that they have demonstrated throughout their history, including the entire 19th century, and if they will put an end to this barbaric regime, despite the fact that it has been in existence 39 years, it will come to an end and it will come to an end soon, because the Cuban people are going to see to it.

The reality of Cuba today is more than 70 opposition movements have already signed onto this extraordinary agreement called Agreement for Democracy, and many of the opposition movements in exile as well have signed on. I will not read it all, but I think it is a fundamental document to see where the Cuban people are going, where they wish to go and what they think, and to break through the disinformation and the misinformation and the lack of information that is provided or not provided by the international media.

This Agreement for Democracy states as follows. As I say, it has already been signed on to by more than 70 opposition groups, most within Cuba.

''We recognize as the fundamental principle of the new republic that Cuba has wanted independence whose sovereignty resides from the people and functions through the effective exercise of representative multiparty democracy, which is the government of the majority with absolute respect for the minority. All governments must respect the sovereignty of the people. Therefore, at the end of the current tyrannical regime, the provisional or transition government shall be obliged to return sovereignty to the people by way of the following measures.''

Then they list 10 specific measures through which sovereignty after the end of the Castro nightmare will be returned to the Cuban people, obviously in the holding of free and fair elections. Free and fair elections is the essence, and free and fair elections is the essence of what we seek in our policy in the United States for the Cuban people.

That is the purpose of our policy. That is why we deny access to the U.S. market to those who profit from the lack of freedom of the Cuban people. That is why we have an embargo against Castro.

We have an embargo on credits, on financing, on profits from the apartheid economy that Castro imposes on the people. We have an embargo on massive U.S. tourism to Cuba. We do not have an embargo on medicine. It is important that I repeat that, because there is so much disinformation and so much misinformation on this. We do not have an embargo on the sale of medicine. We do not have an embargo on the shipment of humanitarian aid to Cuba. More humanitarian aid is sent from the American people each year to the Cuban people than from all the other countries in the world combined.

□ 2030

$2.4 billion in humanitarian aid has been sent. That is not including the cash remittances that the Cuban people send to their family members on the island each year, not including the cash amounts of hundreds of millions per year, such as $2.4 million in humanitarian aid has been sent from the American people to the Cuban people in the last 5 years alone. That is more again than from all the other countries in the world combined.

And what we are saying with our policy is that yes, we will deny credits and we will deny financing and we will deny profits from those who want to invest in the lack of labor rights, in human rights in Cuba, until and unless there is a democratic opening, a transition to democracy in Cuba.

The only instrument that exists for the Cuban people to be taken into account when Castro dies, and he cannot last much longer, you have to look at him, they shot him up with cortisone for the Pope's trip. It will be a while, a year, 2 years, and thank God he is not immortal, he is going to die.

What instrument do the Cuban people have at that moment so that those in a situation of provisionality will take them into account and will agree to return sovereignty to the Cuban people, to have elections, the only instrument that exists is the U.S. embargo.

Those who find themselves in a situation of provisional power are going to want to lift the U.S. embargo, and we are going to say, ''Fine, we want to lift the U.S. embargo. The only thing we ask is that you, those who find themselves in a situation of provisional power when Castro dies, is that you hold elections. That is the only thing we are asking for.

Just like in 1898 the only country that stood by the Cuban people and said they deserve to be free was the United States of America. In 1998 we are the people, we are the Nation, who wants the Cuban people to be free, and who say, we will not permit access to the U.S. market until the Cuban people are allowed free and fair elections. The Cuban people will not continue to be the only people in this hemisphere to be denied free elections, to be condemned to live under tyranny. We do not accept that, and the Cuban people do not accept that. They deserve to live in freedom.

We will hold out and we will deny our market and we will maintain our embargo until three key conditions are met: Political legalization, all political parties have to be legalized; all political prisoners have to be freed; and there has to be a willingness to hold free and fair elections.

They are three very simple conditions, but they are conditions that are not going to waived. We will insist on political legalization, we will insist on freedom for all political prisoners, and we will insist on free elections. That is our commitment. That is the commitment of this Congress. That is why we obtained 80 percent of the votes, both in the Senate and in the House, for our sanctions legislation in 1996, and we are going to maintain that policy until there is a democratic transition.

So I end my remarks remembering the four martyrs from Brothers to the Rescue, remembering all the political prisoners, in solidarity with them, remembering as well the martyrs of the 13th of July of 1994, the over 40 men women and children who were murdered by the tyrant just a few years ago while trying to seek freedom, including more than 20 children.

