

Mr. CLINGER. Madam Speaker, in an attempt to allay the concerns of the gentleman, this particular provision; in fact, this section of the bill we requested the gentlewoman from Illinois [Mrs. COLLINS], the ranking member of the Committee on Government Reform and Oversight, to review. She, in turn, requested the ranking member of the Committee on the Judiciary, the gentleman from Michigan [Mr. CONYERS], to review this.

Mr. WATT of North Carolina. Madam Speaker, with due respect to both of those valuable people, they are not from States that are covered by the Voting Rights Act, and this has a particular significance to us in States which are substantially covered by the Voting Rights Act that it may not have to someone in Illinois.

Mr. CLINGER. Madam Speaker, if I may respond to the gentleman in this respect: The counsel to the Committee on Government Reform and Oversight is standing at the gentleman's right shoulder and is going to provide the gentleman, I hope, with information that would, again, allay your concerns that, in fact, information is going to be provided.

Mr. WATT of North Carolina. Madam Speaker, the gentleman has handed me a section which is section 207 of the Voting Rights Act, which appears to direct the Census Bureau to do exactly the same thing that this particular section directs the Census Bureau to do.

So why is it necessary to repeal this provision? We are not accomplishing anything by repealing it if, in fact, the same requirement is imposed on the Census Bureau somewhere else.

Mr. CLINGER. Madam Speaker, if I may respond to the gentleman this way, that it is really basically a technical redrafting of the law so that we make it a little bit more understandable.

Mr. GENE GREEN of Texas. Madam Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Madam Speaker, I thank the gentleman from Texas, [Mr. GENE GREEN] for yielding time to me.

Madam Speaker, let me just try and follow up on the request of the gentleman from North Carolina [Mr. WATT] about delaying or pulling out this provision. This is very, very sensitive. As a matter of fact, the work of many, many civil rights organizations went into the development of the Voting Rights Act, and that which covers all of the States. All of those States that are covered under the Voting Rights Act are covered for very specific reasons.

So we have to be very careful about doing anything that would alleviate the responsibility for data and information and voting patterns and voter registration without knowing what we are doing.

This kind of request for repeal, in my estimation, would have to be circulated among those organizations, including

the NAACP and SCLC, NACLU, and all of the organizations who put so much time and effort into developing legislation that would give us a measure of protection and help to shine the light on those practices that would eliminate participation in the process in ways that we have solved historically.

So, Madam Speaker, I think the gentleman from North Carolina [Mr. WATT] really does make a serious request, and it is not understood by those of us who try and watch this kind of thing why, in fact, you would be repealing something that you want to request the Census Bureau to do. If it is the same thing, why not leave it intact and not mess with it?

As a matter of fact, it may even look innocent, but I submit to you that it may not be that innocent.

Mr. WATT of North Carolina. Madam Speaker, will the gentlewoman yield?

Ms. WATERS. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Madam Speaker, it appears to me that I have been handed just a summary of what this particular bill does, which is repeal this particular section, rather than having been handed some duplicative provision, as the gentleman from Pennsylvania [Mr. CLINGER] has indicated.

I would have to say to the gentleman that unless I can be satisfied that there is, in fact, in place a provision in the law, I will have to vote against the bill.

Mr. CLINGER. Madam Speaker, I yield myself 1 minute, basically to respond to the gentleman.

As I say, I come somewhat fresh to this issue, because we had understood, at least, that it had been pretty carefully vetted to ensure that we were not going to be undercutting or in any way affecting the collection of very vital, I would agree, very vital and important data.

MODIFICATION TO AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. CLINGER

Mr. CLINGER. Madam Speaker, because of the concerns that the gentleman has raised, I ask unanimous consent that section 1021(A) of subtitle B of the proposed legislation be deleted.

The SPEAKER pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment in the nature of a substitute offered by Mr. CLINGER: In the proposed amendment strike subsection (a) of Sec. 1021 in Subtitle B (Page 12, strike lines 20-22).

□ 1215

Mr. GENE GREEN of Texas. Madam Speaker, we have no objection.

The SPEAKER pro tempore (Mrs. MYRICK). Is there objection to the modification offered by the gentleman from Pennsylvania [Mr. CLINGER]?

There was no objection.

Mr. GENE GREEN of Texas. Madam Speaker, I yield back the balance of my time.

Mr. CLINGER. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered on the amendment in the nature of a substitute, as modified, and the bill.

The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from Pennsylvania [Mr. CLINGER].

The amendment in the nature of a substitute, as modified, was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLINGER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on S. 790, the Senate bill just passed.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KOLBE). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such a rollcall vote, if postponed, will be taken after the veto message from the President is disposed of.

ENFORCEMENT OF PUBLIC DEBT LIMIT AND PROTECTION OF SOCIAL SECURITY AND OTHER FEDERAL TRUST FUNDS AND ACCOUNTS

Mr. ARCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2621) to enforce the public debt limit and to protect the Social Security trust funds and other Federal trust funds and accounts invested in public debt obligations.

The Clerk read as follows:

H.R. 2621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPLICABILITY OF PUBLIC DEBT LIMIT TO FEDERAL TRUST FUNDS AND OTHER FEDERAL ACCOUNTS.

