in conclusion tonight. One of the things that the Republicans keep saying is that they wanted to put this 2-year program with the discount drug cards in effect first, before the larger so-called benefit, prescription drug benefit, came into effect in 2006 because they wanted to show that privatization and the kind of competition, if you will, that is created under this very confusing system was the way to go, rather than the traditional Medicare; and that was supposedly to show the public that what was to come was going to be a good thing.

I have always said, and that is why I think today, June 1, is so significant, that when the public actually sees what this benefit is that the Republicans are offering them, they are just going to talk with their feet and not participate in it. I think that today, the fact that we found out today that for AARP there were like 400 of their members who signed up and for the other one I mentioned, with Blue Cross and Blue Shield, there were less than 1,000, that that is exactly what is happening.

People have clearly looked into this. If they have a computer, they have looked on the Web site and they decided not to participate. And I think that is very telling, because what it says to me is, if the seniors are not going to participate in this program because they realize it is not worth anything, hopefully that sends a message that the larger program to come in 2006, which is no less beneficial, in my opinion, also is not going to be helping any seniors. I hope that we do not have to wait until 2006 and that we can get rid of all of this garbage, really, this experiment in confusion before then, before 2006 and actually get the political wherewithal to pass a real prescription drug benefit.

The gentleman from Ohio and I, because we are on the Committee on Commerce and we are on the Health Care Task Force, and we were part of the group that put together this alternative proposal that would just expand Medicare, and I am just going to say one more time, because it is so simple. It is just like part B. Part B is voluntary for their doctor bills, and 99.99 percent of seniors participate. Most seniors do not even know it is voluntary, because they would not think of not participating in it. In that program, you have a $100 deductible, 80 percent of the cost is paid for by the Federal Government, 20 percent co-pay, you go to any doctor you choose. We are just saying do the same thing with prescription drugs. Have a $25 month premium. If you cannot afford it, then you would not pay it, but most seniors would pay it; a $100 deductible, 80 percent paid for by the Federal Government, 20 percent co-pay and, most important, that there is a negotiated price reduction which will bring the cost down, as the gentleman said happens in the VA, 40 percent, 50 percent, sometimes even more.

I am just hoping that when the seniors see that this is worthless and they do not participate in it, that we can build some political momentum over the next few months or the next year to actually put in place a good program, because I would like to see this whole Republican plan just repealed. There is nothing to be saved here, no money to be saved and no benefit.

Mr. STRICKLAND. Mr. Speaker, I was listening to my friend on the other side earlier, and the chairwoman of the Subcommittee on Health indicated that those of us who oppose this bill wanted to do nothing. Well, that is so far from the truth. We had an alternative; we just were not allowed to present it.

Our alternative would have provided a prescription drug benefit that was a part of traditional Medicare, easily administered, easily understood, a program that seniors could trust just as they trust Medicare today; and it would have happened, but for the other side who just are so into privatization and, quite frankly, many of them do not believe in Medicare and consider it socialized medicine. It has even been referred to by some Members on the other side as a Soviet-style health care system. Well, I think most seniors in this country feel pretty comfortable with it, confident in it. They think it is a good program, and there is just simply no reason why we could not add a prescription drug benefit.

One of my fears regarding what has happened here is that I do believe that this is an attempt on the part of the Republican Party to begin the full privatization of Medicare, so that in the years to come, Medicare will no longer be a guaranteed benefit with a guaranteed premium, but seniors will be forced to face the private sector and all that that involves.

I think this is a very clear-cut choice. I do believe that this is going to be a big issue this November. As seniors go to the polls to vote, I think they are going to have to choose between those who would want to privatize Medicare and those who want to strengthen Medicare and to expand it to include a prescription drug benefit.

