

The Affordable Prescription Drug Act, H.R. 2927, does not use price controls or regulations to bring down prescription drug prices. What my bill does is reduce drug industry power and increase consumer power by subjecting the drug industry to the same competitive forces that other industries bear. It is a means of moderating prices that are too high without inadvertently setting prices too low.

Drawing from intellectual property laws already in place in the U.S. for other products in which access is an issue, pollution control devices as one example, legislation would establish product licensing for essential prescription drugs.

If a drug price is so outrageously high that it bears no semblance to pricing norms for other industries, the Federal Government could require drug manufacturers to license their patent to generic drug companies. The generic companies could sell competing products before the brand name expires, paying the patentholder royalties for that right. The patentholder would still be amply rewarded for being the first on the market, and Americans would benefit from competitively driven prices.

Alternatively, a drug company could lower voluntarily their price, which would preclude the Government from finding cause for product licensing. Either way, Madam Speaker, the price of prescription drugs would go down.

The bill requires drug companies to provide audited, detailed information on drug company expenses. Given that these companies are asking us to accept a status quo that has bankrupt seniors and fueled health care inflation, they have kept us guessing about their true cost for far too long.

We can continue to buy into drug industry threats that R&D will dry up unless we continue to shelter them from competition. That argument, however, Madam Speaker, falls apart when we look at how R&D is funded today.

Long story short, most of research and development dollars are provided by U.S. taxpayers. Get this: fifty percent of all the research and development for drug development in this country are paid for by taxpayers and the National Institutes of Health and other Federal and State agencies; and of the 50 percent that drug companies actually spend, they get tax deductions from Congress for that.

Yet, prescription drug companies reward American taxpayers by charging Americans consumers two times, three times, four times the price for prescription drugs that people in other countries pay.

Madam Speaker, we can do nothing in this body, or we can dare to challenge the drug industry on behalf of seniors and every health care consumer in this country.

I urge my colleagues to support lowering the cost of prescription drugs.

REPUBLICAN LEADERSHIP: LEAD BY EXAMPLE

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

Mr. STRICKLAND. Madam Speaker, I have introduced today a sense-of-Congress resolution. This sense-of-Congress resolution simply says that if we are going to engage in an across-the-board cut in all the Federal agencies, then Members of Congress should accept a similar cut in their salaries.

I would like to share the contents of my resolution:

“Whereas, Congress may pass an across-the-board funding reduction for Federal agencies to bring closure to the debate on Fiscal Year 2000 funding levels;

Whereas, lawmakers voted themselves a 3.4 percent cost-of-living adjustment this year;

Whereas, salaries of Members of Congress would not be affected by an across-the-board reduction;

Whereas, the rest of the Government's payroll would be affected by the proposed reduction, which would likely result in layoffs and temporary furloughs;

Whereas, it is estimated that the reductions could force layoffs of 39,000 military personnel; and

Whereas, programs at the Department of Education, Department of Labor, and the Department of Health and Human Services, programs such as Meals on Wheels, the National Institutes of Health, Head Start, and the Safe and Drug Free Schools program would be reduced.

Now, therefore, be it resolved that any across-the-board funding reduction for agencies in Fiscal Year 2000 should also include the same reduction for salaries of Members of Congress.”

Why have I introduced this resolution? It is because a 1.4 percent reduction, as is being discussed, would lead to approximately 103,000 fewer women, infants, and children from benefiting from the food assistance and nutrition programs offered under the WIC program.

Title I, which provides educational benefits for disadvantaged students, would be cut by \$109 million. Head Start would be cut so that some 6,700 fewer children would be able to benefit from Head Start programs.

The Centers for Disease Control would be cut by approximately \$6.7 million. And a reduction of \$35.7 million would take place in the area of substance abuse and mental health services, thereby denying over 5,000 American citizens access to mental health treatment and drug abuse services.

Vital programs for our farming community would be cut by \$124 million. A 1.4 percent reduction would result in \$3.9 billion being cuts from defense. This cut would require that military services make cuts in recruiting and engage in force separations of up to 39,000 military personnel.

Madam Speaker, I think blanket cuts are unwise and unnecessary. But if the leadership of this House is intent on forcing such cuts indiscriminately on good programs as well as bad, then they ought to be willing to bear some of the burden themselves and take a pay cut.

It is unseemly for this Congress to ask the American people to tighten their belts while not doing the same itself. With this sense-of-Congress-resolution, I am simply asking that Members of Congress be consistent. If they really think it is wise to make blind cuts, then they should not be exempting their own salaries.

Quite frankly, I am sick and tired of the leadership up here treating themselves as special people while imposing hardships on ordinary Americans.

As we say in southern Ohio, what is good for the goose is good for the gander.

□ 2000

SOCIAL SECURITY

The SPEAKER pro tempore (Mrs. WILSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from North Dakota (Mr. POMEROY) is recognized for 60 minutes as the designee of the minority leader.

ON PASSING OF SENATOR CHAFEE

Mr. POMEROY. Madam Speaker, I would like to begin by expressing my words of recognition and condolences to the family of Senator CHAFEE. He clearly distinguished the legislative branch of government with service that was bipartisan, common sense, moderate, centrist, and simply was a personal example of integrity and honesty and courage, the like of which some suggest we have too little of around here at this time. In any event, he set the bar very high and it would do well for all of us as we mourn his passing to reflect carefully on his example and embrace it in our own lives to the extent we can. Again, that would be a tall order. Senator CHAFEE in my last visit with him was leading a bipartisan discussion on how we might somehow form a breakthrough in a knotty health policy issue that had divided the parties, divided the Chambers. It was just one example I got to see up close and personal the kind of bipartisan, nonideological, let-us-solve-the-problem leadership that Senator CHAFEE brought to his work, and clearly the work of the legislative branch was distinguished as a result of his efforts.

