

There are lots and lots and lots of issues that face us high in the Rocky Mountains that are unique to the mountains or unique to the West, not found very often in the East, in fact, in some States not found at all.

So I look forward next week to discussing these issues with my colleagues.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2146, TWO STRIKES AND YOU'RE OUT CHILD PROTECTION ACT

Mr. DIAZ-BALART (during special order of Mr. MCINNIS) from the Committee on Rules, submitted a privileged report (Rept. No. 107-374) on the resolution (H. Res. 366) providing for consideration of the bill (H.R. 2146) to amend title 18 of the United States Code to provide life imprisonment for repeat offenders who commit sex offenses against children, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2341, CLASS ACTION FAIRNESS ACT OF 2002

Mr. DIAZ-BALART (during special order of Mr. MCINNIS) from the Committee on Rules submitted a privileged report (Rept. No. 107-375) on the resolution (H. Res. 367) providing for consideration of the bill (H.R. 2341) to amend the procedures that apply to consideration of interstate class actions to assure fairer outcomes for class members and defendants, to outlaw certain practices that provide inadequate settlements for class members, to assure that attorneys do not receive a disproportionate amount of settlements at the expense of class members, to provide for clearer and simpler information in class action settlement notices, to assure prompt consideration of interstate class actions, to amend title 28, United States Code, to allow the application of the principles of Federal diversity jurisdiction to interstate class actions, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SOCIAL SECURITY TRUST FUND

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

Mr. PALLONE. Mr. Speaker, let me say in the beginning that myself and other Democrats over the last week, and certainly over the next few weeks, will take to the floor repeatedly to bring up the issue of the Social Security trust fund, and our concern that the President and the Republican leadership in the House are very deter-

mined to push for changes in Social Security that would lead to privatization, and at the same time, the budget that the Republican leadership will bring up to the floor, I understand it will be coming up as early as next week, unfortunately goes into deficit and effectively spends the Social Security trust fund, once again, we have not had this for a couple of years, in order to pay for current expenses.

The Republican proposal to privatize Social Security, as well as the proposal to spend the Social Security trust fund for basically ongoing government operations unrelated to a retirement benefit, both of these proposals by the Republican leadership in the House and by the President, will undermine Social Security and make it more difficult for Social Security to remain solvent, and basically shorten the time before we face a crisis in Social Security when benefits will be cut or will no longer be available.

That is the concern that I and other Democrats have, and we will be speaking out against it because we believe very strongly that none of these things should happen, that we should not privatize Social Security and that we should not be spending the Social Security trust fund to pay for ongoing expenses.

Let me start, Mr. Speaker, by pointing out that Social Security is probably the most successful social program the Federal Government has ever implemented. It provides an unparalleled safety net for the vast majority of America's seniors. For two-thirds of the elderly, Social Security is their major source of income. For one-third of the elderly, Social Security is virtually their only source of income. And for these reasons, and a great many others, we must do everything in our power to protect and strengthen the existing Social Security program for the short and the long term.

Mr. Speaker, I gathered some information that gives us some idea about the importance of the Social Security program and also how successful it is, how unique it is, and I wanted to go through a little of that, if I could, in a little detail, not a great deal of detail.

Why is Social Security important? As I said, it is the single largest source of retirement income in the United States. For six in ten seniors, Social Security provides half or more of their total income. Among elderly widows, Social Security provides nearly three-quarters of their income, on average. And four in ten widows rely on Social Security to provide 90 percent or more of their income.

But it is not just a retirement income program. About 30 percent of Social Security beneficiaries receive disability or survivor benefits. We tend to forget that. We tend to think it is only a program for seniors. For a 27-year-old worker with a spouse and two children, Social Security provides the equivalent of a \$403,000 life insurance policy or a \$353,000 disability insurance policy. The

vast majority of workers would be unable to obtain similar coverage through the private market.

Social Security is also family insurance. It provides benefits for elderly widows and young parents who have lost a spouse. It provides a dependable monthly income to children who have lost a parent to death or disability. It even pays benefits to those who become severely disabled as children and remain dependent, as adults, on a parent who receives Social Security.

Now, a lot of people, and I find this to be often true about some of my Republican colleagues, they will say, Well, Social Security is just another government program, it is a waste of money, it is not administered well. We hear these kinds of criticisms. The reality is very different. There is no government program that is more successful than Social Security.

□ 2000

It is the single most effective anti-poverty program. Its benefits lift over 11 million seniors out of poverty. Thanks to Social Security, the poverty rate of elderly persons is only 8 percent. Without it, nearly half of retirees would live in poverty. That was the case before we set it up. More than half of the people over 65 lived in poverty before Social Security came on board.