Mr. PALLONE. Mr. Speaker, if the gentleman would yield, he will remember that when they first proposed the Medicare bill, they had a privatization component for not only the prescription drug program but the whole of Medicare; I think it was by the year 2010. Essentially, you were going to get a voucher, and you would just be given a certain amount of money to go around, and it would be the same type of thing. You would probably go on some Internet site and you would see what kind of programs were available that you could use your voucher to buy. But if you wanted to do something that cost more than the voucher, then you had to pay out of pocket. And there was so much opposition to that, that they ended up making it just a pilot program. But under the law that was passed that includes the discount drug card, that pilot program does go into effect in 2010 in a number of, I think, 20 percent of the different regions of the country. We are not talking just about prescription drugs now; we are talking about the entire Medicare program.

Mr. STRICKLAND. Mr. Speaker, if my friend would just yield for a final comment, the seniors of this country, the senior citizens in this country need to understand that what we are dealing with here is an administration that appears to want to obliterate, to get rid of, Medicare as we know it, to make it more of a privatized system where the government no longer has the ultimate responsibility to carry out the promises to provide this defined benefit, guaranteed benefit, guaranteed premium, to all seniors, so that regardless of where the senior lives, they are going to pay the same premium; regardless of where the senior lives, they are going to be entitled to the same benefit. We could just mongrelize, if that is a word, this program so that depending on what State you lived in or what city you lived in, you may have to have a higher premium, you may be denied certain medical benefits and so on.

I do not think that is what America's seniors want, quite frankly. I think they want Medicare to be strengthened, to be expanded to include a prescription drug benefit; but they want Medicare to remain, and they do not want it privatized.

Mr. PALLONE. Mr. Speaker, I just wanted to say that we are going to be down here, and we are going to continue to fight for what we think is right on this issue. I know today is June 1, which is the first day that this discount drug program goes into effect; but it is very important to point out that it has so far failed, and the reason it has failed are the same reasons that I think that the larger program itself does not make any sense; and we need to keep fighting to make sure that the public understands.

FEDERAL SPENDING AND FISCAL RESPONSIBILITY

The SPEAKER pro tempore (Mr. FEENEY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 54 minutes, unless the remaining speaker does not come to claim her time, in which case he has a full 60 minutes.

Mr. SMITH of Michigan. Mr. Speaker, 54 minutes probably is very adequate. I was sitting up in my office listening, reading letters from constituents, letters that wanted more money for the AIDS program, letters that wanted more money over the approximately $29 billion that is going to our foreign support programs. They wanted more money for food stamps, letters coming in wanting more money for health care, wanting more money for

NIH. I think it should be obvious, certainly it is with most of our Members, that there are many, many problems out there; and the question is how many of those problems should it be the responsibility of government to solve.

We are now faced with a situation in the United States where approximately 50 percent of the adult population only pay about 1 percent of the income tax. So as we have moved in the last 30 to 40 years from an environment that our forefathers set up in the Constitution that encouraged effort, it encouraged savings, it encouraged individuals that saved and worked hard and invested, because they would be better off than those that did not; then, over the last 35 to 40 years, we have been sort of dividing the wealth up by increasing the taxes on those that might make it or those that work harder, or those that save and invest, and distributing some of their tax money to the individuals that made less effort or were, in other words, sometimes unlucky. I think that is a danger for our future.

Mr. Speaker, this is the 195th year of Abraham Lincoln's birth; and in his famous Gettysburg Address, he sort of surmised and wondered if a nation of the people, by the people and for the people could long endure. And I think in this kind of an environment where we have both sides of the aisle now calling for more spending; and it is an advantage to get reelected, Mr. Speaker, those individuals that take home more pork barrel projects, that promise more spending to solve more of these problems, probably do get on the television a little more, maybe get a picture of cutting their pork barrel project ribbon that they have taken home to their community. But the imposition on taxpayers today and maybe more importantly the burden that we are placing on taxpayers tomorrow, our kids and our grandkids, should be considered in the decisions we are making today.

I wanted to start out, Mr. Speaker, with sort of a pie chart on how we spend our Federal dollars this year.

