this one. I will recuse myself and I will not allow myself to participate.

It seems like it is a very simple thing that could be done, and I do think it is important for us to continue to bring it up. Because the bottom line, Madam Speaker, is that this energy task force has played a very important part in energy legislation that was developed here. And the whole concept of the appearance of impropriety on behalf of both the Vice President and the Supreme Court is at stake.

So we are bringing this up tonight, myself and the gentleman from Washington, but we are going to have to come back here again and bring it up because this case will be heard in April and there is still the opportunity for Justice Scalia to heed the advice of the litigants, the Sierra Club and the other public advocates who have asked he recuse himself in this case.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Williams, one of his secretaries.

SOCIAL SECURITY

The SPEAKER pro tempore (Mrs. BLACKBURN). 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. Madam Speaker, I am going to give a short tutorial on Social Security tonight, and this is going to be somewhat bipartisan because I am going to criticize both parties a little bit for not acting on one of the most serious problems I think is facing our country, and that is unfunded liabilities. In other words, the kind of promises that Congress has made to make themselves more popular back home and yet not having any way to pay for it.

The estimated unfunded liabilities in today's dollars of the promises that we have made that we do not know where the money is coming from is estimated now at $53 trillion. In other words, we would have to come up with $53 trillion and put it in a savings account that is going to return at least inflation and the time value of money in order to pay for these kind of future benefits. Even at this time, when Republicans are talking about the diligence that we must have in reducing spending, and my guess is we are going to reduce spending even less than what the President has suggested, there still is the problem of dealing with Social Security.

I asked the pages a little earlier to listen up to my comments tonight on Social Security because our pages, who are 16- and 17-year-olds and in high school, are the generation at risk that are going to have to put up with our nonaction to solve this serious problem. And as long as the pages are listening, let me just say it is a tremendous service that they provide to America, giving up their time, getting up at 5:30 in the morning, eating quickly and doing all the work we put before them.

Okay, here goes the roughly 30, 35-minute tutorial on Social Security. First, I am going to start out with how we divide up government spending. If you look at this pie chart, we see that the expense for Social Security is the largest piece of this pie.

□ 1615

Let me remind everyone that Social Security is a pay-as-you-go program where the taxes, FICA taxes that come out of your paycheck immediately, once it gets to the Department of Treasury, is either sent out in benefits to current retirees, or where there is a surplus it is spent for other government programs. Social Security even exceeds the 20 percent increase in cost of defense. Interest is 14 percent, but to continue to borrow this money and pretend that our problems today are so serious that it justifies taking money away from our kids and grandkids that cannot defend themselves I think is unconscionable.

Here is briefly how Social Security works. Benefits are highly progressive and based on earnings. Some people have said if the economy improves it will satisfy the problems that we are facing with Social Security. That is not true because as the economy improves and wages go up, that means future benefits, because they are directly related to the wages that you are making, future benefits are also going to go up. It might solve the problem in the short run, but in the long run it does not solve the problem.

The second is at retirement all of a worker's wages up to the tax ceiling are indexed to present value using wage inflation. In other words, if you made $20,000 a year 15 to 18 years ago, the wage inflation would credit you on the way your benefits are calculated up to what that $20,000 is worth today. In other words, it would be written down someplace around $40,000. The third blip, the best 35 years of earnings are averaged. So if you only work 20 years, 15 years go as a zero for your average earnings in terms of defining your benefits.

The annual benefit for those retiring in 2004 equals, and this is how it is progressive, it equals 90 percent of the earnings up to 7 percent. These are the benefits you are going to get or are getting. It equals 90 percent up to the first $73,440; 32 percent of the earnings between that figure $73,440 and $44,000; and 15 percent of the earnings above the $44,286. In other words, if you are a very low-income person, you can receive back on our average Social Security check 90 percent of what you averaged during the 35 years. If you are a very high income recipient, you are going to get 15 percent of the earnings up to the maximum of what is now $89,000. We have capped your earnings in terms of defining Social Security benefits up to $89,000, and that is geared to inflation in future earnings.