(a) PROTECTION OF FEDERAL FUNDS.—Notwithstanding any other provision of law—

(1) no officer or employee of the United States may—

(A) delay the deposit of any amount into (or delay the credit of any amount to) any Federal fund or otherwise vary from the normal terms, procedures, or timing for making such deposits or credits, or

(B) refrain from the investment in public debt obligations of amounts in any Federal fund,

if a purpose of such action or inaction is to not increase the amount of outstanding public debt obligations, and

(2) no officer or employee of the United States may disinvest amounts in any Federal fund which are invested in public debt obligations if a purpose of the disinvestment is to reduce the amount of outstanding public debt obligations.

(b) PROTECTION OF BENEFITS AND EXPENDITURES FOR ADMINISTRATIVE EXPENSES.—

(1) IN GENERAL.—Notwithstanding subsection (a), during any period for which cash benefits or administrative expenses would not otherwise be payable from a covered benefits fund by reason of an inability to issue further public debt obligations because of the applicable public debt limit, public debt obligations held by such covered benefits fund shall be sold or redeemed only for the purpose of making payment of such benefits or administrative expenses and only to the extent cash assets of the covered benefits fund are not available from month to month for making payment of such benefits or administrative expenses.

(2) ISSUANCE OF CORRESPONDING DEBT.—For purposes of undertaking the sale or redemption of public debt obligations held by a covered benefits fund pursuant to paragraph (1), the Secretary of the Treasury may issue corresponding public debt obligations to the public, in order to obtain the cash necessary for payment of benefits or administrative expenses from such covered benefits fund, notwithstanding the public debt limit.

(3) ADVANCE NOTICE OF SALE OR REDEMPTION.—Not less than 3 days prior to the date on which, by reason of the public debt limit, the Secretary of the Treasury expects to undertake a sale or redemption authorized under paragraph (1), the Secretary of the Treasury shall report to each House of the Congress and to the Comptroller General of the United States regarding the expected sale or redemption. Upon receipt of such report, the Comptroller General shall review the extent of compliance with subsection (a) and paragraphs (1) and (2) of this subsection and shall issue such findings and recommendations to each House of the Congress as the Comptroller General considers necessary and appropriate.

(c) PUBLIC DEBT OBLIGATION.—For purposes of this section, the term “public debt obligation” means any obligation subject to the public debt limit established under section 3101 of title 31, United States Code.

(d) FEDERAL FUND.—For purposes of this section the term “Federal fund” means any Federal trust fund or Government account established pursuant to Federal law to which the Secretary of the Treasury has issued or is expressly authorized by law directly to issue obligations under chapter 31 of title 31, United States Code, in respect of public money, money otherwise required to be deposited in the Treasury, or amounts appropriated.

(e) COVERED BENEFITS FUND.—For purposes of subsection (b), the term “covered benefits fund” means any Federal fund from which cash benefits are payable by law in the form of retirement benefits, separation payments, life or disability insurance benefits, or dependent's or survivor's benefits, including (but not limited to) the following:

(1) the Federal Old-Age and Survivors Insurance Trust Fund;

(2) the Federal Disability Insurance Trust Fund;

(3) the Civil Service Retirement and Disability Fund;

(4) the Government Securities Investment Fund;

(5) the Department of Defense Military Retirement Fund;

(6) the Unemployment Trust Fund;

(7) each of the railroad retirement funds and accounts;

(8) the Department of Defense Education Benefits Fund and the Post-Vietnam Era Veterans Education Fund; and

(9) the Black Lung Disability Trust Fund.

SEC. 2. CONFORMING AMENDMENTS.

Subsections (j), (k), and (l) of section 8348 of title 5, United States Code, and subsections (g) and (h) of section 8438 of such title are hereby repealed.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. ARCHER] will be recognized for 20 minutes, and the gentleman from Florida [Mr. GIBBONS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope we can limit the debate on the purpose of this bill. It is very specific. It relates to how we handle the management of our financial affairs during the time that the debt ceiling issue is not settled.

Yesterday the President vetoed the temporary debt limit sent to him by the Congress. One of his stated reasons for rejecting that bill was that it limited the Treasury's statutory power to manage the Federal debt.

That issue, however, is not about debt management. It is about avoiding the debt limit. Avoiding the debt limit is what the Clinton administration is preparing to do, and may intend to tap retiree trust funds to accomplish it.

H.R. 2621 simply does one thing: It prohibits the kind of manipulation that Treasury is about to undertake, by requiring Federal trust funds and similar accounts to be fully invested in Government securities, and surplus income cannot be held in cash to avoid hitting the debt limit. Furthermore, funds cannot be disinvested unless it is done to pay authorized benefits.

Mr. Speaker, this bill does not raise the debt limit level. It only provides protection of Social Security and other trust funds and assures that Social Security and other trust fund payments to individual beneficiaries will continue uninterrupted.

If this bill were law today, Treasury would not be disinvesting the civil service retirement fund and failing to reinvest the G Fund in order to avoid exceeding the debt limit tomorrow. Ironically, Treasury has seized on a provision in current law designed to pay back lost interest to these funds as a license for raiding them. Furthermore, Treasury says that these funds are among other funds that could be affected, but that this week only the Federal retirement fund will be affected.

What does that mean? What is the Treasury telling us when it says

“among other funds”? What will the Treasury do next week? What about Social Security, which has no protections from disinvestment under current law? Are these funds next?