□ 2215

As you see, the biggest piece of pie in this chart is Social Security. Some people suggest, well, why is Social Security part of that Federal spending pie? It is really a separate account. It is a separate account. However, I think it should be noted that on two occasions the Supreme Court has said just because you pay Social Security taxes there is no entitlement to the program benefits when you retire.

Social Security is simply another tax that Congress and the President have imposed on people, and the benefits are a separate bill of benefits that can be changed any time Congress and the White House wants to change those benefits. Of course, that is what we have done over the years. Every time we need a little more money for Social Security in this, if you will, pay-as-you-go program, the taxes have been increased or benefits have been cut or a combination.

So as we go around the pie chart we have Social Security taking in 21 percent of the total Federal spending. Coming around at 7:30, 8:00, Medicare is at 12 percent. The prediction is that Medicare costs will overtake Social Security within the next 18 to 20 years.

Other entitlement programs, 10 percent; domestic discretionary 16 percent. That is outside of defense. Domestic discretionary is what this body and the Senate discuss and argue about for 6 or 7 months out of the year. The rest of it is almost on fixed type of spending.

As you see, the next item is defense spending at 20 percent. That has gone up a little over a percent because of the war in Afghanistan, the war on terror and the war in Iraq.

Interest. I want to dwell a moment in interest at 14 percent. The interest on our debt in this country, now a little over $7.3 trillion, is $300 billion a year. That is $300 billion at a time when we are looking at a future of deficits that is adding to that debt approximately $500 billion plus a year.

We are looking at relatively low interest rates today compared to the prospect of going back to much higher interest rates. So if we continue this overspending and if interest rates are going to go back up higher, which Mr. Greenspan predicted, which most of the economists are now predicting, we could well see interest on the debt within the next 20 years taking up 25 to 30 percent of the total Federal budget.

And I would just suggest, Mr. Speaker, this is, maybe a stronger word than unfair, would be unconscionable for Congress, the House and the Senate and the White House to think our problems today are so great that it justifies taking the money of our kids and our grandkids that they have not even earned that yet. They are going to have their own challenges, their own problems, and they are going to be unable to continue to increase the debt of this country to pass on to their kids and their grandkids.

I am a farmer from Michigan. Traditionally, on the farm what we try to do is pay down the mortgage so that our kids will have a little better chance of having an easier life than maybe their parents or grandparents did. In this body, Mr. Speaker, what we are doing is just the opposite. We are increasing the debt every year.

Deficit, of course, is how much we are overspending over and above the revenues coming into the Federal Government. The overspending or deficit spending this year is going to be about $560 billion, next year about $530 billion, maybe a little higher. And what we are saying is we are adding that much to the debt.

In the next 2 months we are going to have to again pass a legislation in the House and the Senate signed by the President to increase the debt limit from its current $7.3 trillion on up to cover this kind of overspending and the debt that we are passing on to our kids.

I want to emphasize two things. We are passing on this liability to our children and our grandchildren in two ways: One is the deficit spending and the increased debt and the burdens of being responsible for that debt in future years, and the other is making promises that we do not have the money to pay for. That is the next chart.

The budgeteers call this unfunded liabilities. Unfunded liabilities means passing a law for a benefit program and the funds that are going to be required over and above what is coming in to pay for those programs. The payroll tax for Social Security, Medicare, is going to be the unfunded liability, what we are going to need over and above the payroll tax coming in. $73.5 trillion is estimated by the actuaries. Medicare part A is $21.8 trillion. That is mostly the Medicare that goes to hospitals. Medicare part B is mostly what goes to the doctors. $23 trillion, Medicare part D, the new drug program that was passed last November, the unfunded liability on that program is $16.6 trillion.

And so Social Security is $12 trillion. That is more than a quarter million dollars of unfunded liability for every man, woman, and child in America; and what is happening, of course, is the demographics of individuals living longer and the birth rate declining means that there is going to be even greater burden for our kids and our grandkids.