Over the course of its 67-year history, Congress has prudently managed the Social Security program. Each year the Social Security board of trustees issues a report showing short-range and long-range 75-year projections of the income and costs of the system. Congress uses these projections to balance the promise to pay future benefits against workers' desire and ability to pay for them, and it has adjusted the program periodically in light of changing economic and demographic conditions. So we have had to change it, but we have always changed it in a positive way.

Finally, I would stress that Social Security is administered very efficiently. Only one penny of every dollar Social Security spends is for administration. The rest goes directly to beneficiaries in their monthly checks.

Let me say just a few more things about the uniqueness of Social Security. It is nearly universal. Over 95 percent of all workers are covered by it. In contrast, less than 50 percent of workers have employer pension coverage on their jobs. It is also totally portable. It goes with a worker from job to job. Traditionally, private sector pension plans lose value if a worker changes a job. It is also, and this is very important, a defined benefit. That is, its benefits are determined according to the level of a worker's earnings and years of work.

So this type of pension system provides income continuity in retirement by replacing a fixed percentage of a worker's preretirement earnings. Benefits are paid as long as the worker and his or her spouse lives and the monthly

benefit amount is predictable and steady. This is very different in contrast to a defined contribution system like a 401(k) or an individual savings account which can pay out only what is in the account. If a worker did not contribute in certain years or has poor investment results or just the misfortune of retiring in a down market, he must get along on less. If the account is exhausted before a worker reaches the end of his life, she or he will have nothing left to live on.

The idea of Social Security is that it is an insurance policy. It pays benefits whenever an insured-against event happens. It protects against the risk of having low income in old age, and it spreads risk broadly throughout society to lower the cost of these protections and to make them affordable for all.

I just mention this because sometimes I think that some of my Republican colleagues think that Social Security does not work. It does work. The scary thing is that to my great disappointment, we now have both the President when he established his Social Security commission and now the gentleman from Texas (Mr. ARMEY), the majority leader, and other Republicans are promoting Social Security privatization. What do they mean when they talk about privatization? It sounds like a nice idea, privatization. Basically, they are talking about replacing all or part of the current Social Security program with a system of individual retirement accounts.

I just want to read to my colleagues, if I could, this is the New York Times, February 16, about a month ago, a little less than a month ago, the gentleman from Texas called for a new push on Social Security, and a big part of that was the idea of privatization. His proposal allows workers to invest part of their Social Security money in the stock market, a change that I believe would mean deep cuts in guaranteed benefits and create big financial risks for retirees. This is what he is proposing. This is what he keeps pushing.

If I could just give a couple of concerns about the privatization, then I would yield to the gentleman from Arkansas. I am pleased to see that he has joined me. If you think about diverting the funds from Social Security into individually owned accounts, what you are doing is transferring investment risks from a pool of workers to the individual. This is not risk free. If you start having this private account where you have control over how you invest it, there is a certain amount of risk involved for the individual.

All of the evidence shows that plans that allow people to divert part of their payroll taxes into private accounts not only runs a risk for the worker but it aggravates Social Security's financing problems. 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 it

is obvious that there are going to be less funds available to pay out future benefits for the people that are depending on Social Security. 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 now expected. In short, if funds are diverted away from Social Security programs as they currently exist, the changes that are already needed to return Social Security to fiscal soundness will have to be more severe.

What I am saying is that not only by diverting some of the Social Security money to private accounts there is more of a risk for that individual who is doing that, but since there is less money in the Social Security trust fund, the problem that we expect in about 30 years or so when there may not be as much money in Social Security and it may not be able to pay out the benefits is only going to be aggravated. That time will be much earlier because those funds are going to be diverted.

I have a lot of other things I want to talk about, but I see that my colleague from Arkansas is here. I yield to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. I thank the gentleman from New Jersey (Mr. PALLONE). It is good to join him this evening as we talk about the future and the security of Social Security, something that so many of our seniors rely on as their only source of income as they grow old and try their best to make ends meet. I think we have got a train wreck waiting to happen. To set the stage for what I am about to say, I want to start by mentioning this about the debt, because they are related. A lot of the politicians in Washington these days seem to not want to talk about the debt. The debt in this country is \$5.7 trillion. If President Bush's fiscal year 2003 budget is passed, it will grow by some \$100 billion. What does that mean for all of us in our daily lives? Some people in this country think we spend too much money on food stamps. That is \$2 billion a month. Some people in this country think we spend too much money on foreign aid. That is \$1 billion a month. Mr. Speaker, we spend \$1 billion every single day in America just paying interest, not principal, just interest on the national debt.