Tonight, I am leading a special order about Social Security. In the course of

our discussion, I want to provide background about the nature of the program. I also want to discuss the debate that is waging at the moment relative to the budget discussions between the two political parties, and I want to focus on really the missing element of what has captured much of the present discussion, and that is the steps we must take to preserve the solvency of the program, to make certain that it is there not just for us but for our children and our grandchildren as well.

As will be the course in the course of this hour, as commonly happens during these special orders, I have invited several Members of the Democratic Caucus to join me on the floor this evening, and while many will no longer be available in light of the hour, I am very pleased to see the gentleman from Florida here.

Madam Speaker, I yield to the gentleman from Florida (Mr. BOYD).

Mr. BOYD. Madam Speaker, I thank my friend for yielding so that I might have an opportunity to address the Nation on this very important issue of Social Security.

Madam Speaker, the district that I represent, which is like many other congressional districts across the Nation, has more than 76,000 people over the age of 65 who receive Social Security. Tens of millions of people across the country rely on this important program for their long-term retirement needs. This makes Social Security one of the most important programs administered by the Federal Government. Everybody in Washington has concluded that finally.

Madam Speaker, I am very troubled by much of the rhetoric that we have been hearing on Social Security over the last few weeks. The rhetoric over Social Security basically has been over what we do with surplus dollars. It really has nothing to do with extending the life of the Social Security trust fund, and that is what we should be talking about.

Now, Madam Speaker, the last time I checked, the law says that the only way we can spend surplus dollars or use the surplus dollars is invest them in treasury notes. And this Congress has made no attempt to change that, nor has that been suggested in any of the rhetoric that has been going on for the last several weeks. All of this fighting and rhetoric over the surplus tends to hide the fact that no action has been taken to extend the life of the Social Security trust fund. According to the Social Security trustees, beginning in the year 2014, the Social Security trust fund will take in less taxes than it pays out in benefits. This means that Social Security will need to redeem the treasury notes it holds starting in the year 2014. By the year 2034, all of those treasury notes will have been paid in full, with interest. Once those notes are repaid, the Social Security trust

fund will not have any additional revenue coming in other than the payroll taxes paid in that year to pay the promised benefits, and this will result in a significant decrease in the benefit of about 25 percent. Again, that starts under current projections in the year 2034. This long-term crisis is what Congress should be addressing now, not arguing about the surplus dollars of today. Because the longer we wait, the harder it will be to financially address and solve this very serious long-term crisis.

There have been several plans suggested by both Democrats and Republicans to address this crisis, and my Republican colleagues in the majority up to this point have not considered any of them. At the State of the Union address, President Clinton put forward his plan. The Kolbe-Stenholm plan, a Democrat and Republican, has been introduced. It is a bipartisan plan. The Archer-Shaw plan has been proposed, as well as other plans which Congress should be considering. While no action has been taken on any of these plans this year, at a minimum this congressional leadership and the President should work together to set aside funding to enact Social Security reform, meaningful, substantive Social Security reform. This idea was first proposed in the Blue Dog budget back in the spring as a way to provide the funds necessary to ensure the long-term fiscal viability of the Social Security trust fund. That budget, I might say, enjoyed bipartisan support. Under our plan, the Blue Dog plan, we would set aside \$83 billion over the next 5 years of non-Social Security surplus to help pay for any reform proposal that Congress might adopt. Again, this does not exclude any reform option. All it does is ensure that we can pay for whatever plan that the Congress and the President ultimately agree upon.

Madam Speaker, in closing, I want to urge the congressional leadership and President Clinton to include these provisions which will fund substantive Social Security reform in any final budget agreement that they reach. After all of the rhetoric has ended, I believe that laying the groundwork for Social Security reform is the best thing that we can do this year to address the crisis facing the trust fund and ensure that Social Security and its benefits are there for our children, grandchildren and great grandchildren.

Mr. POMEROY. Reclaiming my time from the gentleman from Florida, I want to thank him for an excellent discussion which really is reflective of a great deal of work the gentleman has provided and leadership on this issue. I thank him very much for his contribution.

Madam Speaker, as I discussed in the opening, what I want to do over the next few minutes is talk about Social Security in its full context. I want to

do that as a predicate to talk about specifically the very shallow, empty and false rhetoric coming from the majority relative to the stakes regarding Social Security as we discuss the final appropriations bills before this body this session. I then want to get to what I believe is the most important responsibility on all of us, Republican and Democrat alike, and that is lengthening the life of the Social Security trust fund so that it might be there to provide future generations the secure retirement it is presently affording. I want to talk about specifically even in the closing weeks of this session the opportunity that is before us to take this action, to promote the length of Social Security.

Social Security is our Nation's family protection program. It protects all of us. It is really a program of all of us protecting each of us, because it is a program truly that we all have a stake in. It offers us three distinct kinds of protection. First and of course the best known is the retirement income. Retirement income, payable every month, adjusted for inflation, coverage that you cannot outlive no matter how long you may live. You will have just as dependable as the first of the month that Social Security check for support. It has played an enormously important role in the lives of tens of millions of American families.

Just think about the retirement income statistics that follow. It is the primary income for two-thirds of all retirees over age 65; 90 percent of the income for one-third of the retirees. It is all they have got, which underscores how critically important when it comes to safeguarding, protecting and strengthening Social Security, how critical that challenge is. Again, one-third of all Social Security recipients have it for 90 percent or more of all their income.

There are two other benefits I need to mention in addition to the retirement benefit. One is the survivors benefit. This is when the breadwinner dies prematurely, leaving young dependents in the home. They have coverage through the Social Security program. Ninety-eight percent of the children in this country have coverage because of this feature of the Social Security program. When we think of Social Security, we think of an old people's program. Well, it is also a program for America's kids. And make no mistake about that.

Thirdly, it is a disability program, because if someone becomes disabled and unable to work, Social Security will be there. Three out of four workers in the workplace today have no other coverage but for Social Security. It is a vital protection. And without this, if they become banged up, cannot work, that is it, they do not have an income. With Social Security, they have an income. Again, three out of four, it is their only disability insurance policy.