The next chart shows if we do not do anything, if we keep just simply continuing to talk about that 16.6 percent of the spending that is discretionary spending and we do not deal with the kind of changes in the rest of the so-called entitlement programs, it is going to not only be a huge impact on the way of life and the potential success of our kids and our grandkids but it is going to be a huge imposition and strain on the economy of this country.

And let me just ask, Mr. Speaker, if anybody would like to venture a guess on what the payroll tax is in France, for example. The payroll tax to accommodate their senior programs in France is now over 50 percent of a payroll tax. Germany just when over 40 percent for their payroll tax to accommodate their senior population. If the United States continues to put off the solutions and dealing with these tough problems, then we are certainly going to see a situation where it is going to make us even more at a competitive disadvantage.

We are already increasing our taxes on our businesses approximately 18 percent over the taxes that are charged to our competitors. Our overzealous regulations, our high health care costs added to that put our business at a competitive disadvantage with many countries. But if we continue to slip and slide and not deal with the problems of the unfunded liability for Social Security and Medicare and Medicaid, then the situation is even going to be worse.

And if we have that kind of a payroll tax, one understands that that business only has a couple options. They either try to pay less wages and salary to their employees in order to be competitive, or they try to increase the price of their product to cover their cost, and that tends to make them less competitive. So one can understand the demonstrations and frustrations in countries like France and Germany.

This chart shows that just in 16 years from now we will have to take an additional 28 percent out of the general fund to accommodate those other programs, what is needed over and above the money coming in from the payroll tax. By 2030, it is going to be over 52 percent that is going to come out of the general fund. We add to that the projection of the cost of the debt, servicing that debt, that is probably going to be approaching 20 percent at least in the next 15 years.

This chart is just a quick glimpse of the short-term surpluses from the huge tax increase on Social Security on the increase in the FICA tax that was passed by the Greenspan Commission in 1983. That increased tax money to cover temporarily the increase the cost of Social Security is going to last until about 2017, and then we have a huge, big red future. The red part of this graph projects the $12 trillion unfunded liability in Social Security.

I want to spend a minute, Mr. Speaker, talking about how Social Security works and the problem with Social Security. It is a tough problem; and it is easy to understand why Members of Congress have tended to say, well, look, we are going to save Social Security but we are not going to pass the bill right now, we are going to look at it more closely. Mr. Speaker, many of my colleagues in their past campaigns said, look, we need to do something about solving the problem with Social Security.

Here is how Social Security works. Benefits are highly progressive and based on earnings. At retirement, all of a worker's wages up to the tax ceiling are indexed to present value using wage inflation. What that means is if wage inflation means a doubling of wages every 9 years, it means a job 20 years ago that, or 18 years ago, that paid $10,000 now you would be paying maybe $30,000 for that job. So when Social Security indexes your best 35 years, it adds into those 35 years what the current value of that job was, whether it was held 10 years ago or 20 years ago or 30 years ago.

The annual benefits for those retiring in 2004 is very progressive. And, very quickly, today 90 percent of the earnings up to $7,340, in other words, if you are a low-income earner and over those 35 years you averaged $7,500 in wages, the government would pay you 90 percent of your weekly or monthly take-home pay in your retirement years.

The next 32 percent of earnings between the $7,300 and the $44,000, is 32 percent of your earnings. And then as we deal with higher wage earners when they retire, everything above the $44,000 is only given 15 percent in terms of what you get back in Social Security benefits.

And I added this. Early retirees receive adjusted benefits, and SSI does not come out of the Social Security system. It comes out of the general fund.

Let us talk a little bit about how we are going to fix Social Security. One way is to get a better return on the investment, the money that is sent in by the employee and the employer. Right now, Social Security is not a good investment. The average retiree will receive 1.7 percent return above inflation on what they and their employer sent into the Social Security system.

