

intelligence and on personal grudges. We must take careful and measured steps when putting lives on the line, something that the Bush administration has not done.

As we work to protect those who protect us, instead of throwing our money into an ill-advised war, we must commit first to keeping our troops well equipped with safety gear and modern equipment, and we must provide them with real and comprehensive health care, including mental health support services, when they come home.

Mr. Speaker, war has long-lasting effects on those who serve. Let us work to ensure that we limit those effects by using our troops only when we must and treating them with the dignity they deserve when they return.

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

(Mr. CUMMINGS 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 Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

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

CORRECTING AMERICAN FISCAL PROBLEMS AND PRESERVING SOCIAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes as the designee of the minority leader.

Mr. MEEK of Florida. Mr. Speaker, once again, it is an honor to come before this House of Representatives. I can tell you that this 30-Something Working Group, Mr. Speaker, that our Democratic leader, the gentlewoman from California (Ms. PELOSI), has designated this time every week for the 30-Something Working Group to come to the floor to not only speak to the Members but also have an opportunity to share good information in general with the American people, and that is why we are here, to represent them, Mr. Speaker.

I want to say, in the last several weeks, we have been talking about the issue of Social Security. I can tell you that Social Security is not only at the forefront of the agenda in this Congress but also has been promoted throughout this Nation as being in a state of crisis, which it is not.

So, tonight, the 30-Something Working Group, we have asked a member of our caucus to come, the ranking member of the Committee on the Budget, the gentleman from South Carolina (Mr. SPRATT), to come to talk to us a little bit about this double whammy

that the American people will be going through because of the push of privatization of Social Security and the irresponsible spending by the majority side and also by the present administration.

This whole debate is about helping future generations. This whole debate is about making sure that we keep our end of the deal to the American people. I can tell you, keeping our end of the deal to the American people is saying we are going to do what we said we are going to do from the beginning, Mr. Speaker, and it is important. But I believe when misinformation or inaccurate information is given to the American people and to some Members of this House, it jeopardizes our commitment to keeping our end of the deal.

What I mean by "our end of the deal," for those individuals that have paid into Social Security over the years, and they are looking forward to the security of Social Security being there for them at the benefit level to where it is now, I think it is very, very important that we do not let those Americans down.

I want to make sure that not only the Members of this House but everyone understands that Social Security will be solvent for the next 47 to 50 years at the present benefit level of where it is right now. Forty-eight million Americans who need the survivor benefits, retirees or individuals eligible for Social Security at this point will receive 100 percent of the benefits they are receiving now. On average, they receive \$955 of monthly benefits from Social Security. Thirty-three million Americans are retired that are in that 48 million, and a large number of those Americans would be living under the poverty line if it was not for Social Security. So when we start talking about privatization of Social Security, it is a very dangerous thing and something that we should not play around with at all.

I am proud that Democrats on this side of the aisle, and I would even say some of my Republican friends, believe in strengthening Social Security without slashing benefits that Americans have earned and making sure that private accounts are not a part of the Social Security debate or reality, because there is strong evidence, not hearsay, strong evidence of major benefit cuts to Americans that are counting on Social Security.

I think it is also important, Mr. Speaker, that the Members understand that, once we can get to the point that we stop insisting on private accounts, when it really does not add up for the individual that is receiving Social Security or that will receive Social Security, I think we can get on to not only a serious discussion but action in dealing with the question of Social Security.

We should not increase the debt by some \$5 trillion and gamble on the future of Social Security. I think the American people deserve better. I

think the American people demand better, and I think the American people will continue to pay very close attention to what is being said and what is not being said in this discussion about Social Security.

I do not believe that Members of this House or the other body will take a vote where they are going to make a career decision on a gamble on Social Security privatization. It is not at that point to where one has to gamble with the retirement of so many Americans. Social Security is there to make sure that it is a guarantee for men and women that have worked in this country.

So, tonight, we are going to talk about the budget, the \$26,000-plus that every American owes to the Federal debt, and tonight, we are going to, if I could use the word, cross-pollinate, Mr. Speaker, Social Security privatization philosophy and the reality of the ever-growing deficit, that it seems that this Congress is out of control of continuing to add on to the debt without any plan whatsoever, no real realistic plan, in making sure that we take down the debt for future generations. So I think that is very, very important.

Now, some individuals will say, Well, what is the Democratic plan? Well, I would like to know what is the Republican plan? Some of my good friends in this Chamber are Republicans and want to know the Republican plan.

I would say, the Republican leadership plan, because I do not want to generalize, because I feel there are Members in this Chamber that have a genuine argument and concern when they see statistics that are given by notable organizations and even by some of our Federal Government organizations that are saying that there going to be major benefit cuts if we go to privatization, to the point that where even individuals who do not enroll in private accounts are going to receive cuts. That is not fair.

So that is the reason why we come to this floor, week after week, the 30-Something Working Group, along with others, to be able to talk about this issue.

Now, tonight only are we going to have the gentleman from Ohio (Mr. RYAN), who is always here, Mr. Speaker, and Ms. WASSERMAN SCHULTZ, and we have one of our 30-Something Working Group members, the gentleman from the Great State of Alabama (Mr. DAVIS), who will come before this great House to be a part of this discussion, along with our ranking member on the Committee on the Budget, the Democratic ranking member of the Committee on the Budget and a part of the Democratic leadership team in dealing with the issue of the deficit and the budget and responsible spending and also making sure that we do the right thing.