What is \$1 billion? If I put that in a calculator, I get that little E at the end. What helped me bring it home, I was recently touring a brand new, state-of-the-art elementary school in Monticello, Arkansas. As I walked through that building, I learned that it cost \$5 million. And it hit me. We could build 200 brand new, state-of-the-art elementary schools every single day in America just with the interest we are paying on the national debt. Just with the interest we are paying in a few days we could create a program that would truly modernize Medicare to include medicine for our seniors. I have

got two, actually three interstates pending in my congressional district. Give me a couple of weeks of that and I could build one of them. Give me a day and a half and I could build the other two. That is having an enormous drain on our finances.

I bring that up to set the stage for what I am about to say, because my grandparents left this country much better than they found it for my parents and their generation. My parents have left this country much better than they found it for my generation. I think we have a duty and an obligation as citizens and certainly as Members of the United States House of Representatives to ensure that we leave this country much better than we found it for people like my two children who are back at home tonight with my wife in Prescott, Arkansas.

The reason I point that out is because not only is that something that our children are going to inherit if we do not address it and address it soon, but they are also going to inherit a Social Security system that is bankrupt. When Social Security was created, we had one person drawing benefits for every 30 or so paying in. Sometime between 2011 and 2016, depending on whose numbers you want to believe, we are going to have more people earning Social Security benefits than paying into the Social Security system. And everyone agrees that by 2038, Social Security as we know it today will no longer be there. Social Security will be broke by the year 2038. That may seem like a lifetime away, but if each of you will stop for a minute and think back to 1964, I bet every one of you in this room can remember something you did that year. 1964 to 2002, 2002 to 2038, it is the same time frame in terms of the length of time that will go by. 2038 will be here before we know it.

And when I say Social Security is broke in 2038, that is assuming that the \$1.2 trillion that we have borrowed from the Social Security trust fund, the government has borrowed \$1.2 trillion from the Social Security trust fund and it will be broke in 2038 even if the government figures out a way to pay that money back by then. It is still broke in 2038. I know some folks will say, That's how you have to invest Social Security trust fund money, is in the government.

I do not argue with that, but I do argue and make this point: I have got a loan at a bank and I think most of you in this room probably owe money. When you go to the bank and sign a loan, normally they want to know how you are going to pay it back. Yet we continue to borrow money, to write IOUs to the Social Security trust fund with no provision, no plans, no idea on how that money is ever going to be paid back. I think that is wrong, and that is why the first bill I filed as a Member of Congress was a bill to tell the politicians in Washington to keep their hands off the Social Security trust fund and to keep their hands off the Medicare trust fund.

I believe privatizing Social Security even complicates and makes this train wreck waiting to happen much worse. The idea that you can choose even a small percentage of your Social Security moneys to play with in the stock market simply does not work. Let me tell you why. We would all like to believe, and believe me there are a lot of people in government that want you to believe, that there is a Social Security account set up with your name on it and all the money that you have had withheld and all the moneys that the employer matches are sitting there in a fund with your name on it. But that is not how Social Security works. Our parents have worked and paid into the system, and the money that they have paid in has gone to take care of their parents and grandparents.

Now my generation is working and the money that we are paying in to the Social Security trust fund goes to take care of my parents and grandparents. That is why education is so critical to our children's future. We are trying to ensure that our children can get a good, sound education so they too one day can grow up and have a good job and pay into the Social Security trust fund to take care of us when we grow old. And the cycle will continue.

If you take even a percentage of that and let those who are paying into the Social Security trust fund play with that money in the stock market, it causes a real problem, because that is not how Social Security works. So that is a major concern.

Another major concern is one, what I call a wake-up call that I hope we all receive from Enron. There is a reason that you can make a lot of money. There is a reason you can lose a lot of money when it comes to stock. It is a risky business.

I believe that our government should provide incentives to encourage small businesses and businesses of all sizes to provide 401(k)s, simple IRAs, and other saving opportunities, because Social Security was never intended to be your only source of income when you retire. I own a small business along with my wife back home in Prescott, Arkansas, a small town in rural south Arkansas. We have 12 employees. For those 12 employees, we do something that a lot of small businesses either cannot do or refuse to do, and that is provide an alternative retirement plan that hopefully someday will go a long way toward subsidizing their Social Security income. It is a simple IRA. It is created, much like a 401(k), for small businesses. We do have a duty and an obligation in Congress to find ways to encourage businesses of all sizes to provide those kinds of saving opportunities for their employees. But it should be above and beyond and separate from Social Security.