Franklin Roosevelt, when he created the Social Security program over 6 decades ago, he wanted it to feature a private sector component to build retirement income. His suggestion that he sent to Congress is that there be personal accounts but that individual would be forced to put into that personally owned account and they would not take anything out until they reached age 65.

Looking through the archives in downtown Washington, I discovered that the Senate did pass that bill for personally owned accounts. The House passed a bill suggesting that it should be the government in control, taking all the money in and then paying out benefits when that individual reached 65. By the way, the program worked very well in those early years because the average age of death was 62. One could not collect benefits until you reached age 65. So most people paid in but never took out benefits.

It is a program that is stretched to its limits. And the reason is demographics. Seventy-eight million baby boomers are going to begin retiring in 3½ years from now. Social Security spending exceeds tax revenues in 2017, and Social Security is simply going broke, and it needs to be fixed.

It is not guessing on insolvency. I have heard suggestions from both sides of the aisle if we can get our economy strong enough, it will fix Social Security. Well, the fact is that we know how many people there are, we know when they are going to retire, we know that people will live longer in retirement. But here is what also we know: We know that if we are earning more wages now because of a stronger economy, or if more people are working now because of a stronger economy, because there is a direct relationship to how much you are earning and paying in now and how much you will get out when you retire, a stronger economy now means there is more money going into the system, but it means when these people retire there is more money going to be spent going out of the system.

□ 2230

So simply having a strong expanding economy by itself does not solve the Social Security problem.

My last blip on this chart, payroll taxes will not cover benefits starting in 2017 and the shortfalls will add up to $120 trillion between 2017 and 2075.

Here is the problem of the birth rate going down and the fact that people are living to older ages. In 1940 there were 28 people working paying in for every one retiree, so they were spreading the costs between those 28 workers on their payroll tax to finance every one senior. By the year 2000, it got down to three people working paying in and supporting one senior, so the taxes kept going up.

The projection for 2025 is there will be two individuals working for every one senior that they are trying to support in their retirement. Economic growth will not fix Social Security, Social Security benefits are indexed to wage growth; and when the economy grows, workers pay more in taxes, but also will earn more in benefits when they retire. Growth makes the numbers look better now, as we discussed, but leaves a larger hole to fill in in later years.

Mr. Speaker, I was chairman of the bipartisan Social Security Task Force, and I probably made maybe 250 speeches around the country. In those early speeches people said, well, if Congress would keep their hands off the money coming in from Social Security, if they would keep their hands off the Social Security trust fund, everything would be okay. Well, we should keep our hands off that trust fund. That money should be invested and returning real earnings back to the Social Security. But these two columns show the money that is in the trust fund, roughly $700 billion borrowed. You add interest to that, so now there are IOUs out there that represent $1.4 trillion. But here is the total column of what is required for the Social Security problem. That is $12 trillion. So we need to get back that $1.4 trillion, and it is all spent; so government has spent all the money when it came in.

So now the challenge is how do we, do we simply reduce benefits again so that we do not need as much money, do we raise taxes again on workers where already 78 percent of American workers are paying more in the payroll tax than they do the income tax?

On this chart, it probably justifies an explanation. We will need $120 trillion between 2017 and 2075 in future dollars. The $12 trillion that we talk about in unfunded liability or the total for Medicare and Medicaid added to that is $73.5 trillion. That means that money would have to be put in a savings account today accruing interest that would accommodate for inflation plus the time value of money to come up with the $120 trillion that is required until the future years to cover Social Security benefits, that much more is needed over and above what is coming in on the payroll tax now.

Social Security has a total unfunded liability of $12 trillion. 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 put by 30 percent. And with this program, with most of our seniors depending on Social Security for most of their retirement income, I think it would be very bad policy to again cut benefits. But that is what we have done in the past. That is what we did with the 1983 changes. We increased the taxes up to 12.4 percent, and we cut benefits in several ways including increasing the retirement age gradually from 65 to 67 years old.