Now, these are kind of black and white, programmatic examples of how Social Security works, but I want to put this in a very personal context, because Social Security has been very important to my family and to me personally. I was a teenager when my father died. I have received Social Security checks personally. Quite frankly, I do not know how I would have gotten through college without the Social Security program. My mother is now 79 years old. Unlike my grandmother who in her last years moved in with our family because she had not the financial resources to live independently, my mom lives independently and hopefully she will live independently for a good many years to come, because she has that Social Security check coming every month. It really makes a difference in our family between my mom living alone, as she prefers, or living with us as she is always welcome, but it is not her preference.

Finally, I have also, like many of us do, friends that have become disabled in one form or another. I have a friend, a good friend, but he has developed a very disabling bipolar mental illness and simply has been unable to work. Without Social Security, I do not know what he would do. He is now in his late 40's, does not have family to support him, and that Social Security check keeps my friend going. Without it, I shudder to think of what might be the consequences. But it has been vital. So when we talk about retirement income, we talk about survivors income, we talk about disability income, we are talking about literally Social Security achieving a miraculous benefit to the families that it touches every day, and across the country, of course, we are talking about millions and millions of families.

Now that we reflect on the program, think about the good it is doing, let us think about the challenges that face it. It is running a surplus now. In fact very healthy surpluses. But if we look at the obligations upon the program going forward, we see the story starts to change. By 2011, the Social Security program will no longer be in surplus. While that is a good ways out, you may think, well, what is the problem, we need to collect and hold the surpluses for Social Security so that the resources will be there as the baby boomers move into retirement and the draw on the program starts to accelerate. By the year 2021, we are not just paying Social Security benefits based on the FICA tax revenue, the interest of the Social Security trust fund, we at that point start to actually draw down the principal in the trust fund itself. By the year 2034 at present projection, we will wipe out the Social Security trust fund and benefits are scheduled to fall a full 25 percent.

Driving this, of course, is the shift in the demographics of the country: 5.1

workers per retiree in 1960, 3.4 workers per retiree today. In the year 2035, 2 workers per retiree. So we see that the cash flow generating capacity of the workforce changes and the retirement need, the draw on the program accelerates.

□ 2015

The key to answering the question which party is fighting for Social Security is to look at which party addresses the date at which the program goes bust; 2034 it is scheduled to go bust. Benefits fall 25 percent. Which party is addressing that figure? It is the long-term solvency of the program that is really what is at stake here.

There are three ways to prolong solvency: raise taxes. The taxes are already at 12.4 percent. I believe they are already absolutely as high as can be tolerated, and if we can figure out a way to reduce them without damaging the solvency of the program, I would be all for that.

The other alternative: cut benefits. And you do have people talking about cutting benefits, no longer having some people in this country participate in Social Security, raising the retirement age. Well, the average Social Security check each month is about \$700 a month. You cannot reduce the average Social Security check in this country without doing significant harm to the one-third of the recipients that are depending on that to live.

And raising retirement age. I tell you I do not know about all of the country, but the people I represent back in North Dakota do not think that they ought to have to try and make it on the farm or doing whatever they are doing until age 70 or even higher to receive a Social Security check. They are counting on it as is presently constituted in law.

Well, if you are not going to raise taxes, if you are not going to cut benefits, the way you add to the solvency of the Social Security Trust Fund is to ultimately interject general fund balance into this program to preserve it over the long haul.

That is the backdrop of Social Security, but there is quite a different picture being presented at the present time, and I would talk about that briefly and engage my colleagues in the discussion as well. The House majority has truly launched the most audacious attack that I have seen, charging Democrats with raiding the Social Security revenues. The facts of the matter are it is not true. The fact of the matter is that the charges are hypocritical and untrue.

We are operating under a Republican-passed budget. They are the majority party in this Chamber, and they passed a budget almost on straight party lines. Spending that has occurred within this Chamber has been under the budget resolution, that is, the Republican budget resolution.

The particular spending bills that have been brought forward have been passing with Republican majorities. They are the majority party, they are passing the spending bills, and we have some important third-party validation in terms of what those spending bills have produced so far. The Congressional Budget Office has reported that Social Security revenues have been drawn on already to the tune of \$14 billion, and I will tell you that that ticker is still running, that amount is still accelerating; and so the very things that the Republicans are charging the Democrats for doing, they have already done even though they have used every appropriations and budget gimmick in the book for a little sleight of hand to try and indicate that that is not the case.

In any event, take that as it will. In any event it does nothing to preserve the solvency of Social Security. For all their rhetoric, they have done nothing. Not one piece of legislation has been considered on this floor this year to advance the solvency of Social Security one day. Let us look at that legislative record.

Here we are very late in the first year of this session. For all the late-bloom rhetoric on Social Security, why in the world have they not brought a plan to the floor to advance the solvency of the trust fund? Nothing by way of activity. Why? Well, I believe it has something to do with their tax cut bill which was earlier considered, passed by the Republican majority, passed by the Senate Republican majority, sent to the President, which fortunately he vetoed because that tax bill would have gobbled up all the general fund revenue that might otherwise have been available to preserve Social Security.

They took the funds for which we can strengthen Social Security, and they shipped them out the door in a great big tax cut benefiting the wealthiest people in this country. Thank goodness the President vetoed that bill and we were able to sustain that veto on the House floor.

What I think is amazing is mere weeks after we stopped them from basically taking the funds that we need to preserve and strengthen Social Security and shipping it out to the wealthiest contributors in the form of their tax cut, just weeks after that they parade around on the floor of the House talking about how they are saving Social Security when they have not strengthened this one bit; they have not added one day to the solvency of the trust fund.

I think one has a responsibility to do more than just critique, however, an important matter like this; and I would just offer the following plan for strengthening, for actually doing something about trust fund solvency.

We are at a point to capture the Social Security surpluses. We must do

that. Over time we must capture every dollar coming in and allocate it to the Social Security program. We must do so in a way that draws down the debt held by this country. As you invest those Social Security trust funds, in this case we will actually be redeeming publicly held debt, bringing the debt down from the country.