I would like to yield some time to the gentleman from South Carolina (Mr. SPRATT). As you go to the well there, I want to just let you know how

much I appreciate not only the hard work that you have been doing but the fact that you have joined us here, the 30-Something Working Group. I know you have been really given to not only the Democratic Caucus but informing the Congress on what we are doing and what we are not doing.

I would like to say to the distinguished gentleman from Alabama (Mr. DAVIS), feel free to be part of this, also a member of the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, I thank the gentleman for yielding. Let me say, I enjoyed serving here with your mother, and she has every right to be proud of the service her son is rendering here. He was well raised.

The young in this country, and you fellows are young by my reckoning, have a right to be concerned about the course that our government, the Federal Government, is taking under President Bush. Obviously, we have a huge problem with our own budget, our budget deficit.

President Bush enjoyed an advantage that practically no President in modern times has enjoyed. He came to office with a surplus that his economists projected to be \$5.6 trillion between 2000 and 2011, over a 10-year period of time, an unprecedented surplus.

It was not just a projected surplus. The year before the year 2000, the last fiscal year of the Clinton administration, the United States Government ran a surplus of \$236 billion.

□ 2000

That was the context, the fiscal context in which President Bush came to office.

Today, when we closed the books on September 30, 2004, that fiscal year, we had a deficit of \$412 billion. OMB is still predicting a deficit this year, even bigger. But CBO has some good news. They tell us that revenues are coming in at a faster clip; and they are hopeful that deficit will be coming down to \$350 billion. But \$350 billion is only something to cheer in the context of deficits that have been running at a level of \$412 billion, the highest level deficits in our history, and we went there in just 5 short years.

What we are effectively doing, I say this to the young people of America whom my colleagues represent, is leaving our children and grandchildren the tab for fighting a war, letting them pay for the lion's share of it by simply adding it to the national debt. We are adding to national entitlements. We are cutting taxes, above all, and then borrowing to pay for the revenues we give up by the tax cuts and letting our children pick up the tab, pay the bill.

I often go to civic clubs; and I tell them, there is clearly a fiscal problem for the United States Government's budget, because the more we borrow, the more interest we have to pay and, pretty soon, debt service begins to eclipse accounts in the budget, like education, that are critically impor-

tant. But in addition to that, this is a moral problem. It is a moral problem when we shove these mountains of debt off on to our children and grandchildren. That surely is what we are doing.

Quickly, let me just show my colleagues what we have here. This chart, which has its own mountains, shows us where President Clinton started in 1993, at a deficit of \$290 billion. On the floor of this House, by one vote, we passed the Clinton budget in 1993, one vote; and every year thereafter the bottom line of the budget got better, better and better, to the point where we had, as I mentioned a minute ago, a surplus of \$236 billion in the year 2000. Since the election of Mr. Bush in 2001, the budget has gone down and down and down every year; the bottom line of the budget has gotten worse to the point where we had a record deficit of \$412 billion last year.

Now, the Committee on the Budget and President Bush both tell us we have a plan. We have a plan that will cut that budget deficit in half over the next 5 years. Well, we can cut a budget deficit in half when we leave out some of the biggest items that we are likely to face over the next 5 years.

One of those is the cost of eventually dealing with the alternative minimum tax. More and more taxpayers are having to pay the AMT instead of the regular tax; and when that problem is finally fixed, it will have to be politically an inevitability, because it will, by 2010, affect 30 million tax filers. We will have to fix it. CBO says the 10-year cost in revenues lost to fix the AMT so that it only applies to the upper bracket taxpayers for whom it was intended is \$642 billion in lost revenues.

Then there is the cost of our troops in Afghanistan and Iraq. We just passed an \$82 billion supplemental. There is not a dime in the President's budget after 2005 for the cost of those troops; and CBO, the Congressional Budget Office, has said we need to have some kind of national estimation of what it is likely to cost to keep those troops there, assuming that they will be gradually redeploying. So they said, let us assume that there will be 40,000 troops, 20,000 in Afghanistan, 20,000 in the theater around Iraq for the next 6, 7, 8 years. Their calculation is \$384 billion. That cost is left out of the President's budget.

So major items have been left out. We have gone back and put in items that are not contentious, not controversial, but politically realistic; and we can see from this chart that the deficit does get a bit better, because the economy gets better; but 10 years from now, we have a deficit of \$621 billion; \$621 billion.

Mr. MEEK of Florida. Mr. Speaker, I think it is important not only that the Members understand, but the American people also understand. I mean, the gentleman is the second most senior member on the Committee on Armed Services; and I think that the gen-

tleman is in the right position on the Committee on the Budget, that this is Iraq, the early years. I mean, this is going to be a long-term commitment of the United States. We are there; we are going to be there for some time. The coalition is getting smaller. We need to make sure that we provide for these men and women and their families back here.

So I just wanted to say that so that the Members understand that we have an overall responsibility, but some of the things that the gentleman is showing us here on this chart of the realities that are obviously coming in the future and, on top of that, the Social Security issue, is going to be a train wreck in the making, if not already there.

Mr. SPRATT. Mr. Speaker, we can see it coming down the track. This chart depicts it as graphically as we can make it. The deficit never rises below, never falls below \$350 billion, and rises to \$621 billion. Tally that up and we will see a mountain of debt added over the next 10 years, and then we have to pay debt service, we have to pay the interest on that debt; and that debt service begins to encroach upon other necessities, other critical priorities of the government like education, like health care.