This figure shows that Social Security is a bad investment. In fact, if you are a black male, you have a negative return on the money you pay in to Social Security because on average a black male will die at something like 63½ years old, before they reach 65 years old. The average return for the average retiree is 1.7 percent. The column to the far right represents what the market has done, and this is the Wilshire 5000 that actually earned 11.86 percent over and above inflation for the 10 years ending January 31, 2004. This, of course, included almost 2½, almost 3 years of a down equity market on the stocks. This is another way of saying, Mr. Speaker, that Social Security is a bad investment.

This chart shows how many years a retiree is going to have to live after retirement to break even on the money he and his employer, or he or she if they are self-employed, sent into Social Security. In 1995, if you retired in 1995, you have to live 16 years after retirement. By 2005 you will have to live 23 years after you retire to break even on the money you send in to Social Security. So that should bring to mind, is there a better way to invest some of this money than simply sending it to the government and letting the government write out an IOU and spend any extra money that they have and only giving the retiree an average of 1.7 percent return?

This chart I wanted to show simply because I think it indicates the danger of doing nothing and continuing to put off this decision. I would, as a footnote, I would just urge that every citizen in this election year when you go to candidate forums, when you go to Presidential forums and speak to their representatives, ask them what bill they have signed on or introduced to solve the Social Security and Medicare problem of unfunded liability, the fact that these programs are going broke. Because I think the danger is putting it off and then we simply increase taxes again.

As you see, in 1940 we had the first tax increase. We went from 1.5 percent to 2 percent, 2 percent of 3,000. In 1960 we tripled it to 60 percent of a base of 4,800. In 1980 almost doubling it again to 10.16 percent of the first 26,000. By 2000 we raised it to 12.4 percent of the first 76,000. In 2004, 12 percent of the first 87,900. And that view of history of what Congress and the administration has done probably is a danger signal to what we might do again if we do not stand up and deal with this problem.

I know it is so easy to demagogue because this is my, I introduced my first Social Security bill when I came here in 1993. And I have introduced a Social Security bill every year after that that has been scored to keep Social Security solvent. So every election, I face the challengers that are saying I want to ruin Social Security.

Now, probably after so many speeches in my 7th Congressional District of Michigan, most of my constituents understand the real problem of Social Security. So if those candidates that are replacing me, they are all very supportive that the system needs to be changed to keep it solvent and to keep this important program going and to keep our promises. Because what seniors, of course, what working people do is they look at how much revenue is going to come in from Social Security and what other kinds of savings they need to accommodate a retirement lifestyle that is going to be satisfactory. So simply telling these workers in their late forties and fifties that we are going to start reducing benefits would be terribly unfair.

This simply is a chart showing that 78 percent of workers today pay more in the Social Security tax than they do in the income tax.

The six principles that I have set up, one, protect current and future beneficiaries; two, allow freedom of choice; three, preserve the safety net. In other words, in my bills I leave at least half of the trust funds in place. Four, make Americans better off, not worse off. So have a program where savings and investment in our industry is encouraged. Five, create a fully funded system. And my last blip that I think is important is no tax increases on your payroll taxes.

Mr. Speaker, I am going to briefly run through the bill that I have just recently introduced. The Social Security trust fund continues, voluntary accounts would start at 2.5 percent of a personally owned retirement account and would reach 8 percent in future years, 2075. Investments would be safe, widely diversified, and investment providers would be subject to government oversight. The government on the last blip, the government would supplement the accounts of workers earning less than $35,000 a year. And what that does is ensure that with the magic of compound interest, adding a little bit to these low-wage workers into their privately held savings account, means that their trust funds are going to grow to a modest income workers can retire with what millionaires are getting from Social Security today. So the goal is to encourage savings and to have a system that does even better than our current Social Security system.

Actually, I think this was first suggested by President Clinton that we add some funds to low-income workers in their personal savings account to help encourage more savings and to give them the kind of retirement benefits with that larger nest egg and how it can accumulate.