And then thirdly, because ultimately when you draw that debt down from these Social Security surpluses, you are going to have a windfall in terms of money now going to pay on interest that is no longer needed to go on interest. You take that money, and you invest it in the Social Security Trust Fund. Basically, Social Security earned that money, you can argue; Social Security ought to get that money.

Taking that step would take that trust fund I was talking about and move it from 2034 to 2050. The program without further change would be able to pay benefits through 2050.

Now I am a classic baby boomer, born in 1952. Year 2050 comes, I am going to be 98 years old, and in fact I do not know that I will be around to see the year 2050 as a good many of us will not be. But the point I want to make is moving into 2050 in the fashion promoted, actually allows us to strengthen and enhance the solvency of the trust fund.

I see that a couple of Members are joining me on the floor, and I want to include them in the discussion. I yield to the gentleman from Wisconsin (Mr. BARRETT).

Mr. BARRETT of Wisconsin. It is a pleasure to join you, my good friend from North Dakota.

I think for all of us, when we return to our districts, this is an issue that is of real importance to the people that we represent; and I have to admit that when I have town hall meetings and advertise the topic is going to be Social Security, the audience is generally filled with people who are over the age of 65, and that is somewhat surprising because for many of these people the Social Security system right now is in good shape.

For those who are in our parents' generation, they are probably not going to live beyond the year 2034, so that the assets are there right now for them. But as my friend from North Dakota mentioned, two-thirds of the elderly in this country rely on Social Security as a primary source of their income, and an amazing one-third of the elderly in this country rely on Social Security as the sole source of their income.

It is their lifeline; and, therefore, we have a responsibility to make sure that any changes that are brought up, any proposals that are brought up before this body, do not in any way, in any way, lower the income for these people, these tens of millions of people who rely on Social Security either as the

primary source or as the exclusive source of income for their families.

But I am sure, as my friend from North Dakota knows, when we talk to younger people, they are really quite wary. They are not as trustful about the Social Security system, and in fact many of them say the money will not be there when I am going to retire, and the reason they say that, I think, can be summarized in part by what the gentleman from North Dakota said, because when the system began, you had 5.1 workers for each retiree. We are now at 3.4 workers for each retiree, but in about 25 to 30 years we are only going to have two workers for each retiree. So we have to do something to extend the life of Social Security beyond the year 2034.

That is why I am as shocked and baffled as the gentleman from North Dakota about the arguments that we are hearing in this Chamber today. As the gentleman from North Dakota indicated, there has not been a single piece of legislation that has been considered by this Congress that would extend the life of Social Security. At the same time we hear many of our colleagues on the Republican side of the aisle saying, I think, as the gentleman indicated, quite untruly, that the Democrats are in some way raiding Social Security surpluses. That is wrong because obviously we are not the ones that are passing the budget.

The people who are passing the budget are the Republicans. They are the ones on a party line vote for most of these measures that are advancing their agenda. So even if we wanted to, it would be virtually impossible for us to do so.

But the fact of the matter is the Congressional Budget Office, which is a nonpartisan office, although the head of the Congressional Budget Office is appointed by the Republicans themselves have spent some of the surplus on, some of the Social Security surplus to pay for their programs. So if anyone could be accused of taking money from the Social Security system, it is Republicans.

But I think the American people are not interested in whether the Republicans are doing it or the Democrats are doing it. I think they view that as the same old potato/pa-ta-toe tomato/ta-ma-toe politics; and their reaction is let us call the whole thing off, and they will walk away from our political system, which is the worst thing that they can do.

This is far too serious an issue to let partisan politics play a key role in it, and that is why I think what we have to do in this chamber, Democrats and Republicans, is let us put aside this ugly partisan rhetoric, let us put aside these claims, and let us work on the real issue. The real issue is extending the life of Social Security, and until we

have a measure on this floor that is a bipartisan, serious proposal, we are going to remain mired in partisan politics, which is the worst thing that we can do.

So I want to applaud the gentleman from North Dakota. I see my good friend from Ohio is here; my friends from Arkansas and Maine are here as well; and I think it is good that we are taking this hour tonight to talk about this because I think maybe we can get others on both sides of the aisle to form a nucleus to move ahead and come up with a proposal that will extend the life of Social Security.

So I yield back to the gentleman from North Dakota and thank him very much for his invitation to be here.

Mr. POMEROY. Reclaiming my time, and I thank very much the gentleman for participating in the discussion tonight. I think you have laid out a couple of very important ideas.

First, the open-mindedness to participate in any kind of bipartisan plan they might move forward that is talking about actually lengthening the life of the trust fund. The President has advanced a plan that lengthens the life of the trust fund. I think we craft the President's long-term plan on the majority's short-term funding plan to get us through this year. You could have the beginnings of a bipartisan deal that ultimately is absolutely true to Social Security because it does something about the length of the trust fund.

Your comments are just so critically important in terms of establishing a benchmark by which the public can really evaluate whether anything is going on with Social Security that means anything or not. The test is does it lengthen the solvency of the program? Does it preserve the life of the trust fund? And that really is the core of the issues you very well outlined.

I thank the gentleman for participating, and I would yield now to the gentleman who has patiently waited to participate as well, the gentleman from Cleveland (Mr. KUCINICH).

Mr. KUCINICH. It is certainly true that Americans are depending on us to guarantee Social Security. There is no question about it, and they are looking for help from both sides of the aisle. I know that in this big debate that has developed over the last few years the role that I have played in it is to suggest that while we want to guarantee Social Security, we need to avoid any effort towards privatization of Social Security.

As you remember, there has been a big hue and cry in Washington over the past few years saying that we can only turn to the private sector to guarantee this tremendous social and economic benefit known as Social Security, and it is lucky that Congress did not privatize Social Security this year.