So this is why we are concerned, the gentleman and I, and we, we are leaving to the next generation this legacy of debt. Surely, surely this generation of Americans, like every generation, which has strived to leave their children a better life, a better world, a better economy, does not want to be remembered for leaving our children and grandchildren a mountainous legacy of debt; but that is the course we are on right now.

Let me stop there so that we can yield to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Speaker, I thank my colleagues for yielding to me. Let me begin by thanking my colleagues and my friend, the gentleman from South Carolina (Mr. SPRATT), the ranking Democrat on the Committee on the Budget. The gentleman from Florida (Mr. MEEK) and I have only served with the gentleman from South Carolina (Mr. SPRATT) in the Congress for a very short period of time, but the gentleman has been such a stalwart on this issue during the time that we have been in Congress.

This is not a subject that necessarily just jumps out at people as an exciting or sexy subject, but it is so important to our country to talk about the problem and the consequences from our debt and our deficit. There is no one who has been more of a stalwart in this institution than the gentleman from South Carolina, and I certainly thank him. As well, I welcome the person who will follow me tonight, the gentleman from Florida (Ms. WASSERMAN SCHULTZ) who has, in a very short period of time, just since January, already distinguished herself as one of

the ablest and most intelligent Members of this institution; and we are thankful to have her here this evening.

I know that the gentleman from Florida (Mr. MEEK) was in my district very recently, in Selma, Alabama, with me during March of this year when we commemorated the march across the Edmund Pettis Bridge; and the day after that march, I had a town hall meeting in that same city, Selma, and the purpose of the town hall meeting was to talk about Social Security and our country's future. There was a moment at the end of the town hall meeting that I want to share with the Chamber of that night, because I think it is so illustrative of the challenge that we are facing.

There was a young woman who was about 19. She said she was a college freshman, and she stood up and she asked me and the panelists a question, and her question was something like this: she said, young people today, and younger workers today are paying into a Social Security system that may not be around or may not be around in its current, robust form for us young people. So she asked the question, why do we have to pay at all? Why do we as young people, she said, have to even pay into a system that may not be there for us?

When I heard that young lady make those comments, two things occurred to me. The first one is that we have fallen a ways in this country if our young people today are full of cynicism and not idealism; if our young people today are wondering why we have to meet our burdens instead of wondering why we cannot meet greater burdens, something has happened to us that is wrong.

There was another thing that occurred to me.

Sometimes I think in this Chamber we have the illusion that we are arguing about money. We have the illusion that we are arguing about line items in a budget, that we are arguing simply about techniques of accounting. That young lady's comment made me realize we are arguing about something far more fundamental in this Chamber every day, and I would define it this way: exactly what do we owe each other? Are we obligated to each other, or are we cut off from each other's common destinies? That is what this political debate is about, and I hope that is what the American people understand this debate to be about.

As we saddle future generations with debt, as we saddle future generations with the consequences of tax cuts that we could not afford, as we saddle future generations with our mistaken fiscal choices, it is a retreat from the politics of obligation; it is a retreat from the idea that we are connected to each other and each other's fate and each other's destiny.

Increasingly what I fear is that we are entering a world where the only morality that we recognize in our public space is the morality of the market-

place. The gentleman from South Carolina touched on that. He talked about morality, and that word should not be in any way omitted from this conversation, because the morality of the marketplace is a very narrow morality. It says that to whom much is given, much will continue to be given. It says that the strong shall have the opportunity to get stronger, and it says that other than a little bit of sympathy and a little bit of charity for which we get a tax write-off, we do not owe a whole lot to the other people in our society.

I think that if we are to be true to the legacy of this institution and true to the people in this country, that we need a broader public morality than this narrow morality of the marketplace. We need a public morality, a way of talking in the public square about what we owe each other, what we owe our veterans, what we owe our young people, what we owe our working families, what we owe our college students, what we owe our disabled workers, what we owe all of the people who may not sit in the circle of prosperity today, but who desperately want to do so and want to have a chance to sit there tomorrow.

The budget resolution that we voted on 2 weeks ago and, essentially, we voted on it 2 months before that, because it did not change a lot from the House version to the final resolution passed by both Houses, it is a document that I think does not meet our best moral impulses; it does not meet our best impulses about what we owe each other as a community.

The gentleman from South Carolina and others have detailed on this floor and elsewhere the cuts to veterans, the cuts to our young people, the cuts to all kinds of commitments and obligations that we have to our environment, to our workforce development system in this country; but once again, the stakes are broader. Because what this budget does is to slowly but surely begin to walk away from the idea of national commitment and national obligation. It slowly but surely begins to walk away from the idea of commu-

nity. I make these final two sets of points before I yield to the gentlewoman from Florida tonight. I happen to think that we do have an obligation to get our fiscal house in order; there is no question about that. We cannot sustain these deficits; we cannot sustain this debt. It is unconscionable the President wants to add to it with his Social Security plan. It is unconscionable that the President does not have a long-range plan to pull us back from deficit.

But this is what is the real moral rub, I think, for a lot of us. So often in the last 4 years, the Bush administration and our friends and colleagues on the other side of the aisle, the Republican side, have asked sacrifice, but they only do it of some of the people. John F. Kennedy, whom I admired greatly, and whom I know the mother of the gentleman from Florida (Mr.

