

should not be doing that. We need to see how we can make it affordable.

What angers me, and I know what angers Americans, is that that same pharmaceutical company that sells those products that contributes to the politicians up here and contributes big bucks and puts those ads to thank those Congressmen for nothing basically because they did not accomplish a darn thing except the elections were coming up, those are the same companies that choose to sell those medicines in Canada and elsewhere for half the price, for one-third of the price.

The sincereness of their efforts, it is a crime what they are committing, and it is sad that we have got to this point that those same products can be bought in Mexico and Canada for much less, and it is the same company, and it is unfortunate that the ones that are having to pay because they claim that they are doing that for research purposes, and yet who are they sticking it to? Our most vulnerable, our seniors, who buy a large percentage of the prescriptions.

So I am hoping that we can come up with a realistic plan, and the people in this country, they are not stupid. They are going to see right through the President's proposal on prescription drugs. It helps a few at the expense of everyone else, because most people, at least the constituency of the Hispanic community, the only thing they have is Social Security. They do not have any other pension, and if they do, it is a small one. They do not have additional money to dish out \$300 or more for additional coverage, and even though they get additional coverage, the private sector is not interested because if they do get sick they do not make a profit.

We have all understood that, and that is why we need to come up to the plate. This is no way to treat our seniors after they have given of themselves. This is a time for us to reach out to them and provide whatever assistance that we can and to be able to make it also in a way that is accessible and affordable.

So I wanted to once again thank my colleague for what she has done, and I want to also share that in health care somehow we have not come to grips because we do have a lot of Congressmen out here that basically feel that the Federal Government should have no role in health care, and apparently they feel that way and they feel that it should be just privatized. But we understand that people get ill and cost insurance companies, and we know that the insurance companies, as soon as a person gets a serious illness, will dump them if they have the opportunity, despite the laws that we have tried to pass.

That was happening in the 1960s, when we established Medicare and Medicaid, and that is happening now, so the companies are there, and for good reason, they are there to make a profit and provide access to health care

but they are there to make a profit. So a person does not have any problems while they are young and healthy, but as soon as they get ill and they need them, that is when they start having the difficulties. Anyone who has gotten ill understands that and recognizes that.

So their main priority is to be there to make a profit and secondary is everything else, and that is why the Federal Government has a role and a responsibility. The health of this country depends on the quality of life for our constituency.

Ms. SOLIS. Mr. Speaker, I thank the gentleman for being here this evening and sharing his thoughts and words.

Again, I just want to underscore why we are celebrating here tonight, to talk about the real issue, and the real issue is that there is so many millions of Americans that are uninsured, 40 million, and we need to change that, and we need to do more here in the Congress and work together on both sides of the aisle to see that we come up with some remedies that can be taken care of this legislative session.

I want to thank the gentleman from Texas (Mr. RODRIGUEZ). I want to thank also other speakers that came here tonight representing the Congressional Black Caucus, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), and also the gentleman from Washington (Mr. MCDERMOTT). I am very privileged.

GENERAL LEAVE

Ms. SOLIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE FORGOTTEN DEFICIT

The SPEAKER pro tempore (Mr. BURNS). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Michigan. Mr. Speaker, tonight I am going to talk about two very serious issues for this Congress, for this President, certainly its effect on future generations and current and future retirees.

First, I am going to talk about defense spending, the overzealousness of Washington to continue to increase spending two, three and four times the rate of inflation, and what that means is increasing debt that we are going to leave to our children.

So what I have titled the first part is "The Forgotten Deficit," and though, right now overshadowed maybe by national security and the conflict in Iraq, this year's budget is very important. We must reverse the rapid descent into deficit spending that we have seen in the recent years.

Let me give my colleagues an example. From the \$236 billion surplus that we had in the year 2000, the budget situation has deteriorated to a projected \$436 billion deficit. From a \$236 billion surplus 3 years ago now we are looking at \$436 billion Federal funds deficit for this fiscal year and the same for next year. This is a swing of more than \$600 billion in a \$2.1 trillion budget, and this deficit is going to be much larger because this deficit from CBO does not include any money for the defense supplemental that is coming. It does not include any money for the extra cost of whatever we might do in Iraq, and it certainly does not include the effects of any tax cuts.

It should greatly concern us all that government spending is growing explosively as revenues decline. Discretionary spending has been at least 6 percent each year. The increase in discretionary spending has been at least 6 percent each year since 1995 at about 7.5 percent each year since 1998.

The chart I have on my left shows the projected increases on out after 2003, starting in 1993. So fairly flat from 1993 to 1997 and then a dramatic growth in spending, and we are looking at a situation where the discretionary spending growth will average at least 7.5 percent each year since budget balance was reached in 1998, about this level.