Only this legislation will protect them. The debt games the administration is playing make the public angry and confused and frighten the retirees. They know the President is continuing to run up Federal debt while refusing to even talk about balancing the budget.

We are determined, Mr. Speaker, to prevent increasing debt even in a backdoor way, such as the Treasury contemplates, without a balanced budget. We wish the President would negotiate with us on a balanced budget.

The Social Security fund, as I mentioned, is not protected. The 43 million Social Security recipients who paid their taxes and now rely on those benefits expect us to stand behind their investments. We need to pass this bill to assure those receiving benefits will be paid regardless of the status of the debt limit.

Mr. Speaker, this bill should pass overwhelmingly if this Congress truly wishes to protect benefits, preserve trust funds, and enforce the lid on the Federal debt.

When the President said “no” to protection for Social Security and other trust funds with his veto, most Americans probably wondered why a President would object to protecting their retirement and other benefit investments. Let us show today that we intend to shield those funds and the individuals who rely on those benefit payments from Treasury's debt limit games.

I urge a vote for H.R. 2621 and the integrity of the trust funds.

Mr. Speaker, I reserve the balance of my time.

Mr. GIBBONS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, this is another charade that is being pulled today. It has nothing to do with the truth. I want to read a statement issued by the White House this morning that puts all of this to rest, if there is any reason to put it to rest.

Frankly, I do not believe anybody has got the authority to invade the Social Security trust fund to pay anything other than Social Security benefits. That has been the law ever since I have been here. It has not been changed, and I have been here 33 years.

In fact, Mr. Speaker, I do not think there is anybody in the sound of my voice that has got more money invested in the Social Security trust fund than do I. I have been paying for these benefits since 1937, and I have been fortunate enough to always pay at the maximum rate. I am interested in the Social Security trust fund, I do not want it squandered, and nobody has got a bigger investment in it than I have.

This is a statement by the President dated today, issued from the White House. He says:

I want to assure the American people that the Social Security Trust Fund will not be used for any purpose other than to pay benefits to recipients. Under current law, the Secretary of Treasury is not authorized to use the fund for any purpose other than to pay benefits to recipients. There will be no exceptions under my watch. None. Not ever.

That is the statement the President issued today. It is not necessary, but in the hysteria that is being generated here trying to cover the Republicans' inability to govern and their squandering of time and of effort, you can expect almost anything to happen.

The only thing that really affects the Social Security trust fund is the legislation that the gentleman from Texas [Mr. ARCHER] is proposing here. He would tie the hands of the President so that he could not pay the Social Security benefits because he would have no employees to pay the benefits. He would not be able to redeem the bonds that are in the Social Security trust fund. He could not do anything.

Mr. Speaker, the legislation of the gentleman from Texas [Mr. ARCHER] is dangerous. It is just a part of the charade to try to force the President into default.

Mr. Speaker, the thing that is important here to understand is that the Republicans are trying to force the President to agree to their agenda. Their agenda calls for a balanced budget and a big tax cut at the expense of the sick, the old, the infants, the children, and the working poor, and that is not an acceptable plan for balancing the budget.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume, simply to correct the record as to what the gentleman said.

Mr. Speaker, he is well aware that in this bill there is a provision for the administrative costs so that the checks can be issued to Social Security recipients and a guarantee that they will continue to go out. He just flat misstated that. I am disappointed in the gentleman from Florida.

Second, as to whether we can rely on the President, it was this President who said he would end welfare as we know it and did nothing to push it. It was this President that said he would give American middle-income taxpayers relief and he did not do it. We never know where this President is going to be, and the country knows that you cannot rely on what he says to being operative at any time in the future.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN].

Mr. PORTMAN. I thank the gentleman for yielding.

Mr. Speaker, I am glad to see we are talking about the facts. As you know, last Saturday we sent the President a bill that would extend the debt limit, and at the same time protect the Social Security, Medicare, and civil service trust funds. The bill says that the funds cannot be disinvested during this debt crisis period.

Unfortunately, the President decided to veto the bill. Among the reasons for vetoing it was because it would have prevented the Secretary of the Treasury from using these trust funds to artificially extend the debt limit. I think this is unacceptable.

That is why we are here today with this legislation, H.R. 2621, a bill to enforce the debt limit and to protect the trust funds. It focuses on that issue.

Among other things, this bill tells the 43 million Americans who get Social Security and the 140 million workers that pay into it that it is not OK to play games with the \$483 billion in assets of the trust funds. It tells the President that it is not OK to play games with the \$30 billion in payroll taxes that workers pay each month and that retirees rely on to finance their benefit checks.

It is helpful to review history here. What we do not want, Mr. Speaker, is a repeat of 1985, when in fact there was a gaming of the trust funds. As a result, the Social Security trust funds lost \$382 million in interest, and long-term bonds were cashed in early.

It is correct that Congress did pass legislation to restore the lost interest and to reconstruct the bond portfolio, but no legislation could ever restore the public confidence that was lost during that period. What we are considering today is not just about protecting the trust funds. It is also about protecting public confidence in those trust funds.

Simply put, without this bill, there are no laws to prevent a repeat of what happened in 1985.

It was difficult for many of us to vote to extend the debt limit last week. But, having done that, Congress should also take action to restore public confidence in these trust funds. We have a chance to do that today.