MEEK) admired and whom I know you admired a great deal, when he was inaugurated, he spoke on the idea of sacrifice and the idea of common burden and obligation. He did not speak of a sacrifice that falls only on working families who need Medicaid in Tennessee and Mississippi and Alabama. He did not speak of the sacrifice that falls only on veterans whose premiums do not need to go up. He did not speak of a sacrifice that falls only on families who are needing section 8 housing and do not want the program gutted. He did not simply speak of burdens and obligations that fall on the weakest of us.

I listened to the discussion that happened in the hour before us tonight, and the eloquence of the gentleman from Illinois (Mr. EMANUEL) on who has power in this Chamber, who has power in this institution. It is increasingly the most well-off among us, the most narrow-minded among us who are committed to a very narrow pursuit of the private interest. That is a full-scale retreat, with guns blazing, from the idea of what we owe each other as a people and as a community.

So if our country is going to move forward, I say to the gentleman from Florida, and if we are going to move forward and become what I think that we can be, we have to return to this idea that we do owe each other something more than sympathy, that we do owe each other a commitment to building a financial future that will work for our children. We owe each other a commitment toward a true and enduring retirement security for our seniors. We owe our young people a commitment and an investment in their skills; and, finally, we owe our country a way of talking about politics and a way of talking about our expenses and our expenditures, a conversation and a dialogue that somehow draws us together.

The final point that I will make tonight is, and so often I see this when I go back to town hall meetings in my district, last night I was in Choctaw County, Alabama in Butler, and so many people are frustrated when they see us arguing about things that do not matter to them.

□ 2015

We have been here for 4 months, and we have had a pretty busy schedule. We have voted on all of probably one really truly important piece of legislation this year, and that was the budget. We have had a lot of distractions, and we will keep having distractions on the floor.

But the people are so frustrated that we are angry at each other over things that do not matter in their lives, and they want us to repair to a higher standard. So I thank the gentleman from Florida (Mr. MEEK) for being here tonight. Again, I thank the gentleman from South Carolina (Mr. SPRATT) for his leadership and his wisdom. And I would be happy if the gentleman from Florida (Mr. MEEK) will yield to my good friend, the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, first, let me say what a pleasure it is to have the gentleman from South Carolina (Mr. SPRATT) join us for our 30-something working group. I have to tell you, as the freshman in the group, and the person who has been here for the shortest tenure, one of the most incredible experiences I have had is to have the opportunity to learn from the gentleman from South Carolina (Mr. SPRATT) and especially the inner workings of the budget and to be able to absorb the expertise, at least attempt to absorb the expertise that the gentleman has been able to provide this country with your leadership. So I cannot thank the gentleman enough for that.

And I really want to pick up on what the gentleman from Alabama was saying because this really is, the budget is a statement of our values. It is our values versus the Republican leadership values. And it really is probably the most comprehensive expression of the direction that we believe the country should go in and the priorities that we have in our caucus versus the priorities that they have.

And, you know, it is interesting, look at the group of us assembled here tonight. I do not think that you could have a more eclectic group of Members than the Members assembled here. I represent a district, Miami Beach, Ft. Lauderdale and Hollywood. The gentleman represents Alabama. The gentleman from Florida (Mr. MEEK) and I share communities. And the gentleman from South Carolina (Mr. SPRATT) represents, you know, a district in South Carolina. The gentleman from Ohio (Mr. RYAN) is here with us tonight. We could not have more diversity in our caucus and more diversity represented here tonight.

And if you look at the homogeneity on their side of the aisle, even when they do not have homogeneity in their caucus, they walk in lock step. They fall in line. They do what they are told. And that is regardless of the fact that they have crafted a budget that clearly says to the American people: We do not care. We do not care about you. We do not care about making sure that your children have a quality education. We do not care about making sure that if your child is sick that you can afford to take them to the doctor. They have engaged, at least since I have been here and that I have been able to note, in slash-and-burn politics.

I mean, the thing that I think is the most interesting is that, over the time that I have been involved in public service, you know, we are constantly trying to figure out, and the American public, people, I think, are trying to figure out, how do you define a Republican, and how do you define a Democrat?

And I think that the budget document that they have put forward is probably the best expression of how you define what it means to be a Republican. And clearly, what it means to

be a Republican is to balloon the deficit, cause the Nation to go further and further into debt, mortgage our children's future, cut health care, cut education, both in the lower grades as well as student loans.

And if you look at our budget document that the gentleman from South Carolina (Mr. SPRATT) put together, it also is an expression of our values and the direction that we would take the country. Our budget document, as crafted by the gentleman from South Carolina and the other Budget Committee Members would bring the budget into balance by 2012. It would make sure that we do not cut the programs that are the most important to the American people.

What are our priorities? Education, health care, making sure that we can improve the quality of people's lives and making the world a better place as opposed to improving the bottom line of the pocketbooks of the wealthiest Americans. I mean, that is essentially what the ultimate goal was, clearly, of the Republican budget document. And I think it is important that we help lay that distinction out in front of the American people so that, over the course of the next 18 to 22 months, they can make a decision as to whether we want to continue to move in the radical direction that they are taking this country or if we want to get things back on track.

Mr. MEEK of Florida. I thank the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ). I thought the gentlewoman and the gentleman from Alabama (Mr. DAVIS) shared some really good comments.

I see that the gentleman from South Carolina (Mr. SPRATT) has a board there that he wants to share with us, and I know the gentleman has some comments based on our comments.