This is especially important to me, because my grandmother, I am very fortunate and blessed, she is still living. She is 90, she is blind, she is not in the best of health anymore, but she has

lived from Social Security check to Social Security check.

□ 2015

My grandfather died when I was 1 year old and my grandmother first learned how to drive a car. She then got her GED, and then she went to nursing school and came back to our hometown and was a nurse for 20-some-odd years, a hospital that did not have a retirement plan, a job which required her to save what little she could and then get by from Social Security check to Social Security check when she finally retired.

I understand what that Social Security check means to our seniors. We need to see those checks grow. We need to save Social Security, and for the life of me, I am convinced that any form or fashion of privatizing Social Security, taking Social Security money and putting it in the Enrons of the world, will do nothing but reduce benefits and risk the future of Social Security.

When you look at it, coupled with pensions and personal savings accounts, Social Security benefits form the three-legged retirement stool on which many seniors rely. I do strongly support encouraging workers to save and invest more of their income, but to take money out of Social Security through privatization would undermine the security that Social Security was created to provide, especially for women and minorities, that on average earn less and have less to save. Women, African Americans, Hispanics are more likely to lack pension benefits, and also are the least likely to receive interest, dividends or pension income. As a result, these groups have a large stake in the solvency of the Social Security program.

Women particularly benefit from Social Security. Because of Social Security's progressive benefit formula, lower-wage workers receive higher dollars in Social Security benefits. Women who earned lower wages and/or had fewer years in the work force, perhaps because they were at home raising a family, receive larger monthly benefit amounts. In addition, due to their often unique working patterns and lower average wages, women typically have lower rates of pension coverage and income than do men.

According to the Center on Budget, Policy and Priorities, Social Security replaces 54 percent of the average lifetime earnings for female retirees, compared to only 41 percent of the earnings for male retirees. In addition, privatizing Social Security does not consider disability and survivor benefits, both of which are more often utilized by women and minorities.

We must ensure the solvency of Social Security, but we should not undermine the protections or the guaranteed benefit the program provides to all seniors. Similar to the prescription drug debate, Congress and the President must begin to make tough choices and put our energy into enacting real pro-

tections for the Social Security system and a quality affordable prescription drug benefit.

We need to have an open and an honest debate to find common ground and common sense solutions to really shore up the Social Security system. We should not wait until after the November elections to talk about this issue. We owe it to our seniors and to the working people of America to take on this issue and make sure that Social Security is there for them and their children and, yes, their grandchildren.

The American people deserve to know where we stand. I am proud to go on record as standing against privatization of Social Security and fighting to ensure the future solvency of Social Security for my parents, my grandparents, and yours.

Mr. PALLONE. I want to thank the gentleman from Arkansas, because I think that he really laid out very effectively what the Social Security program is all about and the problem that we face with solvency, which, of course, is still 30 years away, where we begin to not have enough money to pay out benefits. But if we start to do privatization, if we start to spend this trust fund, which, as you know, the budget that the Republicans, I guess, have come up with tonight that we are going to be voting on next week essentially spends a lot of the Social Security trust fund to pay for current expenses.

But if I could, I wanted to just develop a couple of points that the gentleman made about the risk of privatization, the impact on women, the impact particularly on minorities, because these are serious concerns.

One of the things particularly I thought was interesting that the gentleman talked about was the impact on women. I think a lot of people forget about the progressive method that is employed in Social Security. In other words, if you are paying, as the gentleman said earlier, a lot of people think, okay, I have this account where my money is put aside and that is the money that I get paid back.

It does not work that way. The current workers are paying for the people who are now retired, and the fact of the matter is that a lot of the people, particularly low-wage earners that paid less into Social Security, are getting a lot more than they paid into it. That is particularly true about women.

These are some statistics that we had, that women constitute the majority of elderly Social Security beneficiaries. I guess most people realize that about 60 percent of Social Security recipients over the age of 65 and 72 percent above the age of 85 are women. But because women, on average, earn less than men, it means they are counting upon the Social Security progressive benefit structure to ensure they have an adequate income in retirement.

They are also less likely to be covered by an employer-sponsored pension

plan, so they are even more dependent on Social Security, because they do not have a pension. Also women live longer than men, we know that, so they have to make their retirement savings stretch over a longer period of time.

So if you did the kinds of privatization that the Republican leadership and the President are talking about, where you have these individual account balances, and the annual benefits they yield are a direct result of the deposit, the kind of thing the gentleman said people think we have with Social Security, but we do not. Because women earn less and spend less time in the work force, they would have less to deposit; but because they live longer in retirement, they would have to stretch out those payments from their accounts over more years. They would have to live on smaller benefits from smaller accounts, essentially.

