

other seniors in our country who were self-employed and who were clearly entitled to receive Social Security benefits, simply denied themselves the benefit because they couldn't afford to take it. They waited until much later in life to decide to retire or, as my dad said, slow down a little bit to 12-hour workdays instead of 18-hour workdays, which was quite typical of his generation in the labor force. Now, at age 84, he still thinks a 12-hour workday is a modest effort for any one individual to make in his or her contribution to society. I say that with a bit of jest, but it is very true of that workforce.

It was only at that time I think they recognized that my persistency, along with others of my colleagues in trying to eliminate the earnings requirement, was the right and appropriate thing to do.

So we were saying to seniors, age 65 through 69, they could only continue to earn up to a certain limit, \$17,000 a year, while receiving the full benefits of Social Security. But for every additional \$3 of earnings beyond that limit, the Government reduced their benefit by \$1—in other words, again, still penalizing them, still saying: We want you out of the workforce. Even if you are healthy, even if you are productive and can be a major contributor to the workforce, get out, if you want to receive the full benefits of the Social Security system that you had paid into all of your productive life and that you were certainly entitled to receive.

Well, as we have worked this issue over the last decade, one thing has changed. The President, for example, instead of expressing open opposition, is now saying this is a bill he will sign. As my colleagues from Arkansas and Maine have said the House, in almost a unanimous vote, declared their support for H.R. 5 in the last several weeks. I think the Senate will respond in kind this week.

I have set forth a lot of the reasons it is important. It is fundamentally important because it is fair. That is the No. 1 reason we ought to be doing it. It is fair for an individual who has paid into the system all of his or her productive life, at age 62 or 65, to gain those benefits and go on to continue to work if they wish.

Do we say to a young Federal employee who has vested his or herself in the retirement program of the Federal system and who chooses to step out and gain those benefits that they can't go on working? Do we say that to a military retiree? In fact, quite the opposite—we expect them to go on working.

Now, of course, as our seniors live longer and find out that some of their retirement benefits are simply not enough and they are outliving them, there is not just the accommodation of fairness to a senior in the workplace, there is the accommodation of necessity.

Many of our seniors find it necessary to work beyond age 65 to provide for themselves, to try to sustain the lifestyle they had when they were once full employees at a different period in their lives. So a combination of other forces is now working out there. I am proud that, as a Republican, I and many of my colleagues have worked over the last several years to change the character of the workplace, to recognize the flexibility that is necessary in a new and very different world from 1935, or 1945, or 1955, or 1965, or 1975, or even 1985.

We know that the workplace of the year 2000 is even different than the workplace of 1995. Now both spouses are working. Now we offer flexibility in kind. Now we allow people to stay home and work from their homes as major contributors in the workforce, and we offer flextime, and so forth. Yet we have said this up until now to a senior at the appropriate age of receiving full benefits from the Social Security system: If you go out and find a job, you can only earn up to a certain limitation and beyond that we will penalize you substantially until you are probably old enough not to want to work anymore, and then you can have the full benefits even if you do work.

Shame on us. Shame on a Congress and a Government that has held that policy as long as we have. Now, of course, as my colleague from Arkansas states, this is the longest sustained period of near full employment that our country has seen in decades. Now we need the senior in the workforce more than ever, for all of the right kinds of reasons. As the House has spoken, I hope the Senate will speak in a unanimous vote and that we can send this to the President and say: Mr. President, the Congress of the United States is ready to knock down the decades-old law that no longer fits the American workforce or the American culture—if it ever did. And we have done this in a unanimous way.

That is the kind of expression I hope the Senate will make this week. The House has already spoken. I think that is probably due to my persistence, along with many colleagues over the past decade and a half; we have argued that this is something that is right and fair, in the first instance, and now is a combination of necessity, in the second instance, as the culture and economy of this country have changed significantly over the period of time in which this provision has been a part of the labor and Social Security laws of our country.

Madam President, I will proudly vote for H.R. 5 and encourage all of my colleagues to do the same.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 5, SENIOR CITIZENS' FREEDOM TO WORK ACT

Mr. HATCH. Madam President, I rise today in strong support for H.R. 5, the Senior Citizens' Freedom to Work Act, which the Senate will begin considering tomorrow.

Seniors in my home State of Utah and around the nation have waited a long time for the relief H.R. 5 will bring. I am so pleased that not only did the House pass this bill on March 1 by a vote of 422 to 0, and the Senate is very likely to follow suit tomorrow, but also that the President has finally come around and has indicated he will sign the bill.

Under current law, over 800,000 Social Security recipients between the ages of 65 and 70 are affected by the so-called earnings limit. Over 6,100 of these live in Utah. This limit provides that senior citizens who this year earn more than \$17,000 in wages or self-employment income will lose some of their Social Security benefits. More specifically, for every \$3 earned over the \$17,000 threshold, \$1 in benefits is lost. The bill we will take