Mr. SPRATT. We have a number of different deficits. One is the Social Security deficit. The actuaries at the Social Security Administration tell us that the shortfall in Social Security funding over the next 70 years is \$3.7 trillion.

What Mr. Bush is now proposing as a purported solution to that is to allow workers to divert 4 percentage points off their payroll tax, one-third of their payroll taxes into private or personal accounts and away from the Social Security trust fund. This will have enormous consequences.

First of all, everyone can see that it is counterintuitive. If you have got a trust fund which is \$3.7 trillion, do you resolve that problem by diverting a third of the revenues away from that fund, so that you virtually double, and then some, the shortfall in the account?

That does not square with anybody's understanding of how to resolve this problem. But it is of particular concern for younger Americans, because they will be paying substantial sums into Social Security, and they may get, unless the reform being discussed is done

differently from what the President proposes, the worst they will get out of Social Security. Thus far, Social Security, every generation would say, has been a success story. It has made the fabric of America a better country, a better society.

A lot of young people walk up to me, I would say to the gentleman from Florida (Mr. MEEK), and they say: I do not ever think I will see my Social Security or at least nothing like what is promised to me. I am paying in big bucks, 12.4 percentage points of my gross income, after accounting for what my employer also pays. And I do not ever think I will see what I am contributing come back to me.

And I tell them all, Social Security is not just a retirement plan. Social Security is also a plan particularly for younger families. As a matter of fact, 37 percent of those on Social Security today drawing benefits are younger Americans who are disabled or have had a family member, a breadwinner, die, or they are the dependents of these particular beneficiaries of Social Security.

Social Security provides the equivalent for, let us say, a young couple, age 27, two children, it provides the equivalent of \$403,000 in term life insurance. And for those who become disabled, nobody thinks he will, but many do; for those who become disabled, it provides \$353,000 in disability insurance, which would be hard to buy in the individual market. And that is not to mention Medicare, which comes with the Social Security disability. Yes, sir.

Mr. MEEK of Florida. If I may, I just want to ask a question, because I think this pie chart really paints the picture, literally. People think that this Social Security debate, some people do, feel that it is just about people that are already retired, and they are concerned about their retirement. Yes, valid point. They should be concerned because we do know, and you were a Member of the 108th Congress and many congresses before that. The President stood in the well there and shared with us, if you are over 55 you do not have anything to worry about.

But I remember vividly in the 108th Congress, when we talked about the prescription drug benefit plan, they said it would be \$350 billion only, and now we know it is \$724 billion and probably climbing as it relates to costs.

But disabled workers, that can happen any time in your lifetime.

Mr. SPRATT. And it does. One in seven workers ends up on disability before retirement.

Mr. MEEK of Florida. And that is Social Security. And what we do know, and I hope that you would get an opportunity to talk about, the President's plan cuts benefits twice on one of the charts that I know you have there, to let the American people know that and also Members know that when you go to privatization that you lose benefits. I mean, that is what the record is reflecting right now. And I

think it is important that everyone understands what is happening.

Mr. SPRATT. This chart shows it as graphically as we can express it. There are two claws impinging on Social Security under the President's proposal. First of all, most Americans do not understand this, but when you go to retire, if you have elected to put money into a private account, the first thing you will have to do before Social Security computes your benefits is pay Social Security back. That private account, that ownership account, is really a loan from the Social Security Administration. You have to pay back, upon retirement, every dollar you have diverted into a private account plus interest at 3 percent over the rate of inflation. That means that there will be a significant privatization tax which gets bigger and bigger over time, depending on how many years you are in the work force.

In addition to that, there is another factor buried in all the detail which is critically important because it changes the nature of Social Security. And that is that basic benefit computation will be free formulated. Let me express that differently.

Today, when you go to retire, the clerk at Social Security takes all your earnings from age 14 onward, takes the highest 35 years, averages those, brings them up to a present value, and then, each year, the amount of income that you can get is dependent upon a formula that is used to derive what is called the PIA, the primary insurance amount. You get 92 percent of the first \$627. You get 30 percent of the next \$3,779, and you get 15 percent of everything else. That is complicated.

But the net result of that is that lower-income workers tend to get more, a better deal out of Social Security than the higher-income workers do. It has this effect to it that makes it a social insurance plan and not just a retirement plan.

If you change the way that benefit is indexed every year, which the President proposes to do. Today that basic benefit will be indexed and changed according to the rate of inflation and wages in our economy.

The President wants to change it to price inflation. That is economic talk. But it is critically important in a practical sense because, over a 70-year period of time, it will slash in half the basic benefit to which you are entitled from Social Security. And this chart shows it right here.

Someone who is retiring in 2075, born in 2010, a couple of years from now, 42 percent of his accumulated benefit in his private investment account will have to be paid back to Social Security; 56 percent of the remaining amount will be diminished by the recalculation, the reformulation which President Bush is proposing. So we have what is left that this chart shows. You start out with the big blue bar, all along here. That is scheduled benefits under Social Security.

The green amount beneath that shows the traditional Social Security benefit to which you are entitled; in 2015, it makes up most of your benefit. But by 2045, about half of your benefit is traditional Social Security, and half is in your private account.