My Social Security bill, as all my Social Security bills, has been scored by the Social Security Administration to restore long-term solvency to Social Security. No increase in the retirement age and no changes in the COLA, the cost of living, or no changes in the benefits for seniors or near-term seniors. Solvency is achieved through higher returns from worker accounts and slowing down the benefits for high-income retirees. I do that by adding another ben point.

You remember the ben point chart that went from 90 percent to 32 percent to 15 percent. I add another so-called ben point at 5 percent so that high-income retirees would have the effect of having their benefits, their increase in benefits slowed down. Workers' accounts, all workers' accounts would be owned by the worker and invested through pools supervised by the government. Regulations would be instituted to prevent people from taking undue risks. In other words, we start out like the Thrift Savings Account for Federal employees, and that is a limit on where you can invest the money, such as index stocks, index bonds, index cap funds and other safe investments as determined by the Secretary of Treasury. Regulations would be substituted to prevent people from taking those undue risks through that process, and workers have a choice of those three safe index funds with more options after they have a balance in their account of $2,500 or more.

What we also include in the bill is once you are able to have a permanent annuity that will guarantee you the same benefits as Social Security, then you can stop paying the 6.2 percent of your wages, of your income that you now pay into Social Security. So it gives you that kind of option if you think you can make the kind of investments and have the ability to set up that kind of insurance system just to guarantee that you are not going to later ask people to help finance your retirement if things go wrong.

□ 2245

Worker accounts. Accounts are voluntary and participants would receive benefits directly from the government, along with their accounts. Government benefits would be offset based on the money deposited into their account, not on the money earned, and workers could expect to earn more from their accounts than from the traditional Social Security. I think it is obvious that we could incorporate in this legislation a guarantee that if anybody selected the option, you can stay with the old system if you want to and not have personal retirement accounts, in my proposed legislation, but if you do go into personally-owned retirement accounts, we are guaranteeing that they are going to be at least as good in terms of what they are going to contribute towards your retirement as Social Security. So you cannot lose.

Fairness for women. This is what I have incorporated in this Social Security bill. For married couples, account contributions would be pooled and then divided equally between husband and wife. So, if one spouse is earning much more than the other spouse, you add the two earnings together, you divide by two to determine what is going to be the identical amount that is going to go into both the husband's and the wife's personal retirement savings account.

Two, it would increase surviving spouse benefits to 110 percent of the higher earning spouse's benefit. Currently, it is 100 percent. This tries to encourage people to stay in their own home a little longer rather than going to a nursing home. So we have upped the minimum amount that is going to be allowed after one spouse's death.

Then stay-at-home moms. For stay-at-home mothers with kids under 5, they would receive retirement credit. So, for those limited number of years that they stay at home with those kids under 5 years old, we give them the average of their higher earnings for those outyears to fill in that best 35 years in determining their benefits.

The additional retirement security. Trying to encourage a couple of things, encourage more savings, encourage people to stay in their own homes a little longer after they retire. So these are other provisions I have incorporated in my bill that is a bipartisan bill, signed by Democrats and Republicans.

The increased contribution limits for IRAs, 401(k)s and pension plans, we would increase that contribution limit. The second blip, a 33 percent tax credit for the purchase of long-term care insurance up to $1,000 per individual, $2,000 per couple. Low-income seniors would be eligible for a $1,000 tax credit for expenses related to living in their own homes and households caring for those dependents. So, if the kids are having one of their parents or both of their parents live with them, they would get a tax credit to encourage them to use their facility and care for their parents as opposed to maybe their parents going into a nursing home.

Nursing home care, of course, is now increasing dramatically as we pass more rules and regulations. On the average, in my area of Michigan, nursing homes cost from $40- to $55,000 a year for a senior to stay at that nursing home, and with the increased medical technology, these elderly individuals that thought they had saved enough during their working years soon find out that if they are going to live that longer period of time, then their savings is used up, and they switch and then they are eligible for Medicaid, where the government pays the cost of that nursing home care.