You remember on October 15 the headlines nationally? Stocks Tumble

After Warning By Greenspan, The Dow's Big Drop. An unexpectedly sharp rise in consumer price index fed inflation fears contributing to the Dow's worst drop in a year. The Dow Industrial Average today suffered its worst loss in a year, dipping briefly below the symbolic 10,000 mark it bridged in March as investors recoiled from most of the high-flying stocks that have driven this stage of the bull market.

□ 2030

Now, the falling stock market, and you see this graph right here, what goes up must come down, the falling stock market illustrates the danger we place the American people in if Congress ever agreed to bet Social Security money on the stock market.

While my good friend the gentleman from North Dakota (Mr. POMEROY) does this country a service by calling a special order on this topic where we have to say we are going to guarantee Social Security, we also know that investing Social Security in the stock market is a risky proposition that may be fine for people with extra income to gamble, but Americans need a guaranteed income when they are old or disabled. So long as Congress and the President keep Social Security out of the stock market, Social Security has a chance to be sound.

Even as the stock market has been falling, and you might find this interesting, even as the stock market has been falling, Social Security has been getting stronger. The trustees released an analysis that asserted that the Social Security trust fund is now projected to be solvent through the year 2034, without any Congressional action. The previous trustees report set the date of projected insolvency to 2032. Now, think about this. The Social Security trust fund has gained 2 complete years of solvency without privatizing Social Security or investing it in the stock market.

While it is true that Americans are depending on us to guarantee Social Security, I think that Americans also want us to take note of the fact that Social Security got stronger without any Congressional action because the economy is stronger and wages are rising. This should be a lesson for everyone. We do not need the stock market to solve Social Security's projected financial shortfalls. We need to strengthen the economy, we need to raise wages, and Social Security will strengthen itself.

As the stock market falls there is even more good news for Social Security. The President wants to credit the Social Security trust fund with an additional \$2.3 trillion to guarantee surpluses for the trust fund over the next 50 years. No other organization, public or private, has a plan for operation 50 years into the future. Social Security is secure.

What policymakers need to know is that Social Security is secure as long as the Congress and the President back Social Security with a guarantee of the full faith and credit of the United States. Congress can say that the United States of America will pay all promised benefits, just as America stands 100 percent behind its bonds. All Americans win if Congress guarantees Social Security. But if Social Security is invested in the stock market, all Americans will lose guaranteed old age income.

Turning Social Security over to Wall Street will mean that senior citizens, the retirees, would have to check the Dow Jones before they check their mailboxes to see if they have money for shelter, food and medicine.

The falling stock market should remind us that it is better to have a guaranteed monthly check from the U.S. Treasury. The American people received a big break this year when Congress did not privatize Social Security. We should leave Wall Street gambling to those who can afford to lose.

Americans are depending on us to guarantee Social Security. They need help from people on both sides of the aisle, and I am proud to be here with my colleagues who have a commitment to Social Security and the security of our elderly today and to future Americans.

I thank the gentleman from North Dakota (Mr. POMEROY) for his commitment, for his dedication to Social Security, and I look forward to working with the gentleman on those solutions which we know the American people will find their best interests served. So I thank the gentleman. I see our friend the gentleman from Maine (Mr. ALLEN) is here. I am glad we are all working on this issue.

Mr. POMEROY. Reclaiming my time, I thank the gentleman from Cleveland for his very vigilant efforts in this regard. Clearly if you watch what in particular the Republican Presidential candidates are talking about, in the event any of them would end up in the White House, the privatization programs will be before this Congress that fast. So your working your vigilance will be an important matter ongoing.

Clearly there are those that would like to actually end Social Security as we know it, as a Federal program of all of us protecting each of us, diminish the Federal role and allocate it out into the private sector somehow in a way that would only significantly increase the risk on the individuals, individuals, again, as we have said, two-thirds of which get 70 percent or better of their income from the program, and one-third wholly dependent upon it. So the stakes are very high. I appreciate the gentleman's leadership.

I yield now, Madam Speaker, to the gentleman from Maine, Mr. Allen.

Mr. ALLEN. Madam Speaker, I thank the gentleman for yielding. I thank the

gentleman from North Dakota (Mr. POMEROY) for his leadership and his knowledge on this particular issue. It is good to be here tonight to have a chance to bring some common sense and some realistic discussion into a debate that is now going onto the airwaves in this country.

I want to start by trying to really talk about a couple of things that you hear all the time but really are not true. When I talk to young people in my district back in Maine, particularly high school students, I ask them, how many of you think that Social Security will be there for you? And very few, if any, hands go up in the room. They think that, somehow, Social Security is going away. But the truth is that as long as people in this country are working, Social Security will be there. There will always be Social Security revenues coming in, as they do now, that are turned around and going out to pay benefits to people who need them.

The problem is that in 2034, the Social Security authority runs out, the solvency of the system runs out, unless we make some changes, and then there really will not be the authority to pay out funds at that point in time. But even in the worst of all possible worlds, where this Congress did not meet its responsibility to make appropriate changes, benefits would be three-quarters of what they are today. The system does not just disappear and go away. What you would have is a reduced level of benefits.

Social Security will be there, but it will never be a retirement system. It is a social insurance system. It is meant to protect people from the worst kinds of poverty, and, in that regard, it is probably the most successful program in this country's history.

But what we have to do as Members of Congress, as elected officials, is to make sure that the benefits are not reduced, that we figure out a way to cover people so that they will have the security in the future that they have today.

The second topic I want to mention is all this talk about raiding the Social Security surplus. In fact, there are Republican ads out there on air waves in this country accusing Democrats of theft, people coming in in the dark of night to steal hard-earned Social Security dollars.

No one, and I say this about my Republican colleagues as well as Democrats, no one is raiding the Social Security surplus. No one is stealing that money and taking it away so it will not be available for benefits.

What is happening is this: The Treasury is borrowing the Social Security surplus, promising to pay back to the Social Security trust fund interest on the money that is borrowed. If the U.S. Treasury will not pay back its money to the Social Security trust fund, no

one will. The Treasury has always done that. Social Security benefits have always been paid to beneficiaries.