When you get to the 70th year, almost all of your benefit is coming out of the private account, and only a small part, this little green tip down here, is coming from traditional Social Security. So we are going to ask you, the young people of today, the families that are 30-something with kids, raising them, to continue paying that 12.4 percent in the traditional Social Security, only to get this in the way of traditional benefits out of it. It is going to change the nature of the program in ways that cannot even be fully anticipated.

Mr. DAVIS of Alabama. Mr. Speaker, let me follow up on the comment that the gentleman from South Carolina (Mr. SPRATT) just made, because a lot of very reasonable people, as you know, believe that this scenario you described is not accidental. It is not just a by-product of the President's strategy, but it is, indeed, the President's strategy, to turn Social Security, which is a universal benefit that the American people collectively pay into, to transform it from that world into a world, frankly, where it looks like a conventional welfare program, a program where very poor people receive a benefit from it and the rest of the population receives very little.

Now, what happens to those kinds of programs? Number one, the Republicans cut them every year. They do not fare very well in this budget process. If you look at the programs that we have in this country that we fund out of our sense of charity, Section 8, walking away from it, housing, dealing with the disabled and mentally ill, all the programs that we fund out of our altruism, unfortunately, those are the programs that are getting cut. I do not believe that this is an accident, that the Republican party and President of the United States are taking this plan that has worked enormously well and refashioning it into a program where, frankly, people will have less of a stake in paying into it.

The second observation, I would say to the gentleman from Florida (Mr. MEEK), is that it is indisputable that Social Security is the most successful government program in the last hundred years in terms of its ability to move people from the margins of life to a state of security. When Social Security was passed in 1938, 52 percent of the seniors in this country lived in poverty.

□ 2030

Today that number is down to 9 percent.

If every other government program had been as effective in reducing poverty, there probably would not be more than 20 or 25 Republicans here because

we would have won the whole political debate. This has been an extraordinarily successful program and part of the reason it has been successful is the stake that we all have in its benefit.

I make one other point tonight. A lot of our colleagues on the other side of the aisle say, well, you Democrats have been criticizing our proposals. Why do you not come forward with a better and stronger plan for saving Social Security, and never mind that the President has no plan to make it solvent, why do you all not come to the table with one?

There is a part of this debate that we should not miss tonight. Part of the reason that we are expecting a gap in Social Security financing, a shortfall in Social Security financing, is because of this administration's estimates of slow growth in the next 30 to 40 years. And a Republican Party that used to pride itself on economic optimism even in the face of no evidence has now become the party of slow growth. They tell us that our productivity will inch around at a rate of around 1.9 percent for the next 30 years, or our growth rate will be around 2.1 percent.

What is the reason that they project slow productivity and slow growth? The major reason is because right now in our country the gap between skilled and unskilled workers is more pronounced today in the middle of the first decade of the 21st century than it was in the early 1970s and the late 1960s.

In other words, the gap between the people who know how to do the work in this country and who are trained to do and those who are not so lucky or so fortunate is greater than ever.

That is creating an albatross on our whole economy. And if we are serious about tackling the Social Security problem, we have got to come up with a growth strategy. We have got to come up with a strategy to close that gap between skilled and unskilled workers. And the extraordinary thing about this budget is that it cuts money for workforce development. It cuts out programs like Upwards Bound and TRIO that take at-risk kids and give them a leg up. It cuts economic development programs. It cuts all of the things that would narrow and close down the gaps that exist in American life.

In other words, at a time when we ought to be investing more in our future, we are investing less. Once again it takes us back to the point that the gentlewoman made about the fundamental definitional divide between these parties.

President Clinton who grew 22 million jobs in his Presidency understood that when you spend money on education, when you spend money on worker training, when you spend money on developing skills you are making investments. And those investments reap an enormous return for this generation and the next one.

So I say in conclusion before I take my leave tonight that if we are to deal

with this problem of Social Security having a shortfall over the next 30-some years, if we are to deal with these gaps that exist in our skilled and unskilled workers that lead to the slow growth the administration promises us, we need a different set of priorities. We need to remember the value of expenditures that are investments.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, what I wanted to do is take off from what the gentleman from Alabama (Mr. DAVIS) was saying because the President started out this debate 4 months ago following the election saying that Social Security is in crisis, that Katie bar the door, we have to do something, we have to do something now; and if we do not, then the world will essentially come to an end.

Now, he has gradually backed off that and you do not hear the word "crisis" out of the President anymore. You hear more along the lines of what we have been saying which is there is a problem that needs addressing; and we have been saying that because you have the strength of a 70-year safety net in place, that we should not be irresponsible about how we reform it. We should not be irresponsible by slashing a gaping hole in that safety net through which millions of people would fall.

And because this is the 30-something Working Group, I have often pointed out that when we talk to our friends, our peers who are also members of our generation, I know I ask my friends if they think that Social Security will be there for them when they retire. I am 38. The gentleman from Florida (Mr. MEEK) is 38, and we have friends who do not believe that Social Security will be there. Yet, if we look at the numbers, all the reliable numbers, the ones right from the Social Security Administration, the first instance that we have even a concern about whether or not we are going to be taking in as much as we are paying out is 2041.

Well, I will be 74 years old in 2041. And if you are using the more reasonable, non-Dooms Day numbers, it is more likely that 2051 is when we begin to approach a problem. I will be 84 years old. Now, that is about 20 years past normal retirement, so the sky is not falling.

There is a problem and a responsible government will recognize that problem and take the time to make the changes that we need to make without throwing out the baby with the bath water.