I urge my colleagues to support this bill.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I would like to reply to the gentleman from Ohio. He was right part of the way.

In 1985 this situation was faced. The Secretary of the Treasury then did take money out of the Social Security funds, and we passed a law so he could not do it anymore. What this bill before us does, it does away with that law that we passed to protect Social Security.

Mr. Speaker, I would think this was so clever, to bring this bill here before us today under suspension. If you raise the danger of hurting the Social Security fund, of course people rush to the floor to vote for it.

□ 1230

But the second half of this bill is dangerous, and it is wrong to do it in this fashion. The Social Security Trust Fund is not in jeopardy now at this moment, because Social Security is an

entitlement. Beneficiaries will get their benefits.

The bill does not change that. Withdrawals are made from the Social Security Trust Fund to pay Social Security benefits, period.

What this bill does in the second half, because that is a spurious argument, in the second half, what the bill does is take away the trust fund's, or the ability of the Secretary of the Treasury, to deal with the cash of these United States, our whole reputation at stake.

It is absolutely wrong to bring this forward today, say Social Security is going to be hurt. It is not.

What is going to be hurt is the possibility that we lose the full faith and credit of this country because this bill in front of us today means default would happen even more than it would happen under these awful circumstances we are dealing with.

Mr. Speaker, I have to tell you this is dangerous. This is wrong, and I am surprised at the majority for bringing it forward under this fashion, under this guise.

Mr. ARCHER. Mr. Speaker, will the gentlewoman yield?

Mrs. KENNELLY. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, I say to the gentlewoman I also thought the Social Security trust funds were protected before we got into this issue several weeks ago, but they are not protected under the law. That has been carefully researched. There is nothing that prohibits the Secretary of the Treasury from either failing to invest or disinvesting the Social Security trust funds under law today, and that is the reason why this bill is before us.

Mrs. KENNELLY. I would first say, under technical legislative facts of life we deal with, there is no authorization. I do think we still can believe when the President says, "There will be no exceptions under my watch, none, not ever. I will for no purpose take from the Social Security fund." I would hope we have faith in the President of the United States.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume to say to the gentlewoman I wish we could accept this President's word at face value also, but we know from experience that we cannot.

Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, let me say first of all that this bill has everything to do with the truth. You know, despite its importance, the debt held by the public is not the most familiar measure that we have in the Federal debt. That distinction belongs to the debt subject to the debt limit often referred to as the gross Federal debt. The gross Federal debt is now \$4.9 trillion—\$3.5 trillion is debt, marketable debt, that we owe to the public and \$1.4 trillion is the debt owed to the trust funds.

Now, the President has effectively declared that he will not abide by congressional oversight of how much the Federal Government can borrow. Since the founding of this country, Congress has had the authority over this Government's ability to issue more debt. Prior to the First World War, Congress approved every debt issuance. Since that time, the Second Liberty Bond Act has allowed Treasury to borrow up to a certain limit set by Congress.

Tomorrow, Treasury will effectively overcome the statutory limit, making a mockery of the people's control over the Federal borrowing and, in large, the Federal debt.

The manner in which this has been done, I think, is insidious. Treasury will now begin to disinvest the trust funds. This means they will begin to tear up the IOU's that bear interest.

But here is the point I am trying to make: In taking such action, the President is increasing the public debt of this country without the authority of Congress. The first to go is going to be the thrift savings of Federal employees. Next will be the retirement trust fund. The precedent that is now being set by this President would allow a future President to say that the precedent was set in 1995 and now we can go into the Medicare trust fund, now we can go into the Social Security trust fund.

The fact is that from now on, if we allow this to happen and do not pass this bill, Presidents will be able to add more than \$1 trillion to our existing debt without the review or consent of Congress.

There is only one way to stop this scheme and return to the Congress and the citizens of this country authority over the debt issuance of this Government. That is to pass H.R. 2621, which will make it against the law for the Treasury to further destroy the trust funds through this disinvestment process. In fact, we need to develop policies to have the major trust funds invest in marketable Treasury securities. If we stand by, then the President can add \$200 billion per year to our national debt for the next 5 years. I have spoken many times of the need to rein in our national debt. This bill is vital to accomplishing our goal of returning America to fiscal stability. I urge support of H.R. 2621.

I hope this Congress will do it. We need to develop policies that protect those trust funds.

Mr. GIBBONS. Mr. Speaker, I yield 30 seconds to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I made reference to a statement by the President of the United States made this morning, and I really feel, to question the integrity of the President of the United States at a time when workers are being furloughed and worrying about their mortgages, at a time when the world markets are looking at us whether we can pay our bills, really is a disservice to the United States of

America and should end at this moment.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. BONIOR], the Democratic whip.

Mr. BONIOR. Mr. Speaker, this bill does exactly, exactly the opposite of what the Republicans say it does. This bill makes it more likely that the U.S. Government would default for the first time in history.

Nothing could be more damaging to the Social Security Trust Fund and the protection of those benefits for our senior citizens than the Gingrich Government default that is projected here if this bill happens.

Social Security benefits are already guaranteed by law, and I would disagree with my friend from Texas who says he disputes that. They are already protected by law, and the President has stated very clearly, and I quote him, "Under current law, the Secretary of the Treasury is not authorized to use the funds for any purpose other than to pay benefits to recipients. There will be no exceptions under my watch, none, none not whatever."