Early retirees receive adjusted benefits. If you retire at 62, they figure out how long you are going to live and reduce your benefits accordingly. However, if you decide to put off retirement, maybe until you are 70, then your retirement benefits are indexed to a higher calculation in your monthly payment. So if you are in good health, keep exercising and eat right, sometimes it is going to be to your advantage to put off receiving those Social Security benefits for a few years.

What a lot of people come to me and ask, what about all this cheating on SSI? These people are getting my Social Security benefits. That is not true. SSI comes out of the general fund. It does not come out of Social Security.

Well, Social Security started in 1934 with President Franklin Roosevelt. When President Roosevelt created the Social Security program over 6 decades ago, he wanted it to feature a private sector component to build retirement income. Social Security was supposed to be one leg of a three-legged stool to support retirees. It was supposed to go hand-in-hand with personal savings accounts.

Researching the archives, and if you have never looked at the archives and the history of this country, it is very interesting. Looking at the archives when Social Security was passed, the Senate actually said there should be personal retirement savings accounts owned by the individual worker. The House said no, let us have government take all of the money and the government can invest it. That way we can be sure no snake oil salesman comes in and tries to convince individuals to invest their money some place where it might be risky.

In conference committee the House won out, the government won, and from then on every time Social Security gets into a little trouble in terms of income, enough income coming in to pay benefits, it does one of three things: It increases taxes; it reduces benefits; or a combination of those two. Most often it is a combination of the two.

Social Security is, what I wrote on this chart, is a system stretched to its limit. There are 78 million baby boomers that begin retiring in 4 years in 2008. This is part of the problem. With a pay-as-you-go program with more and more retirees and a lower birth rate, you end up with fewer and fewer workers paying for the benefits of that increasing number of retirees. Social Security spending exceeds tax revenue in 2017. That is the current estimate. Later this month the Social Security Administration is going to come out with their new projections of how big a problem we have for Social Security.

Chairman Greenspan at a House Budget Committee hearing said a couple weeks ago that Congress has got to do something about Social Security. It is going broke. He suggested that we have a few changes in Social Security that slows down the increase in benefits over and above inflation. We had both Republicans and Democrats saying well, boy, we do not want to touch Social Security. As most people know, Social Security is easy to demagogue. We have so many people that are so dependent on Social Security, when somebody says this other guy running for Congress, he wants to ruin your Social Security, and if you do not understand how Social Security works, if you do not understand how great the predicament is going to be and how underfunded Social Security is going to be in the future if we do not make some changes, it is easy to say I better vote for the person that says my Social Security is never going to be touched.

There are only three ways to fix Social Security: You either reduce benefits; you increase taxes; or you make a change in the program to get a better return on the money that is being sent in by American workers. What I am suggesting and I put into my bill 10 years ago, and I was the first to say that we should consider private savings accounts in order to get a better return than the 1.7 percent that the average retiree gets from the money that is paid in, that they pay into Social Security.

The third bullet on this chart, Social Security trust funds go broke in 2037. But in 2017 or 2018 is when there is not enough money coming in from taxes to pay benefits, and so then you have to increase taxes on somebody else. What Congress has done in the past, they say let us just reduce benefits a little bit.

When I introduced my first bill over 10 years, and I have introduced a bill scored by the administration every session of Congress that I have been here since 1992, it was easy to fix the program because there were a lot of surpluses coming in. The point I am trying to make is that those surpluses are going to go away every year.

Back to the pie chart, guess how much we take in from Social Security now? We take in from Social Security taxes $540 billion a year, and what we pay out is $450 billion a year. So right now because of the huge tax increase on Social Security that we imposed with a Greenspan commission in 1983, for a short time period at least we are bringing in more revenues than we need. And part of the problem is that this Congress, both sides of the aisle, have said here is some free money so we are going to spend that Social Security extra money and then we are going to write out an IOU to the Social Security Trust Fund.

Very briefly, solvency is certain. We know how many people there are, and we know when they are going to retire. We know people will live longer in retirement, we know how much they will pay in and how much they will take out, and we know that payroll taxes will not cover the benefits starting in 2017. What do we do? And the shortfalls are going to add up to $120 trillion between 2017 and 2075. That is in future dollars. So if you count how many dollars every year between 2017 and 2075, $120 trillion, compare that to our $2 trillion, a little over, we are running maybe $2.4 trillion this year, that is our annual budget, a little over $2 trillion, $120 trillion we have to come up with in future dollars. If we had $12 trillion in today's dollars and put it into that savings account, we could accommodate benefits; but that is $12 trillion. Where is it going to come from?