Mr. SPRATT. Mr. Speaker, following up on what the gentlewoman has said, this chart spells it out, it is a little busy, but the President and others who are claiming there is a crisis point in 2017, 2018 as a pivotal year, that is the year when incoming dedicated revenues will be exceeded by outgoing scheduled benefits. But Social Security at that point in time, the trust fund will be sitting on a reserve, a cache of U.S. Treasury bonds equal to \$4.7 trillion. The interest on those Treasury

bonds will not only continue to ensure benefits in full; they will actually add to the surplus, the corpus of the trust fund, so that in the year 2027, \$6.5 trillion will be in that cache of Treasury bonds held by the trustees of Social Security.

Now, at that point in time the interest income will no longer be adequate to fully cover the benefits outgoing, but with \$6.5 trillion in Treasury bonds, by redeeming those bonds the system is assuredly solvent until 2041.

As the gentlewoman just said, the actuaries of Social Security are paid to be conservative. They are paid to be very, very cautious and they are. The rate of growth they are assuming is a very, very modest rate of growth. We do not want to be fools, so we take a very conservative view of things. But the CBO has taken a slightly more realistic view of the future and they say, we think you will make it to 2052. We think the system then will be able to pay out 78 cents on the dollar, not fully but substantially, and after that something in the range of 78 cents on the dollar.

So the system is faced with problems down the road, but we have got time to fix them. The sooner the better; and if we fix them right, we will not have a problem.

I was here in 1983. Social Security really was in trouble in 1983. Some forecasted that it would scrape bottom, run dry in the retirement trust fund in July of 1983. President Reagan got together with Tip O'Neill and the leadership of the Senate. We appointed a truly bipartisan representative board. You had Mr. Greenspan at one end. Claude Pepper at the other end. Dan Moynihan here. Jim Baker there. They got together and they came up with a menu of different choices to which every stakeholder contributed something. And the result was the system was made assuredly solvent for the next 60 years.

That can be done again. There is no reason we cannot do it again, and everybody then can breathe easily. But you cannot do it and incorporate these private accounts which are carved out of Social Security and make the shortfall today twice as large as it actually is.

Ms. WASSERMAN SCHULTZ. What I wanted to bring out was exactly what the gentleman was talking about. We have a problem that needs to be addressed. But we can not throw our Nation's retirement security, our constituents' retirement security, to the whims of the stock market and then add insult to injury by saying that we are going to adjust their benefits based on the price index as opposed to their wages, because obviously wages grow more quickly than prices do.

So their benefits are going to be cut both through the indexing and through the privatization and on top of that will add to the deficit.

This is about the most irresponsible proposal that I have ever heard of.

Mr. MEEK of Florida. Mr. Speaker, if I can, before we walk too far away, before we walk too far away from what the gentleman said, the fact that he was here in 1983. I will tell you how this argument works.

In 1983 I was in high school. I was a senior. The gentleman is still a good man. I was a senior in high school. And we know in that year it took a lot of leadership because there was a big Democratic majority here in this House and in the other body across the hall. There was a Republican in the White House, but on behalf of the American people, and there was a true crisis and the gentleman described it. And I just happen to have the vote here.

Here in the House it was 243 people that voted for it, voted for that bipartisan proposal. It took leadership in this House and in the White House, and that is what it will take in this debate. In the other body, we had 58 of our colleagues down the hall, 58 of them voting for it at the time.

That was a bipartisan bill. It was not something that was one sided, and that is what is wrong with this debate now.

I want to make sure that Members and the American people understand. If we were in the majority, we, Democrats, that it would be a bipartisan approach because many folks do not understand, well, why are they talking about it? Why do they not just do it?

Well, we want to do it. The gentlewoman from California (Ms. PELOSI), our Democratic leader, wants to do it. The gentleman from New York (Mr. RANGEL), the ranking member on the Committee on Ways and Means, want to see a bipartisan approach. But that is not happening right now, and that is the reason so many things are happening to the American people in this debate.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Mr. Speaker, I thank the gentleman from South Carolina (Mr. SPRATT) for being here and raising the intellectual level of this debate that we usually have.

Mr. Speaker, I had a town hall meeting last night on Social Security in Green, Ohio, just south of Akron. And it was 2 or 3 to 1 against any kind of privatization.

There was one point I wanted to share tonight. There was a woman who was there who said she was actually for the private accounts until she, I think, found out a little bit more about them. The 4 percent that the President says that you can divert and put into a private account, she made \$19,000 a year. Now, 4 percent of her income, of \$19,000 a year, is never going to be enough for her to be able to retire on.

And there was a gentleman who was there who said that he made 30-some thousand dollars a year his whole life, never any more; he did not have any money to put extra into these personal accounts. What he would have put in, he went back and did the math, would

have never worked out to him receiving the kind of money that he would have been able to get through Social Security.

So it may sound good that you are making a lot of money every year that, hey, I will get a little extra and put that in the market too. But what about those people who are struggling now more than ever, making 19, 20, 25, \$30,000 a year. Four percent of that is peanuts to say that you will be able to retire on.

So as we have this debate about the personal accounts, I think it is very important for us to recognize that diverting 4 percent of your Social Security taxes into this is never going to be enough for this to retire on.

□ 2045

That was really the only point I wanted to make here. I want to thank the gentleman for joining us. Throughout, since I have been here, he has been the guru on the budget. We all follow his lead. So I thank him very much.