It is the very nature of Social Security, that it is not like an individual account and that you are actually getting, even though you may not have paid in as long and may not have paid as much, more as a benefit, because of the progressive nature of it. That particularly impacts women, because they tend to be lower-wage earners and because they live longer.

The other thing with the risk, I am amazed, because I live in New Jersey, and I saw a statistic once that said in New Jersey people tend to invest in the stock market even more so than most other States, probably maybe because we are near Wall Street or whatever. It is probably true for New York as well, but definitely it is true for New Jersey. Until recently, I think, over the last 10, 12 years, people thought, why can I not take my money out and invest it in the stock market? I am going to get all kinds of returns on my investment.

But if you look at the trend over the lifetime of, say, Social Security workers, those who are now retired, those who are over 65, there is no indication by investing in the stock market they would have benefited and would have a lot more money available today than if they were able to take their Social Security over that period of time and invest it in the stock market. I just want to give a few statistics.

Basically, this is the information on the stock market that I thought was interesting. These are just some for the last couple of years.

Between March 2000 and April 2001, basically the index fell by 424 points, or 28 percent. If Social Security had been privatized, a worker who had his or her individual account invested in a fund that mirrored the stock market and who retired in April 2001 would have 28 percent less to live on for the rest of his or her life.

If you look over the last century, there were 15 years in the past century, 1908 to 1912, 1937 to 1939, 1965 through 1966 and 1968 through 1973 in which the real value of the stock market fell by more than 40 percent over the preceding decade. So anybody who tells

you, oh, you know, if I had invested my money in an individual private account rather than Social Security, I would be much better off, you cannot show that. It is just not true.

The other danger, of course, is that not everybody would necessarily invest in a mutual fund; they would pick and choose stocks, and there is a certain risk involved in that. Some people come back to me and say, Congressman PALLONE, Why are you so worried about this, because, you know, everybody should be able to make their own choice? If somebody wants to take their Social Security and invest it in a private account, they lose their shirt in the stock market, that is their problem. You cannot be sort of paternalistic and worry about that person.

My response is that is, very nice, but those people who lose their shirt in the stock market and do not have the retirement benefits, where are they going to go? They are going to come back to Congress and say, wait a minute, I invested my Social Security in the stock market. I lost my shirt. I am out on the street. What are you going to do to help me? The burden then comes back to the government again.

So I just do not buy this idea that we are supposed to say okay, everybody makes their own decisions, and somehow this is the right thing to do ideologically.

The bottom line is that Social Security is like an insurance pool, and everybody pools their resources and everybody benefits; and if you start taking out pieces and let people make their own decisions about their money, then you run the risk that a lot of them are not going to have their money and they are going to come back to the government and look for a bailout later.

I do not know. I know a lot of arguments are used by our Republican colleagues to justify this privatization, but I do not think they are legitimate arguments if you look at the impact and if you seriously look at what might happen if that were to occur.

The other thing, of course, that concerns me right now is that, as the gentleman knows, for the last few years we were basically balancing the budget, and we had a little bit of a surplus; and under the previous administration, under President Clinton, in the last few years of his administration, as the surplus grew, we were actually taking some of that surplus and we were investing it or using it to pay off the debt. The idea was that it would shore up the Social Security fund, and the outyears, the years, as the gentleman says, when Social Security would not have enough money to pay out, were getting further and further away.

But now, with the budget that we are going to get from the Republican leadership and from the President, tonight I think it is already out and it will be voted on the floor next week, by spending the Social Security trust fund for current expenses unrelated to Social

Security, that outyear when we are going to start to run out of money is going to get closer and closer; and privatization only aggravates it all the more if we were to move in that direction.

So these are the kinds of things that obviously we worry about as Democrats. I think it is no surprise that we are seeing a lot of our colleagues come on the Floor and talk about these concerns, because it is a very scary thing for the average senior citizen, the average person receiving Social Security, and I think we have got to make the public understand what is happening with Social Security, what is happening with the trust fund, because I just do not think a lot of people are necessarily aware of it.

I do not know if the gentleman finds that to be true at his town meetings or whatever. I think there is a lot of confusion on the part of the public about what is happening with Social Security, and some of these proposals that are out there in terms of where we are going to go and how we are going to make it solvent. I do not know if the gentleman wants to comment on that at all.

Mr. ROSS. Well, I thank the gentleman. I guess the reason that we have gotten to where we are on this discussion about the idea of privatizing Social Security really started last year when President Bush established a 16-member Commission on Social Security. The commission was given the specific task of spelling out how a Social Security privatization plan should be designed and implemented.