This chart represents the demographic problems. The pay-as-you-go retirement system is not going to meet the challenges of a reduced birth rate and an increased longevity for people to live. Back in 1940 there were 37 workers paying in their Social Security tax for every one retiree. By the year 2000, it got down to three workers paying in their Social Security tax for every retiree. Of course we are estimating in 2025 it is going to be down to two.

In addition to those demographic considerations, what we are also facing is the fact that we have increased benefits along the way. And so the fewer workers you have to pay that increased benefit, the greater the burden is on those individuals. But more than that, what is it going to do to our economy? Do you know what is happening in France? France has a payroll tax to accommodate their senior population of over 50 percent. No wonder France has such a high unemployment rate. No wonder France is having a difficult time competing with world trade in their production, because a business only has two chances when they have that kind of increased tax: You either have to pay the employees less or you have to charge more for your product. And if charging more for your product makes you less competitive, then your economy is weakened.

Guess what the payroll tax in Germany is? Now the payroll tax in Germany is 42 percent. Ours is 15.2 percent, but if we do not do something and we say look, we will deal with this problem later, then the consequences are increasing taxes on American workers. That is a problem for those individual workers, and it is a problem for our economy if we start having to charge business the extra tax to pay those kinds of benefits.

That means that the United States Government, Federal Government, has to start considering doing something that almost every State in the Nation has done now, and that is instead of having a fixed-benefit program, you have a fixed-contribution program, and it is going to take 20–30 years to make the transition to that kind of a program. But look, the longer we put it off, the more drastic the solution is going to be.

I know I get a little emotional about this issue. Many of us have shouted and pulled our hair and got on our soapbox saying these are real problems, the unfunded liability of our promises. And of course it has been the tendency that politicians that take home pork projects, that start new programs, that make promises, and the needs out there are unlimited, but those kinds of extra promises that are put into law tend to increase the chance that that individual politician is going to be elected to office.

□ 1630

They get on the front page of the newspapers, their picture is on television cutting the ribbon, and they end up increasing the likelihood that they will be reelected. Part of that is because now over 50 percent of the adult population gets much more from government services than they pay in in taxes. With 50 percent of the people now paying about 1 percent of the total income tax in this country, it is easy to understand why some say, look, I've got problems, give me a little more government, give me a Representative that's willing to spend a little more money. But for the sake of our kids and our grandkids, we have got to face up, I think, to the real problems that we have today in the unfunded liabilities and the overspending.

This is simply a chart that says, starting in 2017, we go from the surpluses of the high taxes that we passed back in 1983 and we go into a future of huge deficit spending.

What I think it is good to remind people about is there is no Social Security account. That is the same as saying it is a pay-as-you-go program. The Supreme Court on two decisions now has said just because you pay Social Security taxes all your life there is no obligation on the part of the Federal Government to pay Social Security benefits. That is what the Supreme Court has said. They said Social Security taxes are a law that has been passed by Congress and signed by the President for increased taxes and that benefits are simply a benefit provision passed by Congress and they are not connected as far as an entitlement.

These so-called trust fund balances in Social Security are available to finance future benefit payments and other trust fund expenditures, but only in a bookkeeping sense. This was the Office of Management and Budget that said this, just to hopefully emphasize the fact that there is no entitlement program. I am introducing legislation to say that in future budgets of both the OMB, that is the President's budget people and CBO, the Congressional Budget Office, which is the congressional budget office, they have got to include projections on unfunded liabilities; and I think maybe it will help us better realize the predicament that we are facing. Generally, it is a little easier to put off the solutions until the disaster is right there upon you. It is easier in terms of politics. It is not easier in terms of finding a good solution to keep Social Security solvent.