What is going on here? What is going on here is politics, the politics of a kind that is really very disturbing, because the benefits that people get from Social Security are not at risk in this debate. The long-term solvency of Social Security is not at risk in this debate. What is going on has really a lot to do with politics, partisan positioning.

The Washington Post the other day had an editorial headlined "Fake Debate." What they were talking about was all this controversy about raiding the Social Security surplus. It is a diversion.

We have a problem, we have a serious problem, but it is a manageable problem, and it has very little to do with raiding. It is all about how we deal with the long-term consequences of this plan.

As I said, Republicans are running TV ads accusing Democrats of theft. Democrats are rightfully saying, "you are saying you are not borrowing the Social Security surplus, but in fact you have already done that to the tune of \$13 billion, and before we are done here, probably some more will be 'borrowed,'" but it does not put benefits at risk or the long-term health of the system at risk.

It is important. It is important that if we borrow, if we wind up borrowing at all, and, as I say, the Republican appropriations bills have already borrowed \$13 billion, that ought to be kept to a minimum. Why? Because there is one thing we need to do in this country. We need to pay down the national debt. The most important thing we can do for the long-term solvency of Social Security is pay down the national debt, so that this country is stronger economically, better able to pay Social Security benefits when the baby-boomers retire, and that is what we are doing.

From 1980 to the present there are only 3 years when any debt from any of the national debt has been paid down with the Social Security surplus, only 3 years: The year we are going into, we can already project that; the year we are going into, fiscal year 2000 we expect to pay down the national debt by about \$124 billion; the year we are in, the year 1999 is about \$124 billion of paying down the national debt with the Social Security surplus; last year, 1998, paying down the national debt by about \$98 billion.

This is unprecedented in these two decades. We are doing well. We are getting our fiscal house in order. Democrats are leading the way. What we have been able to do is assert some fiscal discipline and do it in a way that will benefit the Social Security system in the long term.

But it is not enough. As the gentleman from North Dakota has pointed

out on many occasions, in 2034 this system becomes insolvent, so we need to make changes now that will extend the life of the system beyond that date.

I applaud the President for the plan that he has announced, because it is a way of extending the solvency of the system to 2050. By contrast, the folks on the other side of the aisle have not come up with a proposal that I am aware of that would extend the life of the Social Security system by one day, not one day, and all the charts and all the exhibits and all this talk about raiding the Social Security system has nothing to do at all with extending the life of the system and making sure that it will be there for baby-boomers when they retire, when their needs are the same as seniors today.

That is why it is a little bit discouraging to hear some of the things we have heard, both on TV ads and on the floor of this body over the last few weeks, because, frankly, if we are not dealing with the facts, if we are not being honest with each other, if we are making allegations that are simply untrue, it is the people of this country who lose.

There is no question that we Democrats created Social Security, extended Social Security, protected Social Security and will fight for Social Security as long as we are here. There is no question about that. What we need to do is make sure that that basic commitment is not undermined by wild allegations that have no basis in fact. That is what I am disturbed to say I am hearing from the other side of the aisle this day.

But I believe, more than anything, that the commitment to Social Security is so strong that we will protect it, that we will protect it for those who receive it now, that we will protect it for the baby-boom generation, and that we will protect it for those kids back in the high school in Maine who do not really believe it will be there for them. We have a responsibility to do that. But this is a manageable problem, and if we maintain our fiscal discipline, if we pay down the national debt, if we adopt a plan that will extend the life of the Social Security system, it will be there well into the 22d century, not just the 21st.

I thank the gentleman from North Dakota for leading this discussion tonight, and I appreciate all the hard work that he has been doing on this work.

Mr. POMEROY. Madam Speaker, I think the gentleman's contribution to this special order has been significant and reflects his time and effort and expertise in the Social Security issue. I also appreciate the tone, which is measured, which is factual, which gives the other side their due when they are entitled to their due.

I have heard on this floor parties suggest that 100 percent of the economic

recovery is due to the fact that some Republicans got elected in 1994 and that everything bad that occurred before then was the fault of Democrat Congresses, notwithstanding Republicans in the White House.

You cannot have it both ways. When there is a Republican in the White House, it is entirely the President that gets the credit, and the Democrat Congress gets the blame if something bad happens. Conversely, when it is a Republican Congress and a Democrat in the White House, it is 100 percent the Congress that has saved the day. The people of this country know better.

□ 2045

They know that this economic recovery, which is literally without precedent, occurred because of a very courageous step taken in 1993, offered as the budget plan of the new president, passed by this Congress on a straight party line vote, that began to tackle the deficits.

In the spirit of bipartisanship, I will give the other side some due for holding down spending, along with Democratic participation, because the balanced budget amendments of 1997 was a bipartisan vote. I was proud to vote for that bill.

We have collectively held down spending, but they have been part of that effort. So under the deficit reduction plan passed by the Democrats, combined with fiscal restraint of both parties in the years since, we have reversed a course that brought our country to the brink of economic ruin.

Just to cite some statistics, debt to GDP, gross domestic product, in 1980 was 26 percent. What happened in the decade and a half that followed, literally in the 12 years that followed, was complete fiscal irresponsibility. Both parties have plenty to shoulder in terms of blame for that, but that brought us in 1997 to where debt to gross domestic product was 47 percent, fully 20 percent higher than in 1980, just 17 years earlier.

We have made some headway, and today it is 40 percent. We are reversing the trends that have brought us so deeply into debt by those terribly out-of-balance budgets.

What the President has proposed is to capture this surplus generated by social security, preserve it for social security, and pay down debt held by the public. That would bring us in the year 2015 to where borrowing costs were 2 cents on every Federal dollar. Presently we pay interest, and it costs 15 cents on every taxpayer dollar, just interest. By the year 2015, according to the President's plan, that would be down to 2 percent, the lowest debt to GDP since 1917, literally without precedent in modern history.