This spending increase, compared to what families are doing, how they are dealing with their possible increases in their budgets, is too dramatic to sustain, and it is leaving us huge challenges and huge problems for the future.

The President proposed a budget increase for 2004 of 3.5 percent, but even so, even though this is a smaller increase than we have seen over the past years, is still an increase in Federal Government spending, about twice the rate of inflation. This includes some needed spending on defense after September 11, I admit that, but we cannot excuse unrestrained nondefense spending which should not be increased during the challenge in the war situation that we are now in on terrorism.

□ 2145

Tomorrow, our House Committee on the Budget is going to mark up a budget resolution. I just stress, as strongly as I can, that it is important to the future of our economy and to the future of this country to start having the intestinal fortitude to hold down spending, to prioritize some of the spending we do. Some of the spending we do is much less necessary. Probably much of it is unnecessary.

As we ask the American people to do with less, as States all over the country are cutting back their budgets and suggesting that people are going to have to do more for themselves during these tight times, the Federal Government goes merrily along spending, and I will not give any comparisons to sailors or anybody else because I think we

exceed almost anybody else's level of increased spending.

Government, at the Federal level, does not have the constraints of most States that have constitutional language that says that they cannot spend more than what is coming in to their government. In Washington, we can simply increase the deficit. And that is what we are doing. We are going to be increasing the deficit with this budget, after we pass this budget. Because of supplementals coming in, we are going to increase the Federal limit on the Federal debt. Every time we increase the Federal debt, Congress has to pass a law saying we are going to increase the Federal debt, and the President has to sign that law. And that is what we are doing.

In fact, we have tried to make it easier for ourselves by saying when we pass a budget that spends more money than the existing Federal debt, automatically we are going to consider a bill passed that increases the Federal debt to the level needed to accommodate that particular budget. I think this is a mistake for a couple of reasons, but one is that it makes it too easy to not face up to what we are doing with the increase in debt for this country and the challenge that that puts on future generations. I mean, what we are doing, in effect, is suggesting that our problems today are so great that it deserves us taking the money from the earnings of our kids and our grandkids to pay for today's spending. It is sort of pretending that they are not going to have their own problems 20 and 30 years from now.

The debt problem is soon to come to the fore as Congress is forced to increase the debt limit. The debt limit today is about \$6.4 trillion, and we are going to dramatically increase that because we are dramatically increasing spending. If we cannot have an average of zero increase in nondefense discretionary spending, we should not have a tax cut. The enormity of Federal spending is almost inconceivable. Even as States and families cut their budgets, the Federal Government is squandering tax dollars faster than ever before.

The \$2.1 trillion proposed budget is more than the Federal Government spent in the 178 years between 1789 and 1966. Let me say that again. The budget that is being proposed for this next year, that we are working on and the budget resolution is going to accommodate in markup tomorrow in the Committee on the Budget, is more than government has spent in the 178 years between 1789 and 1966. It amounts to over \$7,500 for every man, woman, and child in the United States. It is neither fair nor realistic to assume that our problems today are so great that we should be putting this burden on our kids and our grandkids and future generations. Debt and deficit spending is an obligation to increase taxes sometime in the future.

Let me move to the problem of Social Security, which is a huge financial

problem for this country. Social Security is one of the best retirement programs that we have. And as many of the people in America, Mr. Speaker, have heard, Social Security is facing a very dire financial situation, and that is because we have a coming Social Security crisis. Our pay-as-you-go retirement system will not meet the challenge of demographic change.

This chart represents the number of workers that are working. And what happens in this pay-as-you-go system that we started in 1934 with Social Security, current workers pay in their FICA tax, their Social Security tax, and immediately that money is not saved in some account for workers today, but it is immediately spent on paying the benefits of current retirees.

So when I talk about demographic change, I am talking about a situation where 26 people in 1940 were working and paying in their tax for each retiree. By 2000, it got down to three workers; three workers now paying a much-increased percentage of what they earn to accommodate the retirement of every one retiree. By 2025, we are looking at people living longer, a decline in the birthrate, so there will only be two people working and paying in their taxes to cover the benefits of every one retiree. A huge burden. A huge challenge.

As we borrow all this extra Social Security money that is coming in now, and that is going to run out very rapidly, currently we are looking at \$199 billion more coming in every year, if you include the interest that is coming into Social Security over and above what is required to pay out, by 2016 we are looking at a situation where there is no longer going to be enough tax revenues coming in by current workers to pay for the benefits of current retirees.

