

the trust fund by 2003, 15 years earlier than currently projected.

Moreover, under President Bush's plan, seniors will be forced to rely on private accounts that rise and fall with the stock market, thereby leaving their retirement security vulnerable to fluctuations in the market.

This program is too important to gamble with a volatile stock market, and Social Security must continue to be a vital safety net in the future. We must do everything possible to ensure it survives to provide benefits for all Americans.

SOCIAL SECURITY

The SPEAKER pro tempore (Mr. BALLENGER). Pursuant to the order of the House of January 23, 2002, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, to my great disappointment, President Bush, with the assistance of the gentleman from Texas (Mr. ARMEY) and other Republicans, are promoting Social Security privatization. This includes replacing all or part of the current Social Security program with a system of individual retirement accounts which diverts funds from Social Security, and thus transfers investment risks from a pool of all workers to the individual.

All of the evidence shows that plans that allow people to divert part of their payroll taxes into private accounts makes Social Security's financing problems worse, not better. If some of the funds coming into Social Security over the next 75 years are diverted away from the program and into private accounts, then even more funds will be needed to pay for future Social Security benefits.

For example, if 2 percentage points of the current 12.4 percent payroll tax were diverted into private accounts, then the Social Security trust funds would be exhausted in 2024, 14 years earlier than is now expected. In short, if funds are diverted away from the Social Security program as it currently exists, the changes that are already needed to return Social Security to fiscal soundness will have to be more severe.

Mr. Speaker, Congress really should strengthen and protect a guaranteed benefit for seniors, for survivors, and for those with disabilities. Today, individual benefits are dependable and determined by law, not the whims of the stock market. This guarantee must not be changed, and Social Security must not, under any circumstances, be privatized.

Mr. Speaker, I would like to highlight that the Republican budget uses Social Security to pay for large corporate tax breaks. For example, there are 136,559 American workers earning \$30,000 a year who are paying 6.2 percent in FICA taxes. This money goes into the Social Security trust fund, from which the Republicans have now

diverted, in the budget, \$254 million in tax breaks to Enron; and that is Enron, I am talking about.

Now, we know that Enron is bankrupt. Does that mean that the corporate tax break goes back to the trust fund where it belongs? No, not at all. It will go to other corporations instead. By using the Social Security trust fund to finance corporate tax breaks, Republicans are breaking the promise that the government makes to working families.

Mr. Speaker, Social Security will continue to run an annual surplus this year and for the next 14 years. The program is solvent until 2037, at which point the trust fund will be exhausted and incoming revenues will meet only about three-quarters of benefit obligations.

But privatization is sure to harm only the solvency of Social Security, which will mean that the current and future beneficiaries would face benefit cuts, survivors and the disabled would lose their secure pensions, and the retirement age would have to increase. Overall, the Social Security system that our seniors have depended on for over 65 years would quickly erode away.

Mr. Speaker, I do not think that the American people realize what the effect of this Republican privatization proposal means. It means that it is going to be more difficult for Social Security to remain solvent over a longer period of time, and with these kinds of benefit cuts and increases in the age for eligibility, all these things will result from this Republican privatization proposal that they have put out there.

It is amazing to me that they continue to talk about it, they want to bring it up in committee, and they want to bring it to the floor. I think ultimately their goal, obviously, will be to destroy Social Security. I want to stress, as a Democrat, that Democrats are not going to stand for throwing away Social Security. The American people should not stand for it.

Democrats are going to be talking about this crazy privatization proposal by the Republicans for many days because we do not want it to happen, and we feel it is very important that we shed light on what is really going on here and what the Republicans have in mind with privatizing Social Security.

SOCIAL SECURITY

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentlewoman from Illinois (Ms. SCHAKOWSKY) is recognized during morning hour debates for 5 minutes.

Ms. SCHAKOWSKY. Mr. Speaker, we could have no higher goal than to protect and improve the financial security of retirees, survivors, dependents, and disabled workers.

For 67 years, Social Security has been the bedrock of that security.

Nearly 46 million people living in one out of every four households in this country today receive monthly benefits from Social Security. Social Security provides critical insurance protections against the future loss of income due to retirement, death, or disability for 96 percent of all workers, their spouses, and their children. Social Security provides over half of the total income for the average elderly household.