Mr. Speaker, in addition, this bill repeals the current law to authorize the automatic payback of interest on any money borrowed from Federal pensions. There they go again; they are into the pensions of workers. They are doing it again.

The same people who are doubling your Medicare premiums are now trying to say that they are trying to save Social Security. Do not believe it.

The Republicans are playing the most dangerous of all games by threatening a Gingrich Government default, and such a default would put at risk the Social Security Trust Fund, it would raise interest rates on working families and it would undermine the credibility of our Government for years to come.

I would tell my colleagues on this side of the aisle, do your work. You have got one done out of 13 appropriation bills. Do your work. Do your work. Pass a continuing resolution so we can get on with operating this Government and so people all over this country who are not going to work today can go to work and we can do the business that we were elected to do.

Mr. MCCRERY. Mr. Speaker, I yield myself as much time as I may consume.

Once again, the law has been misstated by the other side. We have clear testimony before the Committee on Ways and Means that, in fact, the administration has the ability under current law to utilize the trust funds in times of exigent circumstances, and, in fact, we have already seen examples of this this very week with the administration using other trust funds to get around the debt ceiling.

So it is just not so that the administration does not have this power. They do, and that is what this bill would correct. It would protect the Social Security Trust Fund and other trust funds

from being rate raided by the administration in order to circumvent the debt ceiling.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Speaker, you have probably heard the President using senior citizens over the past few days as his excuse to veto the debt limit bill.

Well don't for a minute think that he wants to protect America's seniors. He has his own interests in mind.

You see—the debt limit bill included a provision that prevented the Treasury Secretary from stealing from the Social Security Trust Fund in order to spend more money.

We knew that this provision was the only way to protect the seniors' trust fund from President Clinton's careless spending habits.

And he proved that he has no self discipline when he vetoed the bill.

We owe it to our seniors to protect the money they have paid into Social Security. And the President owes seniors more than a game of scare tactics and misinformation.

So once again today we are going to pass this bill to protect our Federal trust funds.

I urge everyone to take a real and meaningful stand for our Nation's seniors—and send a message to the administration—you cannot steal from Social Security to keep supporting big Government.

Support this bill.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, while we are all entitled to our own set of opinions, we are not entitled to our own set of facts.

Let me share with you some facts: If this bill before us is passed, the payroll tax that is intended for the Social Security system that comes into the Government and is about \$30 billion a month, about a billion dollars a day, it will not earn interest for Social Security recipients, because if the debt ceiling is not extended, and this will not extend the debt ceiling, then Social Security trust funds will lose about \$37,000 tomorrow, and over the course of this debate it will lose millions of dollars. That payroll tax will not earn interest.

Second fact: Since the Government has shut down and there is no money to pay people within the Social Security Administration to process applications, new people, eligible, applying for Social Security, will not be able to get their benefits. There is no money to pay for the processing of their applications.

Third fact: Because this bill repeals provisions put into law by the Reagan administration, the thrift savings plan that Government employees have contributed to will lose about \$3.5 million each day, beginning tomorrow. But the civil service retirement trust fund that

millions of employees have contributed to will lose \$10 million tomorrow and \$10 million every day this is extended, because this law makes it illegal to reimburse that civil service retirement trust fund and to give it any interest for the money that you take out.

We cannot do this to Federal employees. We cannot do this to this country.

The last fact you need to know: That the credit watch, the European credit rating agency, just now put the United States on a rating watch for possible downgrade that will increase the interest on all of our Treasury bills for years to come. Do not pass this bill.

Mr. MCCRERY. Mr. Speaker, I yield myself as much time as I may consume.

I think the gentleman from Virginia has emphatically stated the gist of the situation. The fact is that without specific authority from the Congress to extend more debt, the President frankly will be between a rock and a hard place, and I think the gentleman is correct there, and that is part of what this debate is all about.

Those of us on this side, frankly, want the President to have to choose between more and more debt on the backs of our children and grandchildren or finally facing up to the fact that we cannot afford any longer to spend more than we take in and finally get this Nation's fisc in order.

So I think the gentleman from Virginia stated it very clearly and succinctly and emotionally and did a good job, and that is part of this debate. So, frankly, we are ready to put the President between that rock and a hard place so he will have to choose clearly for the American people to see. We hope that he choose on the side of fiscal responsibility. We hope he chooses on the side of preserving a future not only for today's seniors but for tomorrow's seniors and future generations of this country.

I thank the gentleman from Virginia for making that clear.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Mr. Speaker, it seems unbelievable to me that we are sitting here debating whether the President can tap into Social Security trust fund and the civil service retirement fund. I find that almost unbelievable that the Democrat Party, who has been using the senior citizens all over America as their chief pawn, as their shield, to ram or resist any kind of legislation that comes up, now they want to take the money out of the senior citizens' trust fund.

□ 1345

I think it is appalling to me. It is unbelievable. The Treasury Department has announced it intends to divest the civil service retirement trust fund and fail to invest the G fund in order to create room under the debt limit and raise cash to make interest tomorrow, starting November 15. That is to me

unbelievable. Those funds, among others, are to be tapped for at least \$25 billion. But on November 30, the Treasury Department will again need about \$13 billion in cash, so the divesting of this retirement fund could even go on even to a higher limit than that. Well, with Social Security holding \$483 billion in Federal securities, and civil service holding \$366 billion, the Treasury can tap into these funds and use it to run up more public debt.

