

earned. Earned. And that is what Social Security is, an earned guaranteed benefit that not only covers people in retirement as long as they might live, unlike many other plans and programs out there, like the privatized accounts, but it also provides for survivor benefits in case of untimely death to a spouse and/or surviving children. It also provides for a disability benefit.

The proponents of privatization, in addition to not fixing potential financing problems for Social Security, have not dealt with the issues of survivor benefits or disability benefits. They cannot. There is no way to do it under privatized accounts.

You opt into a private, so-called opt, because people would be coerced into these because otherwise they would see dramatically reduced benefits and they would try to bet money to win back under this plan, but they would, say, at age 18, you opt in and you do really well for 6 years. You are working as hard as you can. You put away the maximum amount per year. Then you become totally disabled at age 24, and you have \$12,000, if you did really, really, really well in your investments in your privatized account. There it is, \$12,000, you are totally disabled, have a good life.

That is not going to work. So they have not dealt with that issue. They say, oh, those people would still get their regular benefits. Well, if they are still going to get their regular benefits, but you are diverting all this money from the program, then the problems of Social Security become yet worse again.

So Senator GRAHAM has finally hit on something, and hopefully other Republicans will come to the same realization. We have not just been saying, no, we do not want to improve the lot of people in their retirement years; and, no, we do not want to help facilitate people to save more toward their retirement. Because FDR envisioned the one guaranteed leg, the earned benefit of Social Security in addition to private pensions in a different savings. Private pensions are going away, so we need to help people save more, invest more and have more to supplement a guaranteed earned benefit of Social Security that is secure.

That is what this debate has been about. Finally, there is some realization on that side of the aisle that private accounts, in addition to taking the future financing of Social Security and putting it more in jeopardy, are a sideshow, as Senator GRAHAM, Republican from South Carolina, has said, to the real issue of, are we going to take steps to guarantee that Social Security will be there not only for this generation and the near generation of retirees, as the President would do, but for all future generations.

We can do that easily. There are a number of ways to get there, one which I have proposed in past Congresses is to lift the cap on earnings. We say, look, if someone earns \$25 million a year,

they should pay the same percent of their income into Social Security as someone who earns \$40,000 a year. If a person earns \$40,000 a year, who works for wages and salary, pays 6.2 percent into Social Security; the person who earns \$25,000 a year pays about a thousandth of one percent of their income into Social Security; they finish paying social security taxes on the second or third day of the year at that wage rate. That is not fair. It is not right. If they paid on all of their earnings, and their employer, some big multinational corporation paid on all their earnings, Social Security would be secure forever. In fact, we could lower the tax rate on everybody who earns less than \$94,000 a year.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. PALLONE. Mr. Speaker, I ask unanimous consent to take the time of the gentlewoman from California (Ms. WOOLSEY).

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

There was no objection.

IRAQ SUPPLEMENTAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, as Congress prepares to debate another \$80 billion war supplemental next week, I call on my Republican colleagues to join Democrats in including amendments that would finally begin to hold the Bush administration accountable for the billions of dollars of taxpayers' money being sent to Iraq. The \$81 billion the administration is now asking for comes on top of an additional \$200 billion already spent in Iraq since the beginning of the war 2 years ago.

Mr. Speaker, it was not supposed to be this way. The Bush administration never leveled with the American people about the type of sacrifices they would have to make in order to fight this war. You will remember that, before the war, President Bush and his war cabinet said the sacrifices would be minimal. In fact, the Bush administra-

tion told this very House that Iraq could pay for its own reconstruction.

Two years ago this month, Defense Secretary Rumsfeld and his Deputy Secretary Wolfowitz testified before the House Committee on Appropriations on the minimal American funds that would be needed to reconstruct Iraq. Secretary Rumsfeld told the Committee on Appropriations, and I quote, "I don't believe the United States has the responsibility for reconstruction, in a sense. Reconstruction funds can come from those various sources I mentioned: frozen assets, oil revenues and a variety of other things."

Mr. Speaker, the Bush administration either deceived this Congress and the American people or woefully underestimated the cost of the Iraq war. Either way, Congress should hold them accountable for their mistakes, and that simply is not happening. Congress should also be demanding that Secretary Rumsfeld explain where the \$200 billion already appropriated has been spent.

Unfortunately, Republicans have abdicated their oversight responsibility and are giving the Bush administration a free ride on the enormous miscalculations we have all witnessed in the Iraq war.

Mr. Speaker, during World War II, then Senator Harry Truman created a war investigating committee charged with exposing any fraud or mismanagement in our Nation's war efforts in both the Pacific and the Atlantic. Truman was a Democratic Senator serving in a Democratic Senate majority overseeing the Democratic administration of President Franklin Roosevelt. Truman never worried about the fact he was investigating a president from his own party. He refused to allow politics to get in the way of good government. And, as a result, his investigation saved the American taxpayer more than \$15 million.

Now, that is a lot of money in 1940, but it is also a lot of money today. I wonder just how much more money we could save the American taxpayers if congressional Republicans took their oversight responsibility for the war seriously?

One Republican, the gentleman from Iowa (Mr. LEACH), sees the real need for a committee like the one Senator Truman created more than 60 years ago. He and the gentleman from Massachusetts (Mr. TIERNEY) introduced House Resolution 116, which creates a select committee to investigate both the awarding and carrying out of contracts in our continued war efforts in Iraq.

For more than a year, I have been strongly advocating for the creation of such an investigative committee, and today, I also became a cosponsor of this legislation that I hope we can include in the Iraq supplemental next week.

