Security by making it free from the influence and political control of Congress.

But Mr. Speaker, let us move on to some of the myths from the left that are hovering above our Social Security system today, and it makes this Special Order and this time on the House floor so urgent and so important as a beginning in this debate.

Myth number one: the President's budget raids Social Security. I offer that this is absolutely false. The President has proposed a budget well suited to this unique moment in American history when our country is at war, our homeland and our citizens have been attacked, and our economy is weak. This budget is an appropriate blueprint to craft our response to the challenges before us. In fact, Mr. Speaker, the Social Security trust fund continues to grow under the President's budget. It provides for every penny of current law benefits and full cost-of-living adjustments.

Myth number two: last year's tax cuts in some way threatened Social Security. Again, Mr. Speaker, this is entirely false. Last year's tax cuts have not affected the Federal Government's ability to pay benefits, and the trust fund remains unchanged.

Some of those in this debate can and will continue to point to tax cuts as a threat to Social Security, but the truth lies in the simple demographics of an aging population. Eliminating tax cuts will not improve worker-retiree ratios. It will not encourage seniors to delay retirement. It will not encourage workers to save more for their own retirement.

Myth number three: Social Security reform will somehow erode the trust fund. In fact, that, again, Mr. Speaker, is false. Research indicates that the creation of the proposals for personal retirement accounts actually increase benefits for retirees well above what the current Social Security system could ever imagine to pay. Without these accounts, today's workers could face as much as a 30 percent cut in benefits when they retire.

The research is accurate, and the myths have been dispelled. We as a body must now move in the direction of offering a plan; and the Republicans, Mr. Speaker, have a plan. We will save Social Security from its bankruptcy and the course upon which it is headed

in the next 20 years while guaranteeing that current retirees receive their promised benefits.

Let me say again, Mr. Speaker, I think it is absolutely imperative, and I extol the leadership of the gentleman from South Carolina (Mr. DEMINT) and others in this Chamber who have said we as leaders in this country in both political parties should make an affirmative statement to the American people that we will meet our obligations in the Social Security system; that what people expect to receive from Social Security in income and in benefits they will receive, and no less. I believe the time has come for us to make this imperative statement clear to the American people, and perhaps this Congress will do so this year.

This leadership and this majority will ensure that workers are allowed to earn higher benefits than under current law, as we have before. We will give workers ultimately real ownership of Social Security when reform finally arrives. We will enable younger workers to build wealth through voluntary participation in their own personally owned accounts that they can pass along to their heirs. We will preserve the important disability and survivors components of the program. We will reduce the financial burden on children and grandchildren. We will improve the rate of return for all beneficiaries.

Mr. Speaker, the Good Book tells us that if anyone does not provide for his relatives, and especially for his immediate family, he has denied the faith and is worse than an unbeliever. I submit today that we must, in this country, make it more possible for more Americans to not only provide for themselves but to provide for their families.

We do that through strengthening Social Security today. We do that through strengthening the people's confidence in the commitments that this government has made to Social Security, that we will meet those commitments, that income and benefits from Social Security will remain firm, and we will also keep the promise of Social Security alive, Mr. Speaker, by being a reform Congress; by recognizing that if we simply allow Social Security to continue along its way, that it is headed for the shoals.

But if we will step in with the leadership that the gentleman from South Carolina (Mr. DEMINT) has provided in this Congress, that our majority leader continues to provide, and that other visionary leaders in this Congress have offered in this area, I am altogether confident that there will be one bright, shining day when we will have a Social Security system in America that builds wealth rather than dependency; a Social Security system in America that engenders confidence about those retirement years for all Americans; a bright, shining future when some day, Mr. Speaker, perhaps Americans would not look longingly to the Capitol dome hoping that their retirement security

would be in place, but rather, they could look to themselves. They could look to their own retirement accounts. They could look to a system, and they could look to statements with their own resources, and be confident on their future because of the resources that they have placed in that trust.

It is a vision, it is a long-term vision; but it begins, I submit today, as the gentleman from South Carolina (Mr. DEMINT) has laid out so eloquently, it begins with a promise. It begins with strengthening the commitment that this Congress has to maintaining the income and benefits of Social Security at the level of expectation that Americans have today.