Now, this is totally out of hand. What we are debating here should not be the President's or the Treasury Department's intention and ability to tap into these sacred trust funds. What we should be debating is are we going to balance the budget.

When the President was running for office in 1992, June 4 on "Larry King Live," he said, "I am going to balance the budget in 5 years." His only balanced budget proposal is a 10-year plan that does not even balance the budget. In fact, in the year 2002, when the Republican plan has a zero deficit, the Clinton plan has a \$209 billion deficit.

Mr. Speaker, the debate here is about balancing the budget. I hope the President does not steal money from the senior citizens for the Federal retirees, and I urge Members to vote for this bill.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, this bill is a childish charade, and the sponsors should be ashamed of themselves. This bill does not protect Social Security; it puts it at risk, along with Medicare and veterans benefits. This bill enhances the chance of default by the U.S. Government, which, if it occurred, would result in eventually no Medicare, no veterans benefits, and no Social Security benefits.

That is right, in a default, we would not make good on our obligations to the Social Security benefits and this bill leads to a default.

Furthermore, this bill calls into question our willingness to pay our debts, because it brings to the U.S. Government the same fiscal insanity of the Orange County, CA, default. It will raise interest rates, home mortgage rates, credit card rates, and all loan rates. It will destroy the quality of credit. It will destroy the quality of U.S. credit as Moody's and Standard & Poor have publicly stated. It is a dangerous political ploy with dire economic consequences for which we will all pay.

Mr. Speaker, this bill is not about protecting Social Security. It is about politics, so Members can go home and say they protected Social Security. But in fact, the opposite will occur, because in a default, we will also default on our obligations to the Social Security system, which is invested in treasury obligations. Since Social Security benefits are invested in these Treasury

securities, they carry the force of the full faith and credit of the U.S. Government. That is a guarantee which, in a default, we would violate, and therefore violate that obligation to the Social Security system.

If one wants to protect Social Security, vote no, because a yes vote will ultimately lead to a default on Social Security. Let us put politics aside when it comes to our faith in our Nation's creditworthiness and our commitment to Social Security. Let us defeat this ridiculous bill. Let us get down to business like the American people sent us here for. Let us put some sanity into our fiscal practice, because this, my friends, is not sanity.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, I thank my colleague for yielding me time.

Mr. Speaker, I rise in strong opposition to this bill. The administration has stated unconditionally that the Social Security trust fund will not be touched in dealing with debt crisis.

This bill would prohibit Treasury from utilizing the few remaining tools available for managing our debt, virtually guaranteeing an unprecedented default. This is wrong and it is irresponsible.

Both Standard & Poor's and Moody's, two of the world's leading credit-rating agencies, have issued warnings that our Government's triple-A credit rating is at risk, due to the threat of default. IBCA, the European credit rating agency, has placed the United States on rating watch for a possible downgrade of its triple-A foreign and local currency long-term credit ratings.

If these downgradings go into effect, the impact would place a huge additional financial burden on our taxpayers, and would last well beyond the current controversy many years into the future.

Let's defeat the bad bill, pass a clean temporary debt ceiling extension, and get on with the important business of balancing our budget without tax increases in a bipartisan manner.

I urge my colleagues to vote "no."

Mr. GIBBONS. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, I say to the Republican majority, you are really playing games, and it is time to blow the whistle. I want to repeat, there is no authorization under law for the President of the United States to use Social Security funds. None. And he has said in no event would he use Social Security funds.

So, why are you doing this? The gentleman from Louisiana [Mr. MCCRERY] says to put the President between a rock and a hard place. But trying to do that, you are going to put the American economy on the rocks, default, and it is going to hurt everybody in this country, those who use credit cards, those who have adjustable rate mortgages.

Why are you doing this? It is because you look vulnerable on Social Security and Medicare, so you are looking for cover. And to do that, you are going to blow the lid and cause a default? You are trying to cover your fingerprints on legislation that will weaken Medicare and the Social Security COLA. And to do that you are going to tie the hands of the President?

I say to the American people, this cannot happen. We are going to defeat this bill.

Mr. GIBBONS. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, I think that the gentleman from Louisiana [Mr. MCCRERY], who is my friend, summed the issue up very well. He said that their role is to put the President between a rock and a hard place. The truth is today this debate is about the American people; it is not about putting the President between a rock and a hard place. That is the political solution, and that is what makes this option so unpalatable to all of us.

Mr. Speaker, once again we are here on the House floor debating the debt ceiling. And once again, we are not debating the right solution. We ought to be debating a clean debt ceiling extension.

Instead, we are debating legislation that contains provisions that already have been vetoed by the President. We should be using this time to send a bill that the President can sign.

Last week, the Treasury Department issued a statement assuring that the Treasury will not use Social Security trust fund for any purpose other than to assure the payment of benefits to Social Security recipients. These funds will only be used for Social Security.

Treasury has acted responsibly and has taken options to avoid default, because of Congress' failure to act on a clean debt extension. This legislation will make it harder for payments to be made. This bill would stop payments under Medicare, stops payments, under SSI, stop payments to military personnel, and stop payments to other Federal beneficiaries.