As I go around, since it was used against me in my first three reelections that Nick Smith is trying to ruin Social Security, I have probably given maybe between 250 and 300 speeches in my district to my constituents presenting the problem of the dilemma of Social Security. My district is starting to understand better that something needs to be done. Luckily, I have been reelected in spite of the demagoguery. But what a lot of the people say, if government would just keep their cotton-picking hands off of the extra Social Security money coming into the trust fund, it would be okay. This chart represents that it would not be okay. What government has borrowed and spent because of the annual surpluses is now in IOUs down in Virginia and it amounts to $1.4 trillion. The unfunded liability is $12.2 trillion in today's dollars, $120 trillion if you include the future dollar cost of what is going to be unfunded if we stay with the current tax structure.

I think I mentioned a little bit, so just briefly, economic growth will not fix Social Security. Social Security benefits are indexed to wage growth. When the economy grows, workers pay more in taxes but also will earn more in benefits when they retire. And so growth makes the numbers better now, but worse in the future.

The biggest risk is doing nothing at all. Social Security has a total unfunded liability, this is an old figure, of $9 trillion. It is closer to $12 trillion. 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. Let us make sure we do not make that happen.

This is a chart that shows what the average retiree gets on the money they send in for Social Security taxes from their paycheck. The real return on Social Security is less than 2 percent for most workers and shows a negative return for some, compared to over 7 percent for the market. If you happen to be a minority whose life span is less, you actually are a loser and you do not get the money that you send in in Social Security taxes. If you are an average, you end up at about 1.7 percent return on your Social Security benefits. I just put this number down in terms of what has happened to the 5,000 stocks in the Wilshire 5,000, the index fund. This is what it has earned after inflation over the decade ending January 31, 2004. So it includes the down years, the low-income years. That is 11.86 percent. If we had government invest it and say, look, you cannot spend it anyplace else, but you have got to invest it, if we were to have individuals own it and say, look, government is going to say that you cannot take it out until you retire, government is going to limit the investment funds that you are allowed to invest in, in safe investments, the possibilities are that you could double, triple, quadruple and even more what you are getting now in terms of returns on the money you pay in for Social Security.

This is another way of saying it in my little bar chart, that if you retired in 1940 when there were so many workers and the program was just starting, it took 2 months to get back everything you and your employer had paid in. If you retire in 2005, it is going to take you 23 years after retirement to break even. And as you see, in 2015 it goes up to 26 years that you are going to have to live after you retire to break even on the money that was sent in for Social Security.

This chart shows what Congress and the President have done in the past to solve the Social Security problem, as there are more retirees and fewer workers. We have increased taxes, this chart does not show how we have reduced benefits, but what we did in 1983 is we increased the age that you receive the maximum benefits. So we are now indexing that age upward from 65, but it only goes up to 67 and then levels off again. Probably what we should do is somehow instead of indexing it to inflation, maybe index that retirement age for maximum benefits to the mortality tables.

I chaired the bipartisan task force on Social Security, Democrats and Republicans. After we spent about a year, both Republicans and Democrats on that task force agreed that something has to be done and the sooner the better. We had testimony from futurists, medical futurists that suggested that within 20 years, anybody that wanted to live to be 100 years old would have that opportunity. Within 30 to 35 years, probably, with our medical technology, anybody that had the desire and the money could live to be 120 years old. So medical technology is making the life span greater. Just let me give Members a short comparison. When we started Social Security back in 1935, the average age of death was 62. That meant most people paid into Social Security most of their lives but died before they were eligible for those retirement benefits. Now the average age of death for a male is 78 and the average age of death for a female in America is about 81½, almost 82 years old.

Very briefly, what we have done on tax increases, in 1940 our rate was 2 percent of the first $3,000. In 1960 we raised it threefold, 6 percent of the first $4,800. In 1980 we raised it to 10.16 percent of the first $25,900. In 2000 we raised it to 12.4 percent of the first $76,200. Now in 2004, because it is indexed for inflation, it is 12.4 percent of the first $87,900. The danger again is increasing taxes or reducing benefits.

Let us deal with some structural changes to Social Security, and I am just going to get into what I think is reasonable as far as some suggestions. I think it is important that we have raised Social Security taxes so much that now 78 percent of working families in the United States pay more in the Social Security tax than they do the income tax.