Look at this next chart with me. Insolvency is certain. We know how many people there are, and we know when they are going to retire. We know that people will live longer in retirement. We know how much they will pay in and how much they are going to take out in benefits, and payroll taxes will not cover benefits starting in 2015 or 2016; and the shortfalls will add up to \$120 trillion between 2015 and 2075. Now, compare those huge numbers of trillions with our current budget that we are spending in 1 year. So the next-year budget that we are looking at is \$2.1 trillion. But over this time period, we are looking at some way that we are going to have to increase borrowing or increase taxes or cut benefits to accommodate that unfunded liability of \$120 trillion.

The biggest risk is doing nothing at all, and that is what we have been doing. I first came to Congress in 1993; but actually, I wrote my first Social Security bill when I was chairman of the Senate Committee on Finance in the State of Michigan, because it was one of those areas that looked like the greatest challenge for the Federal Government, how we were going to accom-

modate the situation where the number of workers is decreasing in relation to the number of retirees. And in a pay-as-you-go system, it just does not work out. It just is going to mean that Social Security is going bankrupt unless we make some changes.

The longer we put off the solution, the longer that it is demagogued in elections, the longer that Members of Congress and the President and the Members of the Senate are unwilling to sit down and talk about solutions, the more drastic those solutions are going to have to be. And that is because we have a temporary surplus coming into Social Security now, after the huge tax increase of 1983. The tax increase was so great that we have temporarily ended up with more money coming in.

Every dollar that has been coming in, government takes and spends and writes the Social Security trust fund an IOU. So the question is: Where is government going to come up with this extra money in 2016 or 2017 when funds coming in from the FICA tax, from the payroll tax no longer are large enough to pay the promised benefits? And to keep paying promised Social Security benefits, the payroll tax will have to be increased by nearly 50 percent, or benefits will have to be cut by 30 percent.

It is unfair. It is unreasonable. It is unconscionable not to face up to this problem and to move ahead with this problem. And of course in most of my elections, because I have introduced the Social Security reform bill that has been scored to keep Social Security solvent every session since I have been in Congress since 1993, my opponents have demagogued this. They have said, look, NICK SMITH is trying to ruin Social Security and, therefore, do not elect him. But I think more and more Americans, Mr. Speaker, are now starting to face up and realize that Social Security is becoming insolvent; and if we do not deal with it, the problem is going to be much worse.

Let me just give a little bit of history on what has happened since we started Social Security in 1934. Every time there was a problem of the money coming in on taxes being less than what was needed to pay benefits, taxes were increased and/or benefits were reduced. Let us not let that happen this time. Let us face up to the problem. Let us deal with it. Let us have both sides work together, without demagoguery, with not playing politics and trying to criticize either side. And both sides have been at fault in some of these situations.

Social Security has a total unfunded liability of over \$9 trillion today. If you take that \$9 trillion that we need today and spread it out over the time period of 2015 to 2075, then it means \$120 trillion in those future inflated dollars that we are going to have to come up with sometime through that time period to pay benefits. The Social Security trust fund contains nothing but IOUs. So in 2016, 2017 how are we going

to come up with the money? Do we increase the income tax? Do we increase the payroll tax?

Already 75 percent of American workers in this country pay more in the payroll tax than they do in the income tax. So I say, no, we cannot increase the payroll tax. Will Members of Congress be brave enough to say, look, we are going to have to cut back on some of this other spending? I certainly hope they will. Our increase in spending at two and three and four times the rate of inflation has maybe been politically wise in a reelection sense, because as you come up with new programs and make more promises to people and say we are going to take care of more of the problems with the Federal Government, that means the Federal Government gets bigger. But since it is unpopular to increase taxes, what we have done is increase borrowing. And again, increased borrowing is nothing more than a promise that taxes are going to have to go up sometime in the future.

Mr. Speaker, let me make one last comment as I conclude tonight's colloquy on some of the problems that we are facing, and that is that we are dealing with Social Security and spending and it has been politically wise for politicians to put off coming up with a solution on spending. So the tendency of Congress is we wait until it is almost a crisis before we deal with that crisis.

In terms of coming up with new programs, Members of Congress have found that it is easier to get elected because they go on television cutting the ribbon and on the front pages of their newspapers when they come up with new programs to help people in solving some problem. Look, there are lots of problems across the United States. We have a system of government in the United States that has served us very well, but government cannot solve all those problems, and government should not solve problems that States and individuals can solve for themselves.

We have a system not because we are stronger than people in other countries, not because we are smarter, but because our system encourages hard work; it encourages productivity. So we have said in our constitution those individuals that study and use that knowledge, those that work and save and invest end up better off than those that do not.