Any prioritization scheme would necessarily imply that other obligations of the United States might be defaulted upon. By repealing the debt management provision of current law relating to the civil service retirement and disability fund, this bill would increase the risk of default by severely limiting the ability of the Secretary of the Treasury to assure that crucial Government payments including benefit payments such as Social Security.

A Republican administration was in charge when debt management provisions were enacted into law. The Secretary should always have options to relieve pressure and avert default.

The bottom line is this legislation would push us closer to a default. It is time to stop this game and vote on a clean debt ceiling extension.

Mr. MCCRERY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Speaker, I rise in support of the resolution. I find it interesting the arguments that have been going back and forth about what is a clean debt extension bill, what is a clean continuing resolution.

If we look back in the last 10 years, virtually every continuing resolution, and I believe most the debt extensions as well, have had extraneous matters attached to them. Yet at the time none of the Members who are now in the minority objected. All of a sudden they think there has to be a clean bill.

In reality, if we are going to extend the debt, we should have certain restrictions on that debt extension. One of those should be to prevent the President from raiding the Social Security trust fund. For me it is a very basic issue. We do have to borrow some money for short-term needs of the Government. However, it should not be a blank check to the White House. We need to pass the extension, but we need to do it with the restrictions there so we do not have runaway spending and we do not have a raid on the Federal trust fund.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER].

(Mr. SCHUMER asked and was given permission to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, when someone is in a corner, what do they do? They lash back. The Republican majority is in a corner, and they are trying to come up with the bogus issue of the Social Security trust fund.

Here is a quote from the President:

I want to assure the American people that the Social Security Trust Fund will not be used for any purpose other than to pay the benefits to recipients. Under current law, the Secretary of Treasury is not authorized to use the fund for any purpose other than to pay benefits to recipients. There will be no exceptions under my watch. None, not ever.

Now, who do you trust more to save your Social Security? Bill Clinton or NEWT GINGRICH?

Mr. GIBBONS. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the last statement really hit the nail on the head. We are here today going through this charade, because the present Speaker has just totally mismanaged this place. This is business that should have been taken care of in July. Here it is 5 months later, with no budget passed and only 2 of the 13 appropriations bills passed, and he is trying to shut down the Government. All of this problem is brought about by the Speaker's mismanagement of this House and this Congress.

Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], the Democrat leader.

Mr. GEPHARDT. Mr. Speaker, let me first say that a vote for this bill is a vote to bring about default of the Government for the first time in its his-

tory. If we take away from the Secretary of the Treasury all of the management opportunities that are now existent in the law, which this bill would do, we simply bring about the greatest possibility that the unthinkable would happen, and that is that we would have a default for the first time in our history.

The result of that is catastrophic for the American people. Adjustable rate mortgage interest will go up, over the years, not just for 6 months or a year. It will go up over the years, more than it ordinarily would or should.

If you are worried about Social Security, as we all are and should be, the worst thing we could do to Social Security would be to bring about a default on the part of the U.S. Government. They would be unable to make payments. Under the Social Security system, they would be unable to invest the money coming in in interest bearing accounts as a result of what would take place under this bill.

Let us talk about the converse. What is being argued is that this bill is needed in order to make sure that the Social Security fund is not disinvested. It is a red herring. It is simply not true. If that were the real intent of the bill, why does the bill not just deal with that issue alone, even though we do not need to deal with that issue?

It is because the real agenda is to put leverage on the President to sign the budget that has a big increase in Medicare premiums and a big tax break for the wealthy. That is the real agenda that is going on here. That is really what is happening. That is why this bill is being presented, to gain more leverage on the President.

So I urge Members not to be taken in, not to be fooled. The best policy is to not vote for this bill, to not bring about default and make default more certain, to not increase leverage on the President, so that a budget goes through here that hurts Medicare recipients, increases their premium, closes 25 percent of the hospitals in the country, cuts back dramatically on medical education and all the other things bad that will happen to the Medicare system that we have been fighting so hard to try to preserve. This is a bad idea, it is a wrong idea, it is an unneeded idea.

Finally, if you want to make sure that Social Security is secure, vote against this legislation and let us get the budget done, so that we will not have to worry about the debt ceiling anymore, and make sure that all of our Social Security recipients will receive their checks on time, as we have promised through the years.

□ 1300

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Louisiana [Mr. MCCRERY] has 3½ minutes remaining and is entitled to close the debate.

Mr. MCCRERY. Mr. Speaker, I yield myself my remaining time. Mr. Speaker, let me just clear up a couple of

things that have been said by the last few speakers.

My good friend from Massachusetts, Mr. NEAL, said if this bill is passed, Social Security checks will not be able to be paid. Well, that is simply not the case, and if the gentleman would read the bill, which I have right here, he would see very clearly, on page 3 of the printed text of the bill, it is clear that payment of such benefits or administrative expenses may be, in fact, paid.

So my good friend from Massachusetts is just incorrect in asserting that Social Security benefits would not be paid.

Second, my friend, the gentleman from New York [Mr. SCHUMER], asked rhetorically I presume from his perspective who do we trust to protect Social Security, the President or NEWT GINGRICH? While that got a good laugh from his Democratic colleagues, the fact is what we are trying to do today is make it so that we do not have to trust anybody. It will be the law that the President, no matter who he is, cannot violate the Social Security trust fund.