In memory of them, on this historic date, I end my remarks and I guarantee that this Congress and the American people will stand with the Cuban people until they are free.

SOCIAL SECURITY'S BLEAK FUTURE

The SPEAKER pro tempore (Ms. NORTHUP). Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I would ask everybody to hold onto their hats. I am going to spend the next 30 minutes talking about Social Security. And maybe the question should be, why should anybody be interested in what the situation is in this country with Social Security?

I suggest seniors that are now retired should be very concerned, because Social Security is going to have less money coming in in payroll taxes than is going to be required to meet the benefits as early as 2002.

I would suggest that young people should be very interested in Congress and the President facing up to the real issue of starting to solve the Social Security problem, because when they retire, their retirement is going to be at risk unless we do something.

I would certainly suggest that my grandkids, and Bonnie and I have seven grandkids, should be very concerned, because if we do nothing, they are going to be asked to pay huge amounts of their taxes, up to 85 percent of what they earn, just to cover the Social Security benefits. So something has to be done.

I wanted to start tonight with the President's budget. I think we start by getting rid of some misconceptions, if you will, hoodwinking of the American people, on the balanced budget. I think the American people know this. What we are doing is borrowing from Social Security to balance the budget.

If you take a look at the historical tables on the President's budget, and you were to turn to page 111, you would see that the national debt increases every year for the next 5 years. If the national debt increases, how can the budget be balanced? It is not. We are borrowing from Social Security.

I put this chart together very quickly, so please excuse the patchwork quilt here.

As you go down the fiscal years, starting in 1998, the national debt is

$5.5 trillion. That is an increase, by the way, of $174 billion over the previous year. In 1999, the national debt increases to $5.7 trillion. In the year 2000, it increases to $5.9 trillion. In the year 2001, the national debt increases to $6 trillion. In the year 2002, the national debt increases to $6.2 trillion, an increase of between $175 billion and $174 billion a year.

How can this be, you say, if the President of the United States and Congress is saying, well, we are reaching a balanced budget? Here is why. We are borrowing from the Social Security trust fund. That is the major borrowing that is allowing us to pretend that the budget is balanced. But what it is doing in the process is depriving Social Security of being solvent in the future years.

I have introduced the only bill in the United States Congress that is scored by the Social Security Administration to keep Social Security solvent for the next 75 years. I introduced my first bill when I first came to Congress in 1993. I introduced my second bill last session, and I introduced a bill this session.

That legislation says, for part of the solution, let individual workers have the option of taking part of their Social Security tax, and it would still be sent in to the government and still be deducted at the rate of 12.4 percent of taxable payroll, but they would have the option of investing that in certain safe investments. Safe investments in my bill are indexed stocks, indexed bonds, indexed global funds, indexed cap funds, and any other safe investment as determined by the Secretary of Treasury.

Okay. So here is the situation. We have got a system that was devised in 1935 to allow senior citizens money to make sure that they were socially stable, socially secure. It was a system in 1935 that was designed to use existing taxpayers' money to pay for existing benefits, sort of a pay-as-you-go program.

As we look at this bleak future for Social Security, what I was discussing on how much the Federal Government is borrowing from the Social Security trust fund to pretend that we have a balanced budget is the little amount in blue that goes from this year, 1997, over to about 2011. So every year because we raised taxes so high on workers in 1983, there is more tax revenues coming in than is required to pay out existing benefits. Remember, this is a pay-as-you-go program, where existing taxes pay for existing benefits. So as government borrows this money and spends it for other uses, as government borrows this money and uses it for other purposes, what we do is further jeopardize the solvency of Social Security.

This chart, because we have increased taxes so much on existing workers, this chart represents how many years a person is going to have to live after they retire simply to break even and get back what they and their employers paid into Social Security. So because it is sort of a chain letter, a Ponzi game, a pay-as-you-go system, if you retired early, then you were very, very well off and Social Security was very, very solvent.

If you happened to retire in 1940 it took 2 months to get everything back that you and your employer put in plus compounded interest. If you retired in 1960, it took 2 years. Going across the chart you see anybody that retires after the year 2005 is going to have to live 24 to 26 years after they retire simply to break even and get back what they and their employer put into Social Security.

Not a good investment. Not a good savings. The National Tax Foundation estimates that the average person retiring after the year 2000 will get a negative return on the amount of money that the employer and the employee put into Social Security. The employee now puts 6.2 percent. The employer puts 6.2 percent.

