

we know is stretched to its limits, and that is because 78 million baby boomers begin retiring in 2008. Social Security spending exceeds tax revenues in 2017. Social Security Trust Funds go broke in 2037.

Now, just a word on the trust funds. As I mentioned earlier, every year there is more money coming in from the Social Security tax than is needed to pay benefits, and right now we are bringing in about \$90 billion more than the benefits. But, again, that runs out in 2017-2018. That is when there is not enough money coming in.

The government writes out an IOU to the Social Security Trust Funds. It spends the money on other government programs or paying off some of the Wall Street debt. But, again, we have never had a year where the total debt of this country has not increased, so we are facing a predicament with Social Security Trust Funds. Even if they are paid back, it means increased borrowing or increased taxes.

I have a chart I hope to get through in a few minutes, because we are going to conclude this evening's session soon, that shows that every time the United States has been in problems with less money coming in than what is needed for Social Security, they have done one of three things. They have either increased taxes or reduced benefits or a combination of both. Usually, it is a combination of both.

Here is a pictorial view of the demographic problems of fewer and fewer people that are working and paying for the benefits of retirees. In 1947, there were 34 working Americans paying in their Social Security tax for every retiree. By the year 2000, it got down to three. The estimate is that by 2025 there is going to be two American workers paying an increased amount of Social Security tax to accommodate every retiree.

A lot of people say that economic growth will not fix Social Security. Social Security benefits are indexed to wage growth. So if you have a strong economy, and there is more jobs and higher wages, because you are paying in on those more jobs and higher wages temporarily, there is more money coming in to Social Security. But in the long run, when that person or that increased number retires, then there is more money going out of Social Security. So economic expansion, because of the fact that Social Security benefits are directly indexed to how much you were making when you were paying in, does not solve the problem. It simply tends to fill the hole a little in the early years, but it leaves a bigger hole in the later years.

The fact is that it is going to take more than economic growth to fix Social Security. And to think that you can fix Social Security simply by upping taxes again only solves the problem in the short run. We have to end up with a better return on those Social Security benefits.

As I make speeches around the country and around my Seventh District in

Michigan, a lot of people say, look, if government would keep their cotton-picking hands off the Social Security Trust Fund money, then everything would be okay. And I agree with that, we should keep our hands off that Social Security surplus. It should be really invested instead of spent on other programs. But to represent how great the problem is, what the challenge really is to Social Security, I did this bar chart.

Right now what we have borrowed from Social Security, taking all the extra money in every year, plus paying interest on it, the IOUs now amount to \$1.4 trillion. But the extent of the Social Security unfunded liability problem is between \$11.9 trillion and \$12.4 trillion. So I use the figure \$12.2 trillion as far as the unfunded liability. That is, again, what we need in today's dollars over and above what is going to be coming in from the Social Security tax.

The Social Security Trust Fund contains nothing but IOUs. 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. To me, this shows why Social Security is not a good investment. The real return on Social Security, the return of what you and your employer, or if you are a sole proprietor, of what you pay into Social Security, the return on average is 1.7 percent.

And I compare that, over in the far right chart, which is the Wilshire 5000 Index. Over the last 10 years, even with a bad, poor 3 years on equity investments, still the 5000 equity stocks earned 11.86 percent. Compare that to the 1.7 percent that you receive from Social Security.

This is how many years it takes to break even on your Social Security benefits. By 2005, you have to live 23 years after retirement.

Okay, here, Mr. Speaker, is what we have been doing. Every time we have gotten in some problems, we have simply increased taxes. This chart shows the history of tax increases. In 1940, 2 percent of the first \$3,000. In 1960, they decided to raise it to 6 percent of \$4,800. Then in 1980, we made a big jump to 10.16 percent of the first \$26,000. By the year 2000, 12.4 percent of \$76,000. Now it is 12.4 percent of \$89,000 this next year. So what we have done is continued to increase taxes to the extent that now 78 percent of Americans pay more in the Social Security tax than they do in the income tax.

And that is what that chart says; 78 percent of families pay more in the payroll tax than in the income tax.

Here are six principles that seem reasonable to me as we try to face the challenge of how do we change Social Security, and one of the problems that I faced. I have introduced Social Security bills since I first came to Congress in 1993 that have been scored to keep Social Security solvent. In the changes back in 1993, 1994, 1995 and 1996, I did

not have to borrow any money from the general fund to accommodate some of the changes that would keep Social Security solvent.

The six principles that seem reasonable to me as we protect current and future beneficiaries are that we allow freedom of choice; we preserve the safety net; we make Americans better off, not worse off; we create a fully-funded system; and no tax increases. And maybe, if there is another blip, it should be a system that makes sure that the American economy stays strong instead of the kind of changes such as increased taxes that are going to weaken our economy.

Let me conclude, Mr. Speaker, by asking everybody to make a guess of what the FICA tax is in the country of France, for example. Right now the payroll deduction on wages in France is over 50 percent to accommodate the senior population. So no wonder France is having trouble competing. No wonder France did not want to spend any money in Iraq. No wonder there are demonstrations in France, because if you are paying a 50 percent tax on wages that you have to withhold, then you have two options. You either increase the price of your product, that makes you less competitive, or you increase the wages you pay to your worker. Let us not allow America and the United States to get into that kind of predicament.

Germany just went over 40 percent of payroll tax. So, again, Germany is discovering that it is much more difficult to compete.