So this business about having resolved to save social security monies, to apply them to the social security

trust fund to pay down the national debt, this has a great deal of importance. But the crux of the President's plan is to basically leverage that savings. If we reduce debt at that rate, by the year 2011 we will be saving every year \$107 billion in interest costs.

Interest achieves nothing. Interest costs achieve nothing by way of strengthening the national defense. They do not improve our schools, they do not reduce taxes. They are just a burden that we have to carry, much as an American family carries their mortgage interest burden or their credit card interest burden. If we can retire debt to this tune, we can save each year \$107 billion.

The President's plan is to take this interest savings and pay it into the social security trust fund, because we know we have a shortfall. That is why we are going to run out of money in the year 2034. But rather than raising social security taxes to address that shortfall or cutting benefits to address that shortfall, or making that retirement age go even higher than it already is, the President would take the money we are no longer spending in interest and divert that into the social security trust fund.

That is the kind of infusion we need from the general fund that will ultimately push the solvency of the program out to 2050, so it covers virtually all of the retirement needs of the baby-boomer generation.

I have been very pleased that in the course of this special order, several of our caucus' leading participants in social security have joined me on the floor. I would like to recognize one other who has just joined me, very recently having completed a hard-fought but very important legislative victory on the Patients' Bill of Rights. I am pleased to have the efforts and attention and support of the gentleman from Arkansas (Mr. BERRY) now on the issue of social security.

Madam Speaker, I yield to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Madam Speaker, I thank my distinguished colleague, the gentleman from North Dakota, for those kind words.

I can remember when I first came to the Congress. In the Blue Dog Caucus, my good friend, the gentleman from North Dakota (Mr. POMEROY) came because we had had a terrible disaster in North Dakota. We had had a terrible flood. He came to the Blue Dog Caucus and he talked to us about how badly they needed the money to help repair the damage done by the flood. I remember how hard he fought and how hard he worked for the people of North Dakota.

I appreciate what he is doing here this evening. Mr. Speaker, it shows us what a good man my colleague, the gentleman from North Dakota is, when he stands here on this floor this

evening and gives credit to the Republicans for the work that they have done to help reduce the debt and help reduce deficit spending, and try to make this country better by being fiscally responsible. It shows us what a charitable man he is.

I have seen those ads they are running against my friend, the gentleman from North Dakota. I was amazed the first time I saw them. I do not see how anyone could publicly accuse my good friend, the gentleman from North Dakota (Mr. POMEROY) of being a thief. It is amazing to me that anyone would rise to that level or sink to that level. But I tell the Members that just to let them know what a good man this is who is working on this particular issue this evening.

Saving social security is not complicated. First, we stop spending the social security trust fund. We preserve and invest it. But we cannot do that by just claiming to do it. Talk is one thing and action is another. The same people that we hear down here accusing the Democrats of spending the social security trust fund are the same people that said that the Census is an emergency. We have known for 200 years we were going to have to take a Census in the year 2000, but they were going to declare an emergency and use that as a budget gimmick, so we can say we are not spending the social security trust fund.

They have done these things dozens of times in this budget year. It is amazing to me that they would want to do that. It is the responsibility of the majority party to give us a budget that does not do this.

By definition, the minority party cannot pass legislation. Our Republican colleagues keep talking about spending the social security trust fund. They should know, they have been spending it. But they love to say, well, someone else is doing it. It is not my fault, someone else is doing it. It is almost childlike to hear this. Then they take money and run ads accusing someone of being a thief if they voted for any of these appropriations bills. Let us just blame it on someone else. Do not worry about the consequences. Do not worry about extending the life of the social security trust fund.

Just imagine what would have happened if the President had not vetoed that irresponsible tax bill that they tried to pass.

After we stop spending the social security trust funds, the second thing we have to do is pay off the debt, as my colleagues have also talked about here this evening. We take the on-budget surplus and pay off the debt, and we extend the life of the trust fund.

As my colleague, the gentleman from North Dakota, and my colleague, the gentleman from Maine, have already mentioned, then we take this interest that is saved and we have some money

to work with, and we can extend the lives of these trust funds. We can save social security and Medicare. It is not that we do not know how to do it, it is having the political will to do it.

We also must not forget that we have got to continue to do the things that sustain this economy and let it continue to grow. If our economy goes in the tank, we are going to be in a lot more trouble with the social security trust fund and all other budget issues than we are right now, so we have to remember that we have to continue to expand our trading markets overseas and all the other things: Educate our children, continue to do research and development, and sustain this economy that has made us the greatest Nation in the history of the world.

It is a pleasure to be on the floor this evening and to compliment my good friend, the gentleman from North Dakota, for the great work he does for the people of North Dakota, for the people of this great country, and the high quality that he brings to this Congress and to this House of Representatives.

Mr. POMEROY. I thank the gentleman. I thank him deeply for the kind observations that he made about me, and more importantly, for the contribution he has made in terms of talking about the vital nature of the social security program and the importance of the debate before us.

I do not think it is the worst thing that ever happened that the parties find themselves now in an at least rhetorical debate in terms of who can best protect social security. This is good competition. This is good competition. May the best party win in terms of protecting it and preserving it and strengthening it on into the future.

We could be in quite a different matter, where all of this surplus is coming in, and rather than looking at the long-range responsibilities for our country, like the families we represent look after their long-term needs when they might have an unexpected windfall, we need to save this and commit it for the long haul, because as we have talked about, social security is a program that is on the books. It is a vital program, but it is going to run out of money in 2034, and benefits are going to fall 25 percent if we do not take the steps now to strengthen it.

So again, this debate, this little competition we are having in terms of who can best strengthen and protect social security, that is a good competition. One of the things that will make it good is whether or not there is actually any delivery behind all the rhetoric.

I see they are bringing out the charts now, so I guarantee Members in the next hour they are going to get an awful lot of rhetoric about Democrats raiding social security, and all the rest of it. I would expect those listening to what might follow to know that the issue is not the rhetoric, the issue is

the performance. Ultimately that can only be measured by one thing. That trust fund, the trust fund that is going to go bust in 2030, is it preserved and strengthened? Is that trust fund date pushed back, or is it not?