There are six principles of Social Security that I think are important: protect current and near-term retirees, allow freedom of choice, preserve the safety net, make Americans better off. On the principle of preserving the safety net, nobody's proposal for Social Security makes any change to the insurance part of that program, the disability part. If you get hurt on the job, you are going to be covered under Social Security for some payments. Nobody is suggesting any change in the government running that disability insurance part of the program. Make Americans better off and not worse off, and hopefully the economy in America better off; create a fully funded system; and no tax increases. Those are what I think should be our six guiding principles.

The U.S. trails other countries saving its retirement system. In the 18 years since Chile offered personal retirement accounts, 95 percent of the Chilean workers have created accounts and their average rate of return has been 11.3 percent. Of course, there is Australia, Britain, Switzerland, other countries. Even England allows 50 percent of their FICA tax, so-called, to go into personal retirement accounts.

Here are some of the highlights of my proposal. People choosing to participate in the voluntary account program would continue to receive benefits directly from the government. In other words, they have the option of going into a personal retirement savings account as part of the money that they pay in in Social Security taxes, or they can stay in the current system. Those benefits would be offset based on the amount of money deposited into their accounts, not on the amount of money earned in their accounts. In other words, if you earn more money, then you are better off than if you would be sticking with Social Security. If you can find a rate of return that is better than Social Security, you end up with higher retirement incomes.

In our Social Security legislation that we passed back in 1934, we said that municipalities did not have to go into this program; they could devise their own program as long as they had required saving investments. That is what a lot of counties in the United States have done. Some Texas counties are now paying $40,000 a year in retirement benefits compared to a much lower rate in Social Security. Those benefits would be offset based on the amount of money in accounts. This means that workers could expect to earn more for their account than the offset. What we do in our legislation, because it is so absolute, because we can have some companies that will guarantee a better return than Social Security, we have guaranteed in my bill that your retirement income will be at least as high if you stayed in the Social Security system. We start out, into Social Security you pay 6.2 percent, your employer pays 6.2 percent. In reality it all comes out of the worker's pocket. But we are saying that out of that 12.4 percent, we are going to start letting you set aside 2.5 percent of your earnings in your own personal retirement savings account.

□ 1645

And there are several provisions where we divide it.

All worker 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. I know this is all coming hard and strong, but if I give this special order maybe 100 times, people can tune in to pick up some of the leftover pieces.

Until an account balance reaches $2,500 in their personal retirement account, we restrict what they can invest in. It would be limited to choosing one of three funds: an 80 percent bond, a 20 percent index stock or a 60/40 fund or a 40/60 fund. So what we are saying is until one reaches that minimum, that they are going to be limited on the kind of investments they can make. But we also say when one can buy an annuity account that will give them as much money as Social Security would in their retirement, then they can do anything they want to with their money. After the balance reaches $2,500, workers would have access to additional safe funds.

The bill would increase contribution limits for IRAs, 401(k)s, and pension plans because we need to increase our savings in this country. The United States has one of the lowest savings rates in the world right now. That means it is tougher for our business and industry to come up with the funds that they use for research and growth and eventually jobs. It would create a 33 percent tax credit for the purchase of long-term care insurance up to $1,000, $2,000 for a couple. The long-term care insurance is one of the highest costs for Medicaid, a little bit different but still dealing with the huge problem of unfunded liabilities that we are facing with the Medicaid program. The Medicare program is the health care program for seniors. The Medicaid program is the health care program for low income.

It would create a tax credit to make it easier for low-income seniors to live at home or with a family rather than going to retirement care. Low-income seniors would be eligible for $1,000 for expense related to living in their own home, and households caring for dependent parents would also be eligible for a $1,000 credit for expenses.

Here is an issue that has bothered me in Social Security, and I call it ''fairness to women.'' Sometimes it would be the man that is the spouse, but in my proposal I say for married couples, account contributions would be pooled and then divided equally between husband and wife. In other words, if one spouse was making twice as much as the other spouse, they pool what they are making together in terms of what can go into their personally owned private investment account and divide it in two so each husband and wife would have the identical amount of money in their savings account. Certainly, it is going to simplify divorce settlements. It would increase surviving spouse benefits for up to 110 percent of the higher earning spouse's benefit. And stay-at-home mothers with kids under 5 would receive retirement credit. My wife has got me convinced, my daughters have me convinced that stay-at-home moms really work hard, and we should not discourage it. We should encourage it. So I am suggesting in my bill for a mom staying home with those young kids, they can get extra credit in terms of assigning an average earning for those later years of what they might have made if they had been in the working environment. So it averages their highest income for those years they stay at home with those young kids up to 5 years.