For one-third of women over age 65, Social Security represents 90 percent of their total income. Without this program, half of older women in this country would be living in poverty.

It is our responsibility to ensure that the Social Security program guarantee is here today, tomorrow, and for generations to come. It is our job, as elected officials, to enact the policies needed to maintain that guarantee and to reject policies that undermine Social Security; it is not our job to spend taxpayer dollars to send out worthless paper certificates designed to provide a false sense of security to American seniors and their families. We should not be engaged in a public relations campaign, but rather in a serious policy discussion that lets us debate how best to continue the Social Security commitment, to guarantee lifelong and inflation-proof benefits.

I understand why the Republican leadership may want to delay that debate until after the next election. I can understand why they want to distance themselves from recent history.

First, there is the budget record. Despite all the rhetoric about putting Social Security revenues in a lockbox, the lock to that box has been picked by Republican budgets. It is true that the lockbox resolution passed in the House provided certain exceptions, such as war or recession, but it is not true that one of those exceptions was providing tax breaks to the wealthy. The Congressional Budget Office has indicated that the single largest factor in the disappearing budget surplus is last year's tax cut.

As Members know, the Congressional Budget Office has estimated that even without new taxes or spending, we will take \$900 billion from the Social Security trust fund over the next 9 years. Now President Bush is proposing new tax cuts of \$675 billion over 10 years and \$343 billion to make last year's tax cuts permanent, most of which go to the wealthiest, money that will come out of Social Security and Medicare.

The Bush budget proposes to take \$553 billion of the Medicare surplus and \$1.5 trillion of the Social Security surplus over the next decade, and I doubt that any certificate will assure senior citizens that Social Security solvency is a priority, given those figures.

Second, there are those unfortunate statements by Treasury Secretary O'Neill.

Last May, in an interview with the Financial Times, Secretary O'Neill stated that "Able-bodied adults should save enough on a regular basis so they

can provide for their own retirement and, for that matter, health and medical needs." In July, Secretary O'Neill stated that "The Social Security trust fund does not consist of real economic assets."

Again, it is hard to argue that those are ringing endorsements of Social Security. If the Treasury Secretary believes that the assets in the trust fund are just worthless paper, why should Social Security beneficiaries have any faith in a certificate or in an administration to protect their best interests?

Most important, there is the President's Commission on Social Security. All of those appointed to the Commission last May were supporters of privatization, which may explain why none of those appointed to the Commission last May represented recognized senior, disability, women's, or minority organizations.

The three plans put forth by the Commission last December all include variations on the privatization theme. All the plans would jeopardize the Social Security guarantee in one way or another. Privatization would drain between \$1 trillion and \$1.5 trillion from the Social Security trust fund over the next decade alone. Privatization would shorten the life of the trust fund. One plan would increase the long-term Social Security deficit by 25 percent. Another tries to deal with the deficit by transferring \$6 trillion from the U.S. Treasury between 2021 and 2054 to make up the deficit.

Taking general revenues might help Social Security, but it would also eliminate resources necessary for Medicare, Medicaid, the Older Americans Act, job training, education, and other essential programs.

Privatization would jeopardize benefits to current and future beneficiaries. One of the Commission's proposals would cut benefits for future retirees by calculating initial benefits on the basis of growth in CPI rather than wages, which would greatly reduce the standard of living. Privatization would force workers to work longer in order to maintain benefits.

What we should be doing is rejecting privatization of Social Security. We should be working to strengthen it, and we should be strengthening Social Security, not privatizing it.

THE PRESIDENT'S NEW NUCLEAR POSTURE PAPER: HOW MANY THINGS CAN WE FIND WRONG WITH THIS PICTURE?

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Massachusetts (Mr. FRANK) is recognized during morning hour debates for 5 minutes.

Mr. FRANK. Mr. Speaker, this new nuclear posture paper that the Bush administration has presented itself, from the Pentagon to the President, looks like an entry in a contest as to how many things can we find wrong with this picture.

To begin, most shockingly, it proposes to reduce the barrier that has long existed against the use of nuclear weapons. It proposes that we consider using nuclear weapons against non-nuclear nations. It proposes using nuclear weapons in a variety of ways previously uncontemplated, or at least not advocated in our policy.

There are several things, of course, wrong with that. In the first place, any American policy of trying to discourage other countries to develop nuclear weapons could not be more seriously undermined by anything we do.