Once we reiterate this Congress's and this government's commitment to Social Security, once we have laid the foundation of confidence with the American people, then we will lead with reform that will ensure not only Social Security for our parents but also for our peers and for their children and for our grandchildren for years to come through much-needed reforms.

Mr. DEMINT. Mr. Speaker, I thank the gentleman. It is so refreshing to hear someone dispel the myths; to talk about the need to guarantee benefits, to talk about real ideas that cannot only guarantee the benefits for today's seniors, but to guarantee that no American will ever receive less from Social Security than is promised by the current system.

This is leadership, and I want to thank the gentleman from Indiana (Mr. PENCE) for being here today and helping us dispel the myths. We no longer need to listen to the fear tactics, to the manipulation.

Surely the other side does not want us to issue a guarantee because they do not want seniors to know that their benefits are safe, because in the upcoming election, Mr. Speaker, they want to run these ads that tell the seniors that someone is going to take their Social Security from them.

I can guarantee today's seniors that as long as President Bush is in the White House and the Republicans are leading the Congress, that no American will ever receive less from Social Security than is promised by the current system.

Mr. Speaker, I yield to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for doing this Special Order.

If we can convey one message, it is that Social Security has real problems. I think the temptation in a political election year is for anyone that comes up with suggestions on how to solve Social Security, how to keep it solvent, to criticize them, to maybe win some points from seniors by scaring seniors that their retirement benefits might be in jeopardy with any change.

Mr. Speaker, I have a couple of charts. This chart represents the complications of the increased cost of Med-

icaid, Medicare, and Social Security. So as we see, the percentage of the total gross economy of the country, which is now around 7 percent, is going to go to about 15 percent in terms of the cost of these particular programs. Trillions of dollars does not have a great deal of meaning for most Americans, and probably not for most Members of Congress; but the unfunded liability of Social Security right now in today's dollars is \$9 trillion. That means we would have to take \$9 trillion, put it in a bank account with a return of approximately 4 percent to accommodate the money that we are going to need over and above the FICA tax, the money coming in, the Social Security tax, to pay Social Security taxes in the future. That is if we do nothing.

So if there is one message that the gentleman has been so successful in conveying, and many of us have tried to pitch in, it is the fact that the cost of doing nothing is so much greater than trying to reform the program and get a better return on some of those dollars. This just represents the portion of Social Security as it consumes the current budget. So it is one of the biggest expenditures; 21 percent of everything that government spends is now spent on Social Security.

Here is the danger. The danger is not doing anything, and we will wait until the last minute and then increase taxes and reduce benefits. That is what this country has done several times since 1934, because this Congress, in very emotional, vulnerable areas such as Social Security, waits until the last minute. They wait until it is almost a catastrophe, running out of money, and then they do something. Here is the something that they have been doing is raising taxes.

□ 1630

On this chart you see in 1940 the rate was 2 percent on the first \$3,000; and the maximum tax was, of course, \$60 a year. By 1960 they raised the rate again to 6 percent on the first \$4,800. In 1980 they raised it to 10.16 percent on the first \$25,900; and in 2000 it is 12.4 percent. In 2000 it was on a base rate of 76,200. Today it is 86,000. So it is 12.4 percent of the 86,000. So as the number of workers has declined in relation or in the ratio to the number of seniors, then you charge those existing workers more and more.

So we have got that kind of demography facing this country. In 1940 there were about 40 workers for every one retiree. Today there are three workers for every one retiree. And they expect in the next 25 to 30 years it will be two workers for every one retiree. The tremendous burden on those two workers. And what we are suggesting now, nobody is suggesting privatization, privatization is a word that the demagogues use to try to scare people.

Every plan that I have seen by every Republican, including some of those that are joined in by Democrats, have

a Social Security program that gives the protection of benefits to current and future retirees. The challenge is can we get a little better return than no return at all on the money. Right now, with a little extra surplus coming from the Social Security tax, it is put into government bonds; and when interest accrues, another IOU is written but there is no real money. So in 2016 when the revenues coming in from Social Security tax are less than what is sent out to pay benefits, look, everybody needs to know there is no account with your individual name on it as an American worker that gives you any entitlement to Social Security benefits; and that should be obvious over the past years when we have simply increased taxes and reduced benefits.