Briefly, and let me wind this up pretty quickly, the Social Security Solvency Retirement Security Act has been scored by the Social Security actuaries to restore long-term solvency to Social Security. There would be no increases in the retirement age, changes in benefits for seniors or near seniors or changes in the Social Security COLA. The COLA is the cost of living index that is calculated every year to increase Social Security benefits. Solvency would be achieved by recouping a portion of the higher returns from workers' accounts and slowing the increase in benefits for the highest-earning retirees. Remember that chart back a while ago, if people have been watching this whole show, where the progressivity of the Social Security system ends up with receiving 5 percent if one is of very high income? I add one more bend point, is what I call it, what economists call it, and say if one is of very high income, it is going down to be 5 percent of that very high-income earning. What this does in effect is it slows down the increase in benefits, slows down the increase in benefits for very high-income retirees. That is where we make up some of the money.

The bill would also call for a loan of $900 billion from the general fund to Social Security to help ease the transition. The loan would be repaid when the program regains solvency. My early bills that I introduced in 1993, 1995, 1997 in other sessions did not require that loan to help make the transition, and the transition is a problem because if we are going to have personal retirement savings accounts, somehow we have got to come up with that extra money because of the consideration that it is a pay-as-you-go. As soon as the money comes in, we are paying it out. And in 2017, the current estimate, that we are not going to have enough money to pay benefits. So starting in 2017, we need more money to continue those personal savings accounts.

I think I am down to my last chart, Madam Speaker. The trust fund continues; so I do not deplete the trust fund. I leave at least half of the trust fund in place in case of contingencies, emergencies, or anything else. The Retirement Security Act would allow workers to create, on a voluntary basis, accounts funded from their payroll taxes. The accounts would start at 2.5 percent of income and would reach 8 percent of income by 2075, a very gradual process, but, again, the longer we put it out, the more drastic the solution it is going to be. So we need to do it quickly. We need to quit demagoging. If one is a Republican, do not demagogue the Democrats' suggestions. If one is a Democrat, do not demagogue the Republicans' suggestions on how to fix Social Security. If one is a voter in the United States, then I think they should be asking everybody running for office what is their solution to make sure that Social Security stays solvent? Are they going to simply borrow more money and let our grandkids pay for it? Are they going to increase taxes? Are they going to reduce benefits? What is their proposal? And do not let them give some fast talk and say, ''Boy, I am not going to let anybody touch your Social Security benefits.'' That is what has been done too long. Pin them down. What bills have they introduced? What bills are they signing on to and cosponsoring to make sure we save Social Security?

The Retirement Social Security Act accounts start at 2.5 percent. They go up. Workers would own the money in their accounts. And that means right now if one dies at an early age, they might get burial expense but the money is not theirs; so that is how the Social Security system has gained some money with people that die before they are eligible for retirement benefits. In their personal retirement account the money is theirs. It goes to their heirs if they die before they reach age 65.

Investments would be limited, widely diversified, and investment providers would be subject to government oversight. The government would supplement the accounts of low-income workers making less than $35,000 a year to ensure that they build up significant savings. Actually, I sort of stole this idea from President Clinton. That was one of his proposals that was just part of a proposal that we have an American savings account. But let us make sure, to the best we can, that every worker ends up better in their retirement, that the system helps the economy by having the kind of savings account that, rather than being spent by government for more government programs, ends up being invested in equities, in bonds, in stocks, in the kinds of investments and savings that are going to help our country.