The promises that Congress has made. As I summarize Mr. Speaker, I would just encourage all citizens of this country to look at the overpromising and the overspending that seems popular for the moment, but in the long run, it becomes a detriment not only to our kids and our grandkids but to the kind of pressures it is going to put on economic growth in future years.

CONGRESS NEEDS TO FULFILL ITS RESPONSIBILITIES

The SPEAKER pro tempore (Mr. FEENEY). Under the Speaker's announced policy of January 7, 2003, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 60 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I appreciated the chronicling of crisis of Social Security by my colleague, and I would simply offer to say that I agree with him. This Congress needs to be able to focus its attention on domestic issues as crucial as Social Security.

I guess this evening I will pursue for my colleagues why we have not been successful in fulfilling our responsibilities in dealing with the domestic agenda, confronting some of the crises that we are now facing around the world, and particularly confronting the crises that we are facing in the Mideast, particularly in the region of Iraq and Afghanistan.

I believe that the American people have a right to expect their government to work. It is a simple premise, Mr. Speaker. The Federal Government is the umbrella during the rainy day. It is the cushion. I might say some would say it is the wind beneath our wings. Frankly, it is the big brother and big sister in a positive way. We should be able to lean on the Federal Government.

I am disappointed because I believe this Congress, and there is not an institution that I respect more in terms of government because of the great history of this body, has failed to fulfill its responsibilities. What are those responsibilities and what has it brought in terms of where we are today?

We are faced with choices that have not been brought about by the right kinds of circumstances. We failed as a body to truly provide oversight in order for this government to work. I think it is so overwhelming to the American people, it requires a chronicling of where we are and why there should be such an outrage and an outcry to demand this government to work, particularly this Congress, because the Congress above the executive and the Judiciary, is to be the truth-finder. It is to be the fixer-upper. It is the body that corrects the ills that have been created.

Frankly, I think it is quite dismal that in the last 4 years, when this body was controlled predominantly by one party, we have not seen one legitimate investigation started, completed and resolved. When I say that, I mean started, completed and the problem resolved.

We still have outstanding the exposure of a CIA operative. We still have outstanding the question of how the energy bill was designed. We have not yet completed a complete overhaul of our corporate structures so that we can prevent fraud and abuse. We certainly have not touched the surface of why we entered into a war with Iraq on the basis of weapons of mass destruction and whether or not this body, this Congress was misrepresented to.

So tonight, Mr. Speaker, I am simply going to draw our attention to why it is so important to decipher what the policies are in this government and to simply ask the question why and to ask the question what if. What is wrong with the body, what is wrong with this Congress who fails to ask the questions why and what if, who takes its responsibility of oversight as a major part of its duties, its oath of office, so the American people can know the truth and so that we can find ways to fix the problems and that we can restore this Nation to its high moral grounds?

Frankly, it is tragic to be able to suggest that seven low-ranking military personnel, privates and others, are the basis upon which this Nation's national and international standing has collapsed, and frankly, Mr. Speaker, that is fairly accurate. It does not take away from the very noble, valiant tasks that have been acted on by our military and our other government personnel who are on the front lines across the world.

I had the pleasure of being just last week in Afghanistan at Baggram Air Force Base where a multitude of our forces were there from many, many different branches of the United States military, and Mr. Speaker, I come back to say that our military is able, dedicated and committed; that the work that is being done in Afghanistan, though trying and difficult, though forgotten in some sense, led by very fine military officers, is persistent and determined. They are determined to stay and provide the kind of leadership and security necessary for the government of President Karzai to succeed and for the elections to proceed. They are engaged. They are working with the provisional reconstruction team, one of the best elements of the Defense Department, and the American people should know about it. Our military are engaged, yes, in Nation building, more effective than our foreign policy has been, and in visiting with those on the air force base, they are actually building schools and clinics. They are actually helping to educate young people in