Really what we are talking about is a situation where it all comes out of the employee's pocket, because the employer would give that money to the employee. Obviously they are willing to pay that much. So it is really a tax on the employee, the whole 12.4 percent.

The National Tax Foundation says that you are going to get a negative one-half to a negative one and a half percent return on your money. So that is why everybody is suggesting let us use a little bit of private investment to allow workers to take some of this money and invest it in the stock market or the bond market so that they can realize the increase in wealth.

A lot of people suggest that there is a danger in allowing people to invest their own money because they might lose it all. Number one, it is optional. Number two, we are suggesting in our pilot program that you would only have a reduction in Social Security benefits if you make money on your private investment. In other words, for every $2 you make on the private investment, you would lose $1. $1 would be offset in the traditional Social Security benefits.

And that is going to help solve the whole Social Security problem. Because if your index stocks are average of what has happened over the last 90 years in this country, there is a 9 percent per year return on those index stocks, 9 percent per year. Remember, this compares to a negative one-half, to a negative one and a half return on your Social Security money.

Social Security is a bad investment. Stocks are continually going up. Even the economists suggest that even the 10 years surrounding one of our worst depressions around 1928, 1929, if you take any 10-year period around that depression, you still have a positive return that is going to be much better than what Social Security is going to give you.

So the point is we need to make some changes in Social Security. It is a bad investment. Let us look at other ways. Let us at least start a pilot program.

I am introducing a bill that is going to be a pilot program that will allow 18-year-olds to 30-year-olds to invest 2.5 percent of their payroll. This money will be sent in. That individual will have the option of saying I want this much in index stocks, this much in index bonds. There will be an offset; for every $2 you make, a $1 offset in your fixed benefits. Then you have the option at 10 years to say, look, I have decided I want to go back to the old fixed benefit plan.

I think it is so important that we allow American working families to experience the creation of wealth. We have taxed everybody so much in this country. You now pay 40 cents out of every dollar you make in taxes at the local, state, and national level. We have taxed so many people so much that it has taken away the ability to start saving and creating wealth.

Part of the wealth creation is the fact that, at 9 percent interest, I think your money doubles something like every 7 years. So that means, if you start with a dollar, 7 years from now, you will have two. And 14 years, you will have four.

That compounding, that magic of compounding interest is why the economists suggest that you are going to be so much better off if you have some private investment rather than a fixed benefit plan that is now going broke.

Look at this next chart. The number of seniors is increasing very dramatically. We see over the next 28 years, 29 years, there is going to be an increase of 4.7 percent for those people under 20 years old. For those people in the age of 20 to 64 years, there is going to be an increase in numbers of 20.6 percent. But look what happens to seniors. The senior population, over 65 population, is increasing at 79.5 percent, almost 80 percent.

When we started Social Security, the average life-span for an individual was 61 years old. That means most people never lived long enough to collect any Social Security. So the Social Security system worked very well then. It went spinning along very nicely.

We got into the late 1940s. We ran a little short of money. We increased taxes. In the 1950s, we increased taxes again. We kept increasing taxes on workers to keep the program solvent. And that is why it is going to be impossible for most workers in the future, unless we make some changes, to ever get back even what they and their employer put into Social Security.

□ 2045

Before I get to this next chart, if we were to look at the number of people working paying in their taxes to fund every single beneficiary, in 1942, there were 40 workers paying in their Social Security tax for every retiree. By 1950, that got down to 17 people working for each retiree. Today, there are three

people working, three people working for every retiree paying in that large increased number of tax.

This chart shows how we have increased taxes over the years on those workers. In fact, we have increased taxes 36 times since 1971. More often than once a year we have increased taxes on the American workers and there are people now suggesting the way to fix Social Security is to increase taxes again on those workers.

Look at this pie chart right now: 78 percent of Americans pay more in the FICA tax than they do in the income tax. That is because of Social Security taxes that have kept going up. Okay. That is the problem. Like I mentioned, in 1961, the average life span was 61 years old. In 1936, the average life span was 61 years old. Today, the average life span for a female is 76 years old; for a male it is 74 years old.

But if we live to 65, ready for retirement, then on the average we are going to live another 20 years. That is why the senior population is going up so dramatically. And after the baby boomers, after World War II, the birth rate went way down. So our birth rate is slow in relation to the number of seniors that need to be supported by those existing taxes.

There has got to be a way, there has got to be a system that will help us save Social Security. I want to suggest that I have got one proposal. I want to run it up the flag pole. But instead of burying our heads in the sand, let us face up to the fact that there is a problem. Let us face up to the fact that we do not want to cut benefits for any existing retirees or any of those individuals close to retiring and we want to have a system that is available for working families today and for our grandkids tomorrow.