In December, the commission put forward three different options for partially privatizing Social Security. It did not, however, accomplish the goals of identifying the design and implementation of privatization. In fact, the commission acknowledged that such a profound change in the Nation's retirement system, commonly referred to as Social Security, would eventually cost at least \$2 trillion, and that is with a T, at least \$2 trillion, though the commission did not suggest how to pay for it.

So I think it is important that we do have an open and honest debate that fully discloses the risks associated with privatization, and develop a true retirement security plan for the American people. The American people deserve a national dialogue outside of the election year antics that will begin in the next few months.

The time for that dialogue to begin is now. The gentleman from California (Mr. MATSUI), the ranking member of the Committee on Ways and Means Subcommittee on Social Security, I think he said it best when he said, "The Enron collapse has made it abundantly clear that defined benefit plans such as Social Security have a fundamental role to play in retirement savings.

□ 2030

In light of Enron, it is especially critical that we discuss openly the risk,

the cost, and benefit cuts inherent in Social Security privatization."

Mr. Speaker, this is a big issue. What the President proposes with his FY03 budget is, for the first time, I believe since 1997, that we go back to the days of deficit spending. The FY03 budget will put us further in debt by \$100 billion; we are already \$5.7 trillion in debt, so I guess that means we will be \$5.8 trillion in debt, on top of the \$1 billion we pay every single day in America, simply paying interest on the national debt; money that could go for education, that could go for highways, that could go for infrastructure that creates economic opportunities for people from all walks of life; money that could go to truly pass my bill, my bipartisan bill that I have filed with the gentlewoman from Missouri (Mrs. EMERSON), that truly creates a Medicare part D.

Mr. PALLONE. Mr. Speaker, I am a cosponsor of that bill.

Mr. ROSS. That is right, and I thank the gentleman from New Jersey for that.

But that is the kind of thing we could be doing with that \$1 billion a day that we are paying interest on the national debt. Believe me, when the President is right, I will stand and say he is. I give him an A-plus for this war on terrorism. We all want to know life in America once again the way we did prior to September 11, and I give him an A-plus on that. I have voted with him in the past 14 months on many other issues, but this is an issue where I think he is wrong. Not only does he propose in the FY03 budget that we go \$100 billion further into debt, he is asking that we raise the debt limit, not by \$100 billion, but by \$750 billion, with every single dime of that coming from where? The Social Security trust fund, with no provision, no plan on how in the world we pay it back or someday our kids or grandkids are forced to pay it back.

Mr. PALLONE. Mr. Speaker, the gentleman raises a number of things I just want to comment on.

First of all, when the gentleman talked about the debt limit, I thought it was very interesting that today pretty much Treasury Secretary O'Neill said that they are not going to bring up a vote on the debt limit because I think that the Republican leadership and the President do not want to show that they have to raise the debt limit; they are sort of hoping somehow it is going to go away, and they were suggesting that they were going to have to tap into Federal retiree funds, retirement funds, in order to postpone raising the debt limit, which is sort of a unique budget trick. But I guess we could go on doing that for a few months, and this way we sort of get away, maybe until after the election, and we get away with sort of showing that we have gone further into debt and we have to raise the debt limit. I do not know what the implications are for Federal retirees, but I am sure they

are not too happy with the idea that their retirement funds are going to be played around with in this way in an effort to try to mask the fact that this debt limit has to be raised because the budget, the President's budget, raises the amount of debt.

The other thing is the gentleman mentioned the commission, the President's Commission on Social Security; and, to his credit, when he was first elected, he set up this commission with the idea that we were going to have this full-fledged debate on the future of Social Security. But all of a sudden, as the commission met, and I guess there was some criticism of having to deal with that issue of Social Security that might be politically unwise, they came up with a myriad of proposals which, although they favor privatization, are not at all clear where they are going.

I think one of the fears that a lot of the Democrats have is that even though we are hearing about debating Social Security and privatizing Social Security, that maybe what the Republican leadership really wants to do is postpone this whole thing until after the election so that they do not have to deal with it now.

I agree that I think that is unfortunate, because this is not going to go away. The actions that the President and the Republican leadership are taking with the budget, with the deficit, with essentially spending Social Security trust funds, are making the situation with Social Security worse. So they cannot keep postponing the inevitable.

The other thing that came up, which I do not know if we are going to get to it or not, but the gentleman certainly heard about it, all of us have, was that the majority leader, the gentleman from Texas (Mr. ARMEY), proposed this idea of this certificate. We were going to vote on a resolution on the floor, which is a little different than a bill, a resolution that would authorize the printing of these certificates that would go out to everybody over 65 telling them that their Social Security benefits would be guaranteed for the rest of their life. Then we found out that it would cost like \$40 million or \$50 million that would come out of the trust fund as well.