Mr. Speaker, every Member of Congress should want to vote for this legislation. After all, one of our main functions in the legislative branch is to

oversee exactly where the executive branch is spending funds we appropriate. As Senator Truman demonstrated during World War II, this has absolutely nothing to do with party politics. Instead, it has everything to do with ensuring that the administration is not wasting the American taxpayers' money.

I still cannot understand why congressional Republicans, with the one exception of the gentleman from Iowa (Mr. LEACH), are so afraid of overseeing the administration's funding of the war in Iraq. I am hopeful that Republicans will finally remember why they were sent to Washington and join us in creating this investigative committee. It is high time we look at the potential for war profiteering and abuse of these contracts and the money we are spending in Iraq.

We need to have oversight. We need to have accountability. It does not matter that there happens to be a war. It does not matter that it happens that we have a Republican president and a Republican Congress. We should all join together on a bipartisan basis to ensure there is accountability for this money before we proceed in spending any more of it.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

(Mr. EMANUEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. BURGESS. Mr. Speaker, I ask unanimous consent to take my time out of order.

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

There was no objection.

SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BURGESS) is recognized for 5 minutes.

Mr. BURGESS. Mr. Speaker, we hear a lot of talk about Social Security and what is the right word to use. Is it a crisis? Is it just a problem? Is there no problem with a system awash in cash that perhaps just needs some minor adjustments down the road?

Well, Mr. Speaker, I do believe there is a crisis, or at least a serious problem that is looming. There is no question we are held captive by our demo-

graphics. In order for our Social Security System to work, we need large numbers of young people to pay into the system. We also need people on retirement to not live very long after they retire. But the reality is our birth rates in this country are down, and our retirees are living longer lives.

Both situations are arguably good news, but they do portend a serious situation for our Social Security System. I would draw attention to this graphic. This was produced by the Congressional Research Service. It is not a partisan chart. But here is the year I was born, 1950, and we have a little over 16 workers working away to support every retiree. Fast forward, and here we are in 2005. We have three workers working to support every retiree. But as we move down the line, we go to two workers to support every retiree.

Now, Mr. Speaker, make no mistake about it, I believe very strongly in the American economy. And I would bet on the American economy over and above any economy in the world. And I just bet we can make those two workers a lot more productive in those out years, in 2040 and 2050. But I do not know if we can make them productive enough for two workers to support one retiree. I think we have to look at some other things.

A lot of people talk about the trust fund, and, gosh, there is just money in the trust fund, and we will spend that money on retirees when the time comes. Again, I will go to the Congressional Research Service, and this is a graph produced by them just a few weeks ago. It is on the Web site. Anybody can go access it that wants to. Well, this shows the money in the trust fund. And again, you will see that there is a great deal of money coming in, and it is projected to increase. But we reach a point, looks to be about 2028, when the money starts coming down, and it comes down very rapidly.

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This includes paying back the money that is in the trust fund that was borrowed. This includes monetizing the Social Security debt which in and of itself can be pretty painful for the markets when that time comes.

Mr. Speaker, there is a question of fairness here because 12 percent of the country's payroll pays into the Social Security system and does not really pay a fair rate of return. It pays by anyone's estimate 1.14, 1.19 percent interest. What Albert Einstein, probably the finest mind of the last century, described as the miracle of compound interest, this miracle is being denied to American workers.

The old axiom states we tax what you do not want, but surely we want jobs for tomorrow's American. Increasing the payroll tax is really not a solution that I can accept. So what are the solutions? What about cutting benefits as suggested by one of the other speakers. I did not come to Congress to cut benefits on Social Security. We could

raise taxes, but I do not want to do that. Taxes on jobs are going to drive jobs overseas. We already create a punitive environment in this country for the creation of new jobs with our legal system, cost of health care, and our Social Security payroll tax. I do not think we need to contribute to that, and this Congress should make a pledge that it will not contribute to driving jobs overseas by increasing the payroll tax.

I have already alluded to growth in the economy, and I believe in this country and I believe our economy will grow, but I do not know that we can count on that to cover all of the projected problems with the shortfall in the Social Security fund. So that leaves one lever left to pull, and that lever is getting a fair rate of return on the money that is invested in the Social Security system.

The problem is if we leave that money for us in Congress, and I have only been here for 2 years, but I know what other Members know, if we leave that money in Congress, we will spend it. We will spend it so quickly, we will not even know we have spent it. And when it comes time to pay the interest, we will write an IOU to pay the other IOUs we have in that filing cabinet in West Virginia.

The only way to protect the Social Security funds is to put them in accounts controlled by individuals where we cannot get at it. A question always comes how are we going to pay for this. We are already paying a great deal of money into the Social Security funds. We are paying a surplus into the Social Security system. So why not take that money in surplus, invest it and earn a fair rate of return on that investment.

There is debt that is owed to the Social Security system. That debt will some day have to be monetized. That money continues to grow as we pay the interest on it and as we continue to borrow from those funds. Why do we not just borrow the money? The obligation is already there. Let us refinance it like any American family would refinance a mortgage if they were trying to work their way out of a difficult financial situation. Refinance the money, make it real debt with a real interest rate. I think the markets would take a great deal of comfort in that. Markets do not like uncertainty, and I do not think in 10 or 15 years' time they are going to like the uncertainty when we monetize the debt that we owe the Social Security system.

So let us recognize it up front, call it what it is, it is a loan, we borrowed it, let us set a fair interest rate on it, and pledge to pay it back and set up a repayment schedule that we can all live with.

So the current obligation is already present. Let us finance the transition with that debt and convert an unknown obligation into bonded indebtedness and give the markets some measure of comfort that we in Congress recognize the problem and know what we are doing to alleviate the problem.