We have advanced a plan that would measure the interest savings to the Federal Government by paying down the national debt due to these social security revenues. We would then take that savings reflected in general fund dollars and put it into the social security trust fund.

Again, the social security trust fund does not have enough money, so there are three things we can do to strengthen the program long-term. We can raise taxes. I do not think we should do that. We can cut benefits, stop the COLAS, raise the retirement age. I do not think we should do that. Or we can interject additional general funds. That I think we have to do, because the other two alternatives are simply unacceptable.

So let us have that general fund contribution make sense. If we consider the fact that this debt buy-down that saves these interest charges of the Federal Government is directly attributable to social security in the first place, that, Mr. Speaker, is a very good program for shoring up this program over the long haul.

I used to be an insurance commissioner. For 8 years I regulated insurance in North Dakota. That meant that I looked at a lot of phony pitches, put a lot of insurance agents out of business if they were lying about what they were selling, and I fined the heck out of a lot of companies, while I was at it.

I would just say that the efforts underway, the rhetorical efforts of the majority to pose as defenders of social security, would certainly not pass any ethical tests that are presently applicable to the sale of insurance in this country. I have put people out of business for charges that were as false as what they are saying about what the Democrats are doing relative to social security.

Let me just sum up by emphasizing the core points. We are operating under the budget passed by the majority. The appropriations bills have been passed by the majority. The Congressional Budget Office asserts that the majority, who is paying these ads to run in North Dakota and other places accusing Democrats of raiding the social security trust fund somehow, that they have already spent into that trust fund, those revenues, from the cash flow on social security to the tune of \$14 billion and going up.

□ 2100

So let us put aside the smoke and the tired political rhetoric and look for bipartisan ways to lengthen the life of the trust fund. Nothing else cuts it. It is only looking at who is extending the

life of the trust fund by which voters in the American public can determine who has been advancing the interest of this final program.

SAVING THE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore (Mrs. WILSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from Arizona (Mr. HAYWORTH) is recognized for 60 minutes as the designee of the majority leader.

Mr. HAYWORTH. Mr. Speaker, I thank my colleagues on the left for their interesting perspective. Perhaps the reason we hear such ferocity and denial is because, as former President Reagan used to say, facts are stubborn things.

I am joined this evening on the floor by the gentleman from Georgia (Mr. KINGSTON), a member of the Committee on Appropriations, who represents Savannah and its environs.

I yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I want to say to the gentleman from North Dakota (Mr. POMEROY), I think maybe it would be a very beneficial thing, maybe, tomorrow night or the next time that we do actually have interaction in a debate, particularly about the spending situation that we are in.

I find it, for example, atrocious that the party of the gentleman from North Dakota last year mischaracterized the statement intentionally of Newt Gingrich about Medicare. I find that absolutely appalling. The distinguished gentleman from North Dakota, to my knowledge, did not do that. I would have talked to him about it if he did.

The other day on the House floor, a 1984 statement of "Candidate Dick Armey" was paraded out here saying "Majority Leader Dick Armey," which he was not the majority leader in 1984. So on a lot of this rhetorical terrorism, I am with the gentleman from North Dakota and would certainly like to have a one-on-one discussion, a party-to-party discussion.

What I am very concerned about is we have the President who vetoed the Commerce-State-Justice bill tonight because he wants to put more money into the U.N. He vetoed foreign aid because he wants to increase foreign aid. As I listened to the statements of the gentleman from North Dakota tonight, his group statement, as I understand, we seem to have agreement that there is no more money out there except to reduce spending or spend it smarter.

So if we are all in agreement, although I do have a quote here from the gentleman from Missouri (Mr. GEPHARDT) that I am very concerned about that he said yesterday, not 1984, and not about the health care financing administration or anything like that; but the gentleman from Missouri (Mr. GEP-

HARDT) yesterday was making a statement on one of the Sunday talk shows about we should spend a little bit of Social Security. I am concerned about that.

But the point really is that we are in this budget debate. If we all agree, and we did agree last week on the House floor, a vote of 419 to 0, that we would not increase taxes. We did agree we were not even going to take it out of Social Security. There is no more surplus out there. Then we all need to say is, okay, where do we take the money out of if we do go along with the President and wanting to spend more money on foreign aid?

Mr. POMEROY. Mr. Speaker, will the gentleman yield for a brief response to the thoughts of the gentleman from Georgia (Mr. KINGSTON)?

Mr. HAYWORTH. I yield to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I think an ongoing dialogue, I would be happy to have one on the floor of the House in the context of special orders, would be beneficial. I would like the topics to include the short-term and longer-term framework for the program.

Right now I think it can actually get tripped up in what amounts to kind of blurring accounting-like arguments to the American public. I think we have to discuss the long-term solvency of the program, even as we deal with the appropriations challenge that faces Congress.

Mr. KINGSTON. Mr. Speaker, if the gentleman from Arizona will yield, I agree with that. Some Members who join the gentleman from North Dakota (Mr. POMEROY) tonight, for example, the gentleman from Ohio (Mr. KUCINICH), was saying he is against investment of the funds. Well, that was the President of the United States, not necessarily the position of the Democrat House Members, but that was the President of the United States who was saying that, and only this weekend backed off on that under the rhetorical category we need to clarify where that was coming from.

Another Member, the gentleman from Maine (Mr. ALLEN), said there has not been a bill introduced. I do not know what he would call the Archer-Shaw bill, which one of the other Members who was here tonight actually brought up himself, that that does address, I think, 75 years of Social Security solvency.

Frankly, it is a very intellectual accountant-type approach to this. It is a very complex problem. It is a complex solution. But that might be something that my colleagues choose to talk about, too, that we could throw on the table because I am not necessarily on that bill myself. I do not know that the gentleman from North Carolina signed off on it. But it has a vision, and it has some seriousness to it. It is well worth deciding.