So again, I think that there is a lot of politics being played around here. We do not need these certificates. We need to have some action to actually deal with this issue in an effective way, other than just spending more of the trust fund and talking about privatization.

The gentleman raised some of these issues, and I think that we kind of have to keep bringing it up because of our concern over where all of this is going.

Mr. ROSS. Mr. Speaker, I agree with the gentleman. Let me just tell the gentleman that I am new to Washington. I still believe people can run for public office and get involved for the right reasons and really make a difference in people's lives. After 14

months here, I can tell my colleague that I am sick and tired of all the partisan bickering that goes on in our Nation's Capital. It should not be about what makes the Democrats look good or bad, and it should not be about what makes the Republicans look good or bad. It ought to be about doing right by the people who sent us here to represent them.

I can tell the gentleman that America is at war. We are spending \$1 billion a day simply paying interest on the national debt. We owe the Social Security trust fund \$1.2 trillion; and even if it is paid back, it is broke by 2038. There are a lot of critical issues facing this country and its future. My parents left a better country for me than what they found; and I am committed, I am dedicated, I believe it is a duty and an obligation, to ensure that we are able to leave this country just a little bit better off than we found it for our children and for our grandchildren and for the many, many generations to come.

The gentleman mentioned the guarantee certificate. Let me just tell my colleague that unfortunately my colleagues on the other side of the aisle have proposed mailing a bogus Social Security "guarantee" certificate. It is kind of like the President's idea of this so-called discount prescription drug card as a Bandaid approach, at best, to providing our seniors with the Medicare coverage they need when it comes to medicine. When we created Medicare, we did not say, here is a discount card, go to your doctor and cut the best deal you can, or here is a discount card, go to the hospital and cut the best deal you can. We truly provided a form of health care. Today's Medicare was designed for yesterday's medical care, and that is why I feel so strongly about the need to quit talking about modernizing Medicare to include medicine for our seniors and get on with getting it done.

Mr. Speaker, when we take a look at this Social Security guarantee certificate that the Republicans are proposing, it is not worth the paper it is printed on. Recently, the new Social Security Administration's Commissioner, JoAnn Barnhart, questioned the merits of such a guarantee certificate. In a memo to his Republican colleagues, Majority Leader ARMEY said that he is pushing the guarantee certificate as political cover for Republicans as we enter an election year.

Mr. Speaker, saving Social Security should not be about politics. It is much greater than any of us that serve up here. Saving Social Security for our seniors and for many generations to come is much more important than any of us standing for reelection. The American people, our seniors, they do not want a gimmick. They want a Congress that will be responsible, that will stand up, and that will truly protect Social Security. That is the kind of Congress I want to serve in.

Mr. PALLONE. Mr. Speaker, I appreciate the gentleman's comments.

I want to conclude this evening, but I just wanted to point out again that that is why so many of us on the Democratic side have been up here over the last couple of weeks, and we are going to continue to do it, because we will have the budget come up next week, and we really do want to have a debate on the substance of Social Security and where we are going with it and not just having this certificate that is going to be out there and giving people this idea that everything is fine, when it is not. So we are going to continue to be here.

I just want to thank my colleague, the gentleman from Arkansas, and point out that as Democrats, we do think this is a very important issue that needs to be openly debated; and we are going to be here every night, if necessary, to make the point over the next few weeks.

ENDANGERED SPECIES ACT CAUSING SEVERE NEGATIVE IMPACTS ON ECONOMY

The SPEAKER pro tempore (Mr. WILSON of South Carolina). Under the Speaker's announced policy of January 3, 2001, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 60 minutes.

Mr. OSBORNE. Mr. Speaker, I represent a very large rural area in Nebraska. Actually, 97 percent of the district is privately owned. From about this area here on west is the third district, which I represent.

Currently, landowners are very concerned about property rights; and they are especially concerned about the Endangered Species Act, because this can be very intrusive and very threatening to landowners. Among those I represent, three events have contributed to this loss of confidence, and I will mention each one individually.

The first is the Klamath Basin situation that happened in Oregon this past year. As many people understand and realize, Fish and Wildlife shut off the irrigation water that served 1,400 farms in the Klamath Basin. They did so rather abruptly. The crops had already been planted, and this was done to protect the short-nosed sucker which lived in Klamath Lake and which is listed as endangered and also to help the coho salmon population in the river below in Klamath River. So the farmers lost their crops; some lost their farms. Land values declined from \$2,500 per acre to \$35 per acre, and Oregon State University estimates the loss of water cost the economy roughly \$134 million in that area.