Mr. SCHUMER. Mr. Speaker, will the gentleman yield?

Mr. MCCRERY. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Speaker, my question is, if the Republicans felt so strongly about it, why did they attach all the other provisions to the bill? A simple line that they would just deal with Social Security would pass this place 435 to nothing. In my judgment, there is a game going on here.

Mr. MCCRERY. Mr. Speaker, reclaiming my time, I would submit to the gentleman that the Social Security and Medicare trust funds account for fully half of the total value of the Federal Government's trust funds. So it is very important that we recognize that these two trust funds will be critical in any exigent circumstance if the President wishes to get around the debt ceiling.

So the fact that we have contained in this bill other trust funds should not obscure the fact that in order to protect all of them, including the Civil Service trust fund which the President intends to tap today and the Social Security trust fund, this bill must be passed.

I would say to the gentleman that we do not need to trust the President or NEWT GINGRICH, we need to pass this bill in order to make it law that the President cannot tap the Social Security trust fund.

Mr. COLLINS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MCCRERY. I yield to the gentleman from Georgia.

Mr. COLLINS of Georgia. Mr. Speaker, I ask my friend, the gentleman from Louisiana, is it not true that what we are trying to do is to make sure that those taxes are deducted from payroll collection and are deposited into the Treasury and that they then, further, are invested into the trust fund and the

trust fund can actually invest them into Government securities? But we want to make sure, once deposited into the Treasury, they do not stay in the Treasury, that they are then further transferred into the Social Security trust fund?

The President's statement is actually factual. He will not deal with the trust fund, but he wants to deal with the Treasury while the money is in the Treasury prior to going to the trust fund.

Mr. MCCRERY. Mr. Speaker, the gentleman is correct.

Mr. COLLINS of Georgia. Mr. Speaker, I thank the gentleman for yielding.

Mr. MCCRERY. Mr. Speaker, reclaiming my time, the minority leader tried to couch this argument in terms of giving tax breaks for the rich and all the like. That is once again trying to obscure the issue. The issue is, do we want to protect the Social Security trust fund, the Medicare trust fund from being raided by the executive branch in order to circumvent the debt ceiling, which under the Constitution must be raised by the Congress, by the legislative branch?

I urge all my colleagues to protect the Social Security trust fund and the Medicare trust fund and vote "aye" on this bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DEFAZIO. Mr. Speaker, I rise to oppose H.R. 2621, a transparent political gesture by the Republic leadership. This is nothing more than Speaker NEWT GINGRICH and other House Republican leaders trying to blackmail the President into accepting their Medicare premium increase as part of a temporary Government funding bill. Congress under its new leadership has utterly failed to complete its constitutional responsibility to fund the Federal Government this year. Instead of playing high stakes political games with the hopes and fears of Federal employees, retirees, and Social Security and Medicare beneficiaries, Republican leaders would be well advised to finish the work they should have finished more than 1 month ago.

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from Texas [Mr. ARCHER] that the House suspend the rules and pass the bill, H.R. 2621.

The question was taken.

Mr. MCCRERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

PARLIAMENTARY INQUIRY

Mr. GIBBONS. Mr. Speaker, parliamentary inquiry. Why are we postponing this vote? Can we not vote now?

The SPEAKER pro tempore. The Chair will postpone the vote until after the veto message is disposed of. It is at the discretion of the Chair to do so, and this vote will be postponed.

Mr. GIBBONS. But, Mr. Speaker, we are all here. It is 1 o'clock in the afternoon.

The SPEAKER pro tempore. The gentleman has not stated a parliamentary inquiry.

Mr. GIBBONS. Mr. Speaker, it is an inquiry so that people will know what is going on.

The SPEAKER pro tempore. The vote will be postponed until after the veto message from the President is disposed of.

The point of no quorum is considered withdrawn.

SECOND CONTINUING RESOLUTION FOR FISCAL YEAR 1996—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-134)

The Speaker laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.J. 115, the Second Continuing Resolution for fiscal year 1996.

This legislation would raise Medicare premiums on senior citizens, and deeply cut education and environmental protection, as the cost for keeping the government running. Those are conditions that are not necessary to meet my goal of balancing the budget.

If I signed my name to this bill now, millions of elderly couples all across this country would be forced to sign away \$264 more in Medicare premiums next year, premium hikes that are not necessary to balance the budget. If America must close down access to quality education, a clean environment and affordable health care for our seniors, in order to keep the Government open, then that price is too high.

We don't need these cuts to balance the budget. And we do not need big cuts in education and the environment to balance the budget. I have proposed a balanced budget without these cuts.

I will continue to fight for my principles: a balanced budget that does not undermine Medicare, education or the environment, and that does not raise taxes on working families. I will not take steps that I believe will weaken our Nation, harm our people and limit our future as the cost of temporarily keeping the Government open.

I continue to be hopeful that we can find common ground on balancing the budget. With this veto, it is now up to the Congress to take the reasonable and responsible course. They can still avoid a government shutdown.

Congress still has the opportunity to pass clean continuing resolution and debt ceiling bills. These straightforward measures would allow the United States Government to keep functioning and meet its obligations, without attempting to force the acceptance of Republican budget priorities.

Indeed, when Congress did not pass the 13 appropriations bills to fund the