Mr. Speaker, I would again encourage my colleagues and I would encourage the American people to start talking to their candidates that are running for Congress, that are running for the Senate, that are running for President of the United States. What is their plan in the long range to save Social Security, to keep Social Security solvent, to save Medicare and Medicaid and keep those programs solvent? It is a huge challenge, and we should be willing to face up to it.

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Mr. Speaker, we have had a system in this country where those who work hard and save and try and invest end up better than those who do not. So to continue to increase taxes on those individuals that do save and do try and do invest is going to discourage some of the motivation and incentives that have made this country great. Let us deal with these problems now. Great empires that put off solutions to important problems are those kinds of empires that collapse. Let us not allow that in America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FROST (at the request of Ms. PELOSI) for today on account of personal reasons.

Mr. HASTINGS of Florida (at the request of Ms. PELOSI) for today and the balance of the week on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. TIERNEY) to revise and extend their remarks and include extraneous material:)

Mrs. MCCARTHY of New York, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. SCHAKOWSKY, for 5 minutes, today.

Ms. LEE, for 5 minutes, today.

Mr. TIERNEY, for 5 minutes, today.

Mr. MEEHAN, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Ms. WATSON, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. BURGESS, for 5 minutes, today and April 21.

Mr. BILIRAKIS, for 5 minutes, April 21.

Mr. OSBORNE, for 5 minutes, today.

Mr. MURPHY, for 5 minutes, April 21 and 22.

Mr. GINGREY, for 5 minutes, April 22.

Mr. BURTON of Indiana, for 5 minutes, today and April 21 and 22.

Mr. HENSARLING, for 5 minutes, April 21.

Ms. GINNY BROWN-WAITE of Florida, for 5 minutes, today.

Mr. NUSSLE, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, April 22.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 129. An act to provide for reform relating to Federal employment, and for other purposes; to the Committee on Government Reform.

S. 1108. An act to establish within the National Park Service the 225th anniversary of the American Revolution Commemorative Program, and for other purposes; to the Committee on Resources.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

Jeff Trandahl, Clerk of the House reports that on April 2, 2004 he presented to the President of the United States, for his approval, the following bill.

H.R. 4062. To provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through June 4, 2004, and for other purposes.

Jeff Trandahl, Clerk of the House reports that on April 9, 2004 he presented to the President of the United States, for his approval, the following bill.

H.R. 3108. To amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

H.R. 3108. An Act to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and for other purposes.

ADJOURNMENT

Mr. SMITH of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 51 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 21, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7558. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Fosthiazate; Pesticide Tolerance [OPP-2003-0296; FRL-7339-4] received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7559. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Hygromycin B phosphotransferase; Exemption from the Requirement of a Tolerance [OPP-2004-0036; FRL-7352-8] received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7560. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Lambda-Cyhalothrin and an Isomer Gamma-Cyhalothrin; Tolerances for Residues [OPP-2004-0025; FRL-7353-4] received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7561. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Mesosulfuron-Methyl; Pesticide Tolerance [OPP-2003-0257; FRL-7351-4] received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7562. A letter from the Acting Under Secretary, Department of Defense, transmitting Certification that the Multi-mission Maritime Aircraft (MMA) survivability testing, otherwise required by section 2366, would be unreasonably expensive and impracticable, pursuant to 10 U.S.C. 2366(c)(2); to the Committee on Armed Services.

7563. A letter from the Director, Defense Research and Engineering, Department of Defense, transmitting Notification of intent to obligate funds for three new test projects for inclusion in the Fiscal Year 2004 Foreign Comparative Testing (FCT) Program, pursuant to 10 U.S.C. 2350a(g); to the Committee on Armed Services.

7564. A letter from the Acting Under Secretary of Defense, Department of Defense, transmitting a report identifying, for each of the armed forces (other than the Coast Guard) and each Defense Agency, the percentage of funds that are projected to be expended during each of the next five fiscal years for performance of depot-level maintenance and repair workloads by the public and private sectors, pursuant to 10 U.S.C. 2466(d)(2); to the Committee on Armed Services.

7565. A letter from the Assistant Secretary of Defense, Department of Defense, transmitting a report on assistance provided by the Department of Defense (DoD) to civilian sporting events in support of essential security and safety, covering the period of calendar year 2003; to the Committee on Armed Services.

7566. A letter from the Secretary, Department of Defense, transmitting a letter on the approved retirement of General Larry R. Ellis, United States Army, and his advancement to the grade of general on the retired list; to the Committee on Armed Services.

7567. A letter from the Director, Office of Thrift Supervision, transmitting a letter on the details of the Office's 2004 compensation plan, pursuant to 12 U.S.C. 1833b; to the Committee on Financial Services.

7568. A letter from the Secretary, Department of Energy, transmitting the combined forty-seventh and forty-eighth reports outlining the status of Exxon and Stripper Well Oil Overcharge Funds as of September 30, 2003, satisfying the request set forth in the Conference Report accompanying the Department of Interior and Related Agencies Appropriations Act of 1988 (Public Law 100-202); to the Committee on Energy and Commerce.

7569. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Accidental Release Prevention Requirements; Risk Management Program Requirements Under Clean Air Act Section 112(r)(7); Amendments to the Submission Schedule and Data Requirements [OAR-2003-0044; FRL-7643-6] (RIN: 2050-AF09) received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7570. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Florida Broward County Aviation Department Variance [R04-OAR-2003-FL-0001-200414(a); FRL-7643-3] received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7571. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Interstate Ozone Transport; Response to Court Decisions on the NOx SIP Call, NOx SIP Call Technical Amendments, and Section 126 Rules [FRL-7644-7] (RIN: 2060-AJ16) received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.