Mr. MEEK of Florida. Mr. Speaker, we have about 3 minutes left. So if the gentleman from South Carolina (Mr. SPRATT) wants to make some closing comments, he can.

Mr. SPRATT. Mr. Speaker, there is one thing we have not spoken about. We have talked about the budget deficit. We did not speak about the trade deficit, \$666 billion, also an encumbrance we are leaving our children. We did not talk about the jobs deficit. In the last recession, 2.5 million manufacturing jobs, the best of our jobs, were lost, that have not come back. Service jobs have but not manufacturing jobs.

One of the solutions to all of this has got to be education. We have got to have a workforce that is educated as never before in American history, adaptable, keen, intelligent, quantitative, and if we look at the budget the President sent us for the first time since 1988, a President of the United States requested less for spending on education than we are currently spending at the present time.

He wipes out vocational education, \$1.3 billion. Wipes out the drug free schools. Wipes out GEAR UP for underprivileged kids who want to get a college education. Wipes out Even Start. Wipes out educational technology.

There are some plusses and puts and takes so that a lot of these do not come out on the bottom line, but when we consider everything, this is the least forthcoming education request at a time when education was never needed as much as it is now. So we have got an education deficit as well.

That is why we are out here tonight, to talk about the 20-somethings and the 30-somethings and what they can expect for the future of America. We have got deficits, which means that we are leaving negative legacies in numerous different areas that we have got to reverse, we have got to undo, and it starts with the budget. We simply cannot keep stacking up mountains of

debt which we shove off into the future for our children to pay.

Mr. MEEK of Florida. I thank the gentleman from South Carolina (Mr. SPRATT). I yield to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I just appreciate the gentleman from South Carolina's (Mr. SPRATT) and the gentleman from Florida's (Mr. MEEK) leadership and the opportunity for us to help explain to our generation what the ramifications will be if the President's proposal goes through. I think it is real important that we plug the Web site, and the gentleman from Florida (Mr. MEEK) has it up here on the board.

Mr. MEEK of Florida. We even want e-mails from Members, but definitely from the American people and others. 30somethingdems@mail.house.gov is our e-mail address. We always look forward to receiving e-mails.

As we close, I just want to not only commend the gentleman from South Carolina (Mr. SPRATT) for his leadership but for the leadership of this Democratic Caucus here in the 109th Congress and the 108th Congress, which I have served in, and presently serving in the 109th, for standing up and saying what is right, making sure that we watch out for future generations; just for the charts that are being generated out of the gentleman from South Carolina's (Mr. SPRATT) committee staff and from the gentleman, I tell the American people and also I tell Members of the majority side, if it is about defense, then 44 percent of our debt is owned by foreign countries, up drastically since President Bush has taken office.

This chart that the gentleman showed dealing with retired workers of 62.8 percent that is dealing with Social Security, that the benefits they are receiving, 13 percent of workers that have disabilities. I mean, these are real issues that are facing families in America right now, and this is a moral issue as the gentleman mentioned.

Spouses with children, 10.1 percent, and survivor benefits, the highest outside of retired workers, 14.1 percent. These are individuals that their loved ones, mothers and fathers, have passed on, and they are living on the benefits that they left behind. Sometimes that is all they had to leave. The most shocking chart that the gentleman provided to all of us here is how the benefit structure goes down, 34,587 cut.

I want to thank the gentlewoman from California (Ms. PELOSI), the Democratic leader, once again for allowing us to have this time.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1544, FASTER AND SMARTER FUNDING FOR FIRST RESPONDERS ACT OF 2005

Mr. SESSIONS (during the Special Order of Mr. MEEK of Florida) from the

Committee on Rules submitted a privileged report (Rept. No. 109-77) on the resolution (H. Res. 269) providing for consideration of the bill (H.R. 1544) to provide faster and smarter funding for first responders, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1279, GANG DETERRENCE AND COMMUNITY PROTECTION ACT OF 2005

Mr. SESSIONS (during the Special Order of Mr. MEEK of Florida) from the Committee on Rules submitted a privileged report (Rept. No. 109-76) on the resolution (H. Res. 268) providing for consideration of the bill (H.R. 1279) to amend title 18, United States Code, to reduce violent gang crime and protect law-abiding citizens and communities from violent criminals and for other purposes, which was referred to the House Calendar and ordered to be printed.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1268) "An Act Making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes."

The message also announced that the Senate has agreed to without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 26. Concurrent resolution honoring the Tuskegee Airmen for their bravery in fighting for our freedom in World War II, and for their contribution in creating an integrated United States Air Force.

H. Con. Res. 127. Concurrent resolution calling on the Government of the Federal Republic of Nigeria to transfer Charles Ghankay Taylor, former President of the Republic of Liberia, to the Special Court for Sierra Leone to be tried for war crimes, crimes against humanity, and other serious violations of international humanitarian law.

The message also announced that the Senate has agreed to a concurrent resolution of the following title:

S. Con. Res. 31. Concurrent resolution to correct the enrollment of H.R. 1268.

EDUCATION IN THE UNITED STATES

The SPEAKER pro tempore (Mr. MARCHANT). Under the Speaker's announced policy of January 4, 2005, the gentleman from Delaware (Mr. CASTLE) is recognized for 60 minutes as the designee of the majority leader.

Mr. CASTLE. Mr. Speaker, I am pleased to be here. I am pleased to follow the 30-Somethings, although I am a