In conclusion let me just say that I was in Libya yesterday meeting with Colonel Khadafi. We have a system and a Constitution in the United States that provided that those people that work hard and save, that study and learn and use it, end up better off than those who do not, the kind of motivation that has helped us have the strongest economy in the world. It was interesting that Khadafi told us that what he thinks is they need less government in Libya, that if they work 4 hours, they get paid for 4 hours; if they work 8 hours, they should get paid for 8 hours, and if they do not like what their employer is doing, changes jobs, and they do not want somebody speaking for them. In fact, also, and I made a decision early on not to take special interest PAC money for my campaigns, he said we do not want political parties in Libya because with political parties they are both going to be trying to get a majority. To get a majority, they spend money. And the first thing one knows, countries like Egypt would be coming in, financing one political party. Somebody else might be coming in with a different interest, financing another political party. And they would be tending to push laws that were good for their interests and not good for the country of Libya. That is a very interesting change of mood for an individual that has supported terrorist regimes in the past in how he thinks the future of Libya should be restructured.

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR CONSIDERATION OF H.R. 339, PERSONAL RESPONSIBILITY IN FOOD CONSUMPTION ACT

(Mr. GOSS asked and was given permission to address the House for 1 minute.)

Mr. GOSS (during Special Order of Mr. SMITH of Michigan). Madam Speaker, the Committee on Rules may meet the week of March 8 to grant a rule for the consideration of H.R. 339, the Personal Responsibility in Food Consumption Act, which may require that amendments be printed in the CONGRESSIONAL RECORD prior to their consideration on the floor.

The Committee on the Judiciary ordered the bill reported on January 28, 2004, and is expected to file its report with the House by Friday, March 5, 2004. Members should draft their amendments to the bill as reported by the Committee on the Judiciary, which will be available tomorrow for their review on the Web sites of both the Committee on Rules and the Committee on the Judiciary.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format. Members are also advised to check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

PROTOCOL AMENDING AGREEMENT FOR COOPERATION BETWEEN UNITED STATES AND REPUBLIC OF INDONESIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108–169)

The SPEAKER pro tempore (Mrs. BLACKBURN) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress, consistent with sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)) (the ''Act''), the text of a proposed Protocol Amending the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy, signed at Washington on June 30, 1980. I also transmit my written approval, authorization, and determination concerning the Protocol, and an unclassified Nuclear Proliferation Assessment Statement (NPAS) concerning the Protocol. (Consistent with section 123 of the Act, as amended by title XII of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105–277), a classified Annex to the NPAS, prepared by the Secretary of State in consultation with the Director of Central Intelligence, summarizing relevant classified information, will be submitted to the Congress separately.) the joint memorandum submitted to me by the Secretary of State and the Secretary of Energy and a letter from the Chairman of the Nuclear Regulatory Commission stating the views of the Commission are also enclosed.

I am advised that the proposed Protocol has been negotiated consistent with the Act and other applicable law and that it meets all statutory requirements. This Protocol will advance the nonproliferation and other foreign policy interests of the United States.

The Protocol amends the Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy in two respects:

1. It extends the Agreement, which expired by its terms on December 30, 2001, until December 30, 2031, with effect from the former date; and

2. It updates certain provisions of the Agreement relating to the physical protection of nuclear material subject to the Agreement.

As amended by the proposed Protocol, the Agreement will continue to meet all requirements of U.S. law.

Indonesia is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and has an agreement to its nuclear program. It was also among the early sponsors of, and is a current party to the Southeast Asia Nuclear Weapons Free Zone. The United States and Indonesia have had a long and positive history of cooperation in the peaceful uses of nuclear energy, with our earliest agreement for this purpose dating back to 1960.

I have considered the views and recommendations of the interested agencies in reviewing the proposed Protocol and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the Protocol and authorized its execution and urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. My Administration is prepared to begin immediately the consultations with the Senate Foreign Relations Committee and House International Relations Committee consistent with section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE W. BUSH.
THE WHITE HOUSE, *March 4, 2004.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ISAKSON (at the request of Mr. DELAY) for today on account of attending his daughter's wedding.

Mr. KING of New York (at the request of Mr. DELAY) for today on account of medical reasons.

Mr. WOLF (at the request of Mr. DELAY) for today on account of attending the funeral of the president of Macedonia.

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. MCGOVERN) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

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

Mr. GEORGE MILLER of California, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

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

Ms. NORTON, for 5 minutes, today.

Mr. TOWNS, for 5 minutes, today.

Mr. MCGOVERN, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

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