□ 2200

That is a system that other countries around the world are now trying to copy. Let us get back to that system. Let us hold the line on spending, and let us stand up and deal with the Social Security problem.

AMERICA GOING TO WAR AGAINST IRAQ

The SPEAKER pro tempore (Mr. BURNS). Under the Speaker's announced policy of January 7, 2003, the

gentleman from Maryland (Mr. VAN HOLLEN) is recognized for 60 minutes.

Mr. VAN HOLLEN. Mr. Speaker, tonight I want to take some time to address one of the most serious questions facing our Nation today, whether we go to war against Iraq in the next few weeks.

The tragic attacks upon our country on September 11, 2001, transformed our thinking about national security in this country. In the wake of September 11, the Bush administration rightly sought to define the fundamental mission of American power around the goal of fighting international terrorism. After September 11, the international community rallied behind America's war on terrorism with unprecedented unity and diplomatic, military, intelligence and other support. For the first time in its history, NATO invoked Article V of the Washington Treaty declaring the September 11 attack to be an attack on all 19 NATO member countries. Within 24 hours of its introduction by the United States, the U.N. Security Council passed a resolution unanimously calling on all member countries to support the war on terror.

The subsequent U.S.-led military action against the Taliban forces in Afghanistan and the reconstruction efforts that followed received broad support from the international community.

Now less than 18 months later, the situation has changed dramatically. Polls show that anti-American sentiment is rising around the world, and some 70 percent of the world's citizens believe that the United States presents the greatest threat to world peace today, ahead of Iraq and North Korea.

U.S. relations with many of our traditional allies in the North Atlantic Alliance are more strained than at any point in that organization's history. Moderates in the Muslim world feel isolated and have begun to question their relationship with the United States. Our credibility has been damaged, and our moral authority eroded. Many serious threats to our security are not receiving the attention they deserve.

How did we get to this state of affairs just 18 months after the world community united behind U.S. leadership in the war on terrorism? How did we so quickly squander the reservoir of goodwill that we had immediately after September 11?

The answer lies squarely with the Bush administration's defense and foreign policies and the arrogance with which they have conducted those policies. Following the successful military campaign against the Taliban in Afghanistan, the administration began to redirect its energies toward Iraq and the removal of Saddam Hussein from power. In his 2002 State of the Union Address, his speech delivered just 4 months after the terrible al Qaeda attacks on our country, the President identified Iraq, Iran and North Korea

as the Axis of Evil; but very quickly thereafter it became clear that the administration would focus its attention narrowly on just one of these, Iraq. And even while bin Laden, the architect of the September 11 attacks, was still at large, Saddam Hussein took his place as the symbol of the new threat facing America.

Let me make something crystal clear here. Saddam Hussein is a brutal dictator and his quest for weapons of mass destruction does pose a threat. The question for our country is what is the nature and extent of that threat, and what is the best way for us to address it.

I believe that our objective in Iraq should be Iraqi compliance with the U.N. resolutions that require Iraq to disarm and eliminate its weapons of mass destruction and its missiles that exceed the 93-mile range. I also believe that we must accomplish that objective in a way that strengthens rather than diminishes our national security. It would be a tragic irony indeed if in the name of fighting terrorism we made Americans less rather than more secure, both today and in the future.

Tonight I want to address three areas: First, the Bush administration's approach to Iraq; second, the implications for America's national security of that approach; and third, where do we go from here. So first, the Bush administration's approach to Iraq.

Following the President's 2002 Axis of Evil speech, the administration's goal of regime change in Iraq began to take shape quickly. As columnist William Safire observed, regime change is a diplomatic euphemism for overthrow of government or the toppling of Hussein.

On February 5, 2002, testifying before the Senate Committee on Foreign Relations, Secretary of State Colin Powell stated, "We still believe strongly in regime change in Iraq, and we are looking at a variety of options that would bring that about."

By March of that year the debate in Washington over the pros and cons of military action against Iraq was fully engaged in the newspapers, the talk shows and the backrooms. Kenneth Adelman, President Reagan's arms control czar and a close ally of the hawks in the administration, wrote in the Washington Post that military action to remove Saddam Hussein and bring democracy to Iraq would be "a cake walk." Others, including former National Security Advisers to the President's father, Brent Scowcroft and James Baker, III, argued openly at that time against unilateral U.S. action to deal with Saddam.

Even the superhawks within the administration recognized that providing a legal rationale for regime change outside the context of the United Nations could prove tricky. While we may have the power, the power to go around knocking off nasty dictators, nothing under international law gives one country the right to invade another simply to change the regime. So what to do?