If we can get some of that in individual workers' names and limit it to certain kinds of indexed accounts, that is what the gentleman from South Carolina (Mr. DEMINT) does in his bill, that is what I do in my bill, then you own it. If you die before you are 65, then it goes into your estate because it is your money. Right now if you die before you are 65, you get \$225-or-something death benefits.

Can we get a better return on the money? And how dangerous is it to keep putting this bill off? I chaired the bipartisan Social Security Task Force last session, and I introduced four Social Security bills since I came here in 1993 that were to keep Social Security solvent. Every term, every session over the last 9 years that I have introduced a bill, it had to be a little more drastic. And if we continue putting this off, then it is going to be that much more drastic later on.

It is going to cost a lot of money to pay benefits. We are going to pay benefits. The question is can we save almost 20 percent of the cost by changing the programs now and getting some real return on that investment.

Mr. DEMINT. Mr. Speaker, I thank the gentleman for taking the time to understand the problems with the Social Security system and to tell the truth about it. But even more importantly, for taking the time to develop a plan to make Social Security better in the future. That is what has been missing in this debate, truth about the current program and a plan to make Social Security better in the future and to guarantee the benefits. That is what we need to bring to this honest debate that has been requested by the gentleman from Missouri (Mr. GEPHARDT) is a plan in truth.

Again, I want to thank the gentleman. I want to thank the Speaker. I want to thank everyone here for recognizing the importance of the Social Security program, but to also recognize that it is Republicans that have a plan to guarantee the future of Social Security. Our head is not in the sand as the other side's is. We are not denying that there is a problem.

We are recognizing the problem, but we are developing plans to guarantee

that no American will ever receive less from Social Security than is promised by the current program. And we want to put that in writing, and we want it put it down in a plan that will last.

Mr. SMITH of Michigan. Mr. Speaker, will the gentleman yield?

Mr. DEMINT. I will yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Just to emphasize the point, we talk about the magic of compound interest. I paid my grandson to come in and paint the fence. And I said, Look, will you put this \$36 in a Roth IRA? He said, Geez, Grandpa, I want to put this in an account and buy a car with it when I am old enough. So I explained to him, Look, if you put this \$36 in an IRA it doubles almost every 8 years. So I figured it out and projected it out so at age 65 he had \$70,000 that that money would be worth because of the magic of compound interest; and if he waited another 7 years to age 72, then it would be worth \$140,000. He said, Gosh, Grandpa, that is good; but could I just put most of it towards the car and a little bit towards the Roth IRA?

So the magic of compound interest is what can make today's workers that are modest or median income retire as rich people. That is what we are trying to do is having something more than just Social Security but promise the Social Security, but then have the opportunity with the magic of compound interest to have retirees gain even more in their retirement years.

Mr. DEMINT. Mr. Speaker, I thank the gentleman, although I do think he should have paid his grandson more than \$36. But he makes an excellent point. If Americans knew that even the poorest worker, if we start now for those in their 20's and 30's, they will all have several hundred thousand dollars that is theirs that can be turned into a monthly income for their own retirement security, but even more importantly, to have some additional income for their retirement, to pay off a house, to help children or grandchildren. We need to help the poor of America develop wealth that they can pass on to the next generation and Social Security is that only opportunity.

We have plans to help them save more and at the same time guarantee that their retirement income will always be as much or more than the current Social Security system.

This has been a great start to the discussion. You will hear more from the Republicans because it is the Republicans that have the plans, and it is the Republicans that will tell you the truth.

SOCIAL SECURITY, WOMEN'S HISTORY MONTH, AND PREVENTING RECIDIVISM

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

Mr. DAVIS of Illinois. Mr. Speaker, I must confess that I have been intrigued with some of the discussion that has taken place relative to Social Security and what we need to do with it. And I count myself as one of those who believe that our Social Security system, which was actually developed and generated by Democrats, a Democratic President, of course, undergirded much of it; and, of course, Democrats want to preserve and protect it.