Mr. Speaker, every proposal that the President's Advisory Commission came up with included as part of the solution private investment, and that is what I am suggesting. But I am suggesting we start very gradually. That we start taking some of this surplus, this blue area, some of the $100 billion that the general fund is borrowing from the Social Security trust fund in the 1999 budget that we have just started working on, $100 billion that we are borrowing from the Social Security trust fund to balance this budget. Let us start taking some of that money and allowing some personal investment for some of these young people.

Of course, with the magic of compound interest, that means the doubling of that money is going to happen more often. If we can wait until one more doubling, then we are going to have benefits that are far in excess of what we ever can expect to get out of Social Security.

This blue portion means that we are going to continue to have more tax revenues coming in than is required for Social Security benefits. So in my proposal, in the pilot program proposal, we are suggesting that we allow that certain group of individuals to have the option to start seeing the creation of wealth, the magic of compounding interest, and to prove to the world that the American people are pretty smart.

We have now had the experience of going out and shopping for a car or a home; the experience of investing our own 401(k) plans or our Thrift Savings Plans or the IRAs that we are allowed to invest. People are going to invest that money and they are going to talk, they are going to study. It is going to mean increased investments that is going to help our economy. It means that we are going to have a Social Security system that can last forever, because we are starting to wisely have a fixed investment portion rather than a fixed revenue portion.

Now, where do we go from here? Number one, I invite all of my colleagues to join me in sponsoring a bill to use some of those surpluses, quote-unquote surpluses that we are going to have this year, for personal investment for some of these young workers in our country. And then we are hopefully going to expand that to more and more workers.

Mr. Speaker, we always have the option of saying well, I want to stay with the old system. I do not want to privately invest. Let me give a couple of examples of what has happened in some counties in Texas. County government has the option that their employees can have other pension investment plans rather than Social Security. In Texas, some of those counties took that option and now the retirees of those counties are receiving many times more than their counterparts that are receiving Social Security benefits. The Social Security system, the way it is designed now, shortchanges everybody.

Let me tell particularly who it shortchanges. Those people who have a life span that is less than some other individuals' life span. What was called to my attention is that the average life span at birth for a black male is go 63 years old. That means that they paid all of their lives into Social Security, subsidizing those individuals that might live a longer time. If a person dies before they start collecting Social Security, then other than for some burial funds that might be available, they lose all of that money that they and their employer have ever put into Social Security. It is gone.

Whereas on the private investment, if they die at 30 years old, or 40 years old, or 50 years old, it becomes part of their estate. It is their property. It is their private retirement savings plan. I think there should be a ground swell of support from working men and women around this country that says: Look, quit gypping us, United States Congress and Mr. President, on what you are doing for Social Security. Quit saying that Social Security is first and let us really make Social Security first. Let us use some of these surpluses to start saving the Social Security system.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHIFF (at the request of Mr. ARMEY) for today through March 6, on account of medical reasons.

Mr. FORD (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of sitting for the State of Tennessee bar exam.

Ms. JACKSON-LEE of Texas (at the request of Mr. GEPHARDT) for today, on account of business in the district.

Mr. KLINK (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of a death in the family.

Mr. RUSH (at the request of Mr. GEPHARDT) for today, on account of business in the district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of ENGEL) to revise and extend their remarks and include extraneous material:

Ms. NORTON, for 5 minutes, today.

Mr. BERRY, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Mr. FARR, for 5 minutes, today.

Mr. SERRANO, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

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

Mr. RIGGS, for 5 minutes each day, on today and February 25.

Mr. LATOURETTE, for 5 minutes, today.

Mr. GUTKNECHT, for 5 minutes, on February 25.

Mr. TIAHRT, for 5 minutes, on February 25.

Mr. DELAY, for 5 minutes, today.

Mr. HAYWORTH, for 5 minutes, today.

Mr. MCCOLLUM, for 5 minutes, today.

The following Member (at his own request) to revise and extend their remarks and include extraneous material:

Mr. KINGSTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Mr. ENGEL) and to include extraneous matter:

Mr. LANTOS.

Ms. SANCHEZ.

Mr. PASCRELL.

Mr. SHERMAN.

Mr. FAZIO of California.

Mr. BOYD.

Mr. UNDERWOOD.

Mr. KUCINICH.

Mr. SABO.

Ms. MCCARTHY of Missouri.