□ 1300

The town drunk is not going to be very credible preaching temperance, and having America threaten a more promiscuous use of nuclear weapons makes no sense whatsoever. If, in fact, the policy were to be carried out, it would, of course, add greatly to the billions that would be spent in development of these newer weapons to be used in new situations, further straining our ability to meet important domestic needs. It could very well mean a violation of the proposal of the nuclear test ban treaty and of our, up until now, policy of not testing.

Reducing the psychological, physical, strategic barrier to the use of nuclear weapons is a very, very poor policy; but there is a silver lining. As with the proposal to have the Pentagon lie to us and others, as with the proposal to use military tribunals in place of the American domestic courts, as the Attorney General once suggested, we are now being told, well, never mind.

The Pentagon has developed a very interesting approach and the Bush administration with it. This is the third time we have seen very, very extreme proposals which when they encounter resistance we are told we should not have paid a great deal of attention to.

I am unpersuaded that the proposals were not meant in the first place. I am pleased in the face of the very wide and very thoughtful criticism that these proposals have brought forth the administration backs down; but we cannot be sure that they have totally disappeared and of all of the proposals this suggestion, more than a suggestion, this policy review urging more use of nuclear weapons in more situations against more countries is really quite frightening.

The President has justly commanded virtually unanimous support in the United States in his defense of America against terrorism. It cannot be in our interests for him to raise serious questions about his judgment in other strategic areas.

It is important that this policy not simply be characterized as a mere option but, in fact, repudiated thoroughly. There cannot be continuing suggestion, even more than a suggestion, that the United States contemplates this sort of use of nuclear weapons. Its impact on our alliances will be corrosive. It will have a nega-

tive, rather than a positive, effect on our ability to persuade even those countries to which we are opposed to respond in sensible ways.

The President's effort to work out some kind of role with Russia is undermined by this and particularly by the suggestion when he says he is going to take some nuclear weapons down, he simply means putting them in another place. This clearly undermines our efforts to reach agreement with China, with Russia and with a whole range of other countries; and it is a very embarrassing episode for the United States. I am pleased that the administration now appears to be backtracking, but it is important that we make sure that this one does not rise again.

Mr. Speaker, I would like to insert into the RECORD at this point some very good discussions of the absolute fallacy of this proposal, today's editorial from the New York Times, "America as Nuclear Rogue"; today's editorial from the Boston Globe, "A Twisted Posture"; and a very good article in today's Boston Globe by the writer Thomas Oliphant entitled, "Bush's Stealth Policy on Nuclear Arms."

I hope, Mr. Speaker, that this is the last time the Pentagon is going to play this game of putting forward something that is so demoralizing that it has to be withdrawn. We would be much better if these kinds of grave errors were not made in the first place.

[From the Boston Globe, Mar. 12, 2002]

BUSH'S STEALTH POLICY ON N-ARMS

(By Thomas Oliphant)

WASHINGTON.—It is not simply the fresh list of countries that the United States is willing to consider nuking someday.

What is truly significant—as well as stupid, scary, and outrageous—is the almost casual breaking of long-standing policy taboos about the unthinkable and the implications of this cavalier attitude for relations with the rest of the world and for future arms races.

The Russians and Chinese already know the United States is unilaterally departing from the 1972 treaty effectively banning missile defense systems. Now the world has reason to doubt the American commitment to the 1974 treaty to guard against nuclear proliferation as well as the honesty and good will of Bush administration "pledges" to cut back our post-Cold War nuclear arsenal and to maintain a moratorium on testing.

The cover story the administration sought to peddle on last weekend's TV talk shows—via Secretary of State Colin Powell and National Security Adviser Condoleezza Rice—is that contingency plans to target Syria, Libya, Iran, Iraq, North Korea, Russia, and China are more theoretical exercises than serious policy work and that no special notice need be taken.

The cover story is belied by actual intentions as revealed to Congress in a freshly completed Nuclear Posture Review and in the very faint, fine print of the recently unveiled Bush budget. Over the weekend the headline-making list of countries leaked from Capitol Hill, but as part of a leak of the underlying policy document that began four weeks ago.

On Feb. 13, the Natural Resources Defense Council—well-known for its thorough, documented research—put out the first detailed