I am one of those who believe that at all costs we must, in fact, protect and preserve our Social Security system as we have known it. But that is not what I really came to talk about this evening. As a matter of fact, I have two things that I am going to discuss.

WOMEN'S HISTORY MONTH

Mr. DAVIS of Illinois. Last month we praised our forefathers as we observed President's Day, and this month is Women's History Month. And as it gets underway, I want to recognize some of the outstanding women; women who dared to be first; women who strove for equality and social justice; women who not only broke ceilings but shattered spheres in pursuit of rights that should have been inalienable at the time, and whose contributions continue to pave the way and continue to inspire others.

Of course, Mr. Speaker, as you know I am from Chicago, a city that is rich in women pioneers and trailblazers in both the past and the present. One such woman that I would like to mention is Ida B. Wells, who founded the first black female suffrage club in Illinois as well as the first kindergarten in a black neighborhood.

Ida B. Wells was born in 1862, was a slave for the first 6 months of her life, and spent the remainder of her life fighting for civil and economic rights for African Americans and for others. Declaring that one had better die fighting against injustice than die like a dog or rat in a trap, Wells crusaded against lynching and segregation until her death in 1931.

Another outstanding Chicagoan and another outstanding pioneer in the suffrage movement was labor activist Sylvia Woods, who was a pioneer in civil rights, a woman that I got an opportunity to actually know. During World War II she held the union organization drive at Bendix Aviation. She spent much of the 1940's organizing the United Auto Workers Local 330 and formulating the UAB resolution against sex discrimination. Following the war, she assisted women who were laid off in Chicago and co-founded the National Alliance Against Racism.

However, at present there are future history makers who are also making a tremendous impact on the lives of citizens in Chicago and throughout the Nation. Exemplary individuals from today include Reverend Addie Wyatt, Reverend Willie Taplin Barrow, Dr. Johnnie Coleman, and Ms. Mamie Bone, as well as a number of others.

Reverend Addie Wyatt has the distinction of having had active involve-

ment with the three major movements of the 20th century: labor, civil rights, and women's rights. Her leadership roles in labor were the international vice president of the United Food and Commercial Workers International Union, and she broke ground as the first female local union president of the United Packing House Food and Allied Workers and as international vice president of the Amalgamated Meat Cutters and Butcher Workmen of North America.

One of the most eloquent spokespersons I have ever heard, Addie Wyatt also played a founding role in Operation Breadbasket and Operation PUSH, as well as her work with Dr. Martin Luther King, Jr., illustrates her commitment to civil rights.

Her involvement in the women's movement has also generated a number of worthy achievements. Reverend Wyatt is a founding member of the National Organization of Women and in the early days was appointed by Eleanor Roosevelt to serve on the Labor Legislation Committee of the Commission on the Status of Women. During her distinguished career, she advised Presidents Kennedy, Johnson and Carter and other important leaders on these causes.

She and her husband, Reverend Claude Wyatt, currently serve as pastors emeritus of the Vernon Park Church of God in Chicago, which they helped to develop and which stands as a monument to their tremendous religious and spiritual leadership.

Reverend Dr. Willie Taplin Barrow is the co-chair of Rainbow/PUSH Coalition. She is well known for breaking barriers in a male-dominated profession. She is an ordained minister and on the Governor's Committee on the Status of Women in Illinois. She is a member of the Democratic National Committee, is a dynamic preacher and inspirational speaker, and travels all over the world motivating, stimulating, activating people to realize their own potential for not only self-sufficiency, but the potential that they have to help shape and mold the society of which they are a part.

Almost any Saturday morning you can encounter Reverend Barrow at Operation PUSH where she co-leads that organization along with its founders, the Reverend Jessie Jackson.

Another fine citizen of Chicago is Reverend Dr. Johnnie Coleman, sometimes referred to as the first lady of the religious community. She is the founding minister of Christ Universal Church where 4,000 people go to hear her words of wisdom and healing every Sunday.

□ 1645

To her credit, Reverend Coleman has several organizations in Chicago; the Universal Foundation for Better Living, Incorporated, the Johnnie Coleman Institute, and the Johnnie Coleman Academy, as well as a book of teachings entitled "Open Your Mind and Be Healed."