So naturally, landowners across the country, landowners in Nebraska were aware of this; and they are concerned about how far-reaching and how invasive the Endangered Species Act can become.

Recently, the National Academy of Science performed an independent review of the Klamath River Basin situation. Listen to what they found: they ruled that there was insufficient data

to justify the decision to shut off the irrigation water. They said that cutting off water was not necessary to save the short-nosed sucker in Klamath Lake. Factors other than low water levels were endangering the sucker, so it was not the low water level at all. Also, actually, they found that larger releases in the Klamath River did not help the coho salmon but actually may have, in some ways, endangered them further.

So the whole situation in Klamath River has been called into serious question, and it would appear that all of the economic and financial damage that was done was all for naught; and in most cases, it would appear that it was something that should not have happened at all.

Secondly, there was a congressional hearing last week that I participated in in the Committee on Resources, and they had members of the Fish and Wildlife Service and the Forest Service; and these officials were asked to testify because seven employees of these agencies and also employees of a Washington State agency falsely planted Canadian lynx hair in Washington and Oregon.

□ 2045

This was an obvious effort to falsify data and to show that the Canadian lynx had an expanded and much larger range than what was believed. This would also have enhanced and enlarged their critical habitat for the Canadian lynx.

According to testimony, others within the government agencies were aware of the planted lynx hair and did not report it. This was a rather bizarre and unusual thing, because we would think that these employees would be in significant difficulty for having falsified the data. In many cases, we would have thought they would have been terminated. But actually, what they received as punishment was a verbal reprimand, verbal counseling, I guess is the way they put it, and most of these employees received their year-end bonuses, so it did not seem that the agency took any significant action. I guess that leaves many of us who are concerned about the Endangered Species Act to have some pause about what has been going on here.

The third instance that I would like to discuss, that I think is particularly important and more relevant to the State of Nebraska, where I live, is that in 1978, 56 miles of the Central Platte River was declared critical habitat for the whooping crane. This area is designated by the red line here that goes from Lexington, Nebraska, down to Grand Island. That is 56 miles. It was assumed that that stretch of river is critical for the survival of the whooping crane.

At one time, there were less than 50 whooping cranes in existence, so it was certainly endangered, no one questions that. Currently, the population of whooping cranes is at 175, but they are still definitely endangered.

In 1994, Fish and Wildlife proposed end-stream flows in the Platte River to preserve the whooping crane. They wanted to manage the amount of water going down the river, which would supposedly enable the whooping crane to have a better chance to survive.

They proposed that 2,400 cubic feet per second for 6 weeks during the spring would go down the river. This is a lot of water to go down the river, and that is water that could be stored here in Lake McConaughy later on for irrigation, but it is water that was used or is proposed to be used strictly for the whooping crane and for their habitat.

The flows in the river are recommended to be 1,200 cubic feet per second in the summer, and then they would, like on wet weather years, occasionally they want "pulse" flows of 12,000 to 16,000 cubic feet per second, and those flows would have to persist for at least 5 days in duration during the months of May and June.

When you have 12,000 or 16,000 cubic feet per second, you are talking about flood or near-flood stages. We have some lowland flooding along the Platte, some crop ground that is certainly damaged; and the big problem is that if we have a rain or extra water coming in here in the South Platte, we have an all-out catastrophe, or at least the potential for it.

So this is where the controversy begins, because obviously the 2,400 cubic feet per second down the river, and that being lost to crops and to uses that municipalities and farmers can use along the river, has not gone down real well. Of course, the "pulse" flows have caused even greater consternation.

One of the things about the "pulse" flows is that they also scour the river bed. They remove sediment and deepen the channel. As far as the cranes are concerned, this is not something that is desirable.

So in order to accomplish these end-stream flows, there was a cooperative agreement that was formed between Colorado and Wyoming and Nebraska, those three States, and, of course, Colorado is here, Wyoming is here, and Nebraska is here, to serve that 56 miles of river.

Now, Nebraska's contribution to the cooperative agreement is 100,000 acre-feet of water stored in Lake McConaughy, this lake right here, and that is roughly one-ninth to one-tenth of the whole capacity of the lake. That lake is to be stored for an environmental account, to be released at any time that it is assumed that the whooping cranes might need that water.

Also, there are no new depletions in this area of the Platte Valley after 1997. What that means is that if you had an irrigation well and you drilled that well in 1998, you had to shut down another well so there was no net depletion of water. Or if you were a municipality and you needed more water from the Platte River, then you had in some