

in the democratic process but also denied participation in the safety net programs that all other Americans enjoy in the 50 States. Despite our common vision throughout the century, despite the 197,000 Americans from Puerto Rico who have heard the call to defend democracy, and despite the thousands who willingly paid the price of patriotism and sacrificed their own lives, 4 million American citizens are denied the benefits that all others in the Nation take for granted.

Senator MOYNIHAN told us a decade ago that when people fight for a country, they get a claim on that country. His words ring as true today as they were then. We have been equals during times of war and death, and we aspire to be equals in time of peace, prosperity and in life.

Mr. Speaker, I want to encourage my colleagues to remember at this critical time that separate and unequal policies that promote unfairness and discrimination have no place in our Nation. By virtue of living in a territory, American citizens are denied equality that is inherent in the American system of government. This denial betrays our democracy and the men and women who valiantly defend it.

What is more, let us remember that even though our troops face danger equally, they are not all equal citizens because not all of them enjoy the same participation in the health and education programs that benefit all other Americans.

Puerto Ricans are first-class citizens in times of war, but second-class citizens in times of peace. That is un-American.

THE SOLVENCY OF SOCIAL SECURITY

The SPEAKER pro tempore (Mr. MICA). Under the Speaker's announced policy of January 19, 1999, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I come before the Chamber this morning to talk about an important item for this country, and that is the solvency of Social Security.

I have been in Congress 6 years. When I first came to Congress in the 103rd Congress, and subsequently in the 104th Congress, 105th Congress, I have introduced legislation that would keep Social Security solvent.

This year, I am chairman of a bipartisan Budget Committee Task Force on Social Security. The problem of solvency justifies a few minutes of review and comment.

Most workers today look forward to some kind of Social Security when we retire based on the fact that most of us now pay 12.4 percent out of every dollar we earn as a Social Security tax. Most workers anticipate that there is going

to be some return on that kind of contribution to the Social Security system.

However, we were told back in 1993 by the Congressional Budget Office, and by the President's Office of Management and Budget, that Social Security would be going broke.

Now, in the last several months, we have been hearing from both sides of the aisle, the Democrats and the Republicans, that paying down the public debt with some of the Social Security surplus would somehow save Social Security. Not so. Not so, Mr. Speaker.

It is good and it is historic that for the first time in recent history we will not be using the Social Security surplus for other government spending programs. So when some have bragged about having a balanced budget in the past, they have been misleading. It has been somewhat of a hoodwinking of the American public, because we have depended all these years on the surplus coming in from Social Security to mask the deficit.

The good news is that this year, for the first time in many, many years, we will not be spending that Social Security trust fund surplus. Now we have got to have the intestinal fortitude, we have got to have the willingness, to face the tough problem of saving Social Security and Medicare. That means a restructuring of the program.

Generally, Mr. Speaker, the problem is based on demographics. There are more and more retirees in relation to the number of workers paying in those taxes. Let me just give you a quick example of why depending on current worker taxes to pay current retiree benefits is a problem.

In 1950, there were 17 people working, paying in their Social Security taxes that was immediately sent out to beneficiaries. 17 to 1. This year there are three workers paying in their Social Security tax for every one retiree, and the estimate is that by 2030 there will be only two workers trying to come up with enough to support their families and one retiree. So there has to be some structural changes in the way the Social Security system works.

It is a tough decision, and that is why politicians have not dealt with it. There are only two ways to save Social Security. That is, either reduce benefits or increase the amount of revenue coming in. One way to increase revenue is private investment. However, that by itself will not fix Social Security.

Let us hope, Mr. Speaker, that we have the gumption, the fortitude, the willingness to step up to the plate to make the hard decisions in order to save Social Security. Let us hope that the American people are willing to learn about the complicated ways Social Security is financed and to encourage their representatives in Congress to move ahead. Let us be clear that even though using the Social Security

surplus to pay down the public debt is better public policy than using the money to finance more government spending, it does not save Social Security.

LET US KEEP MEDICARE A SUCCESSFUL PUBLIC PROGRAM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, we received good news 2 weeks ago when the Medicare and Social Security trustees reported that both programs will be solvent significantly longer than projected. For Medicare, the trustees reported that the Medicare trust fund will remain solvent through at least 2015.

Those in Congress, the think tanks and the Washington pundits who want to privatize Medicare are wringing their hands over the trustees' latest report. They believe these new projections will lead Congress to do nothing towards reforming Social Security and Medicare.

Once again, Medicare privatizers are wrong. The real threat to Medicare is not its alleged pending bankruptcy. The real threat to Medicare is a legislative proposal just rejected by the National Bipartisan Commission on the Future of Medicare which would have privatized Medicare and delivered it to the private insurance market.

Under a proposal soon to be introduced called "premium support," Medicare would no longer pay directly for health care services. Instead, it would provide each senior with a voucher good for part of the premium for private coverage. Medicare beneficiaries could use this voucher to buy into the fee-for-service plan sponsored by the Federal Government or to join a private plan.

To encourage consumer price sensitivity, the voucher would track to the lowest cost private plan; Medicare privatizers tell us that seniors could then shop for the plan that best suits their needs, paying the balance of the premium and extra if they want higher quality care. The proposal would create a new, private system of health coverage but it would abandon Medicare's fundamental principle of egalitarianism.

Today, the Medicare program is income-blind. All seniors have access to the same level of care. The idea that vouchers would empower seniors to choose a health plan that best suits their needs is simply, Mr. Speaker, a myth. The reality is that seniors will be forced to accept whatever plan they can afford.

The goal of the Medicare Commission was to ensure the program's long-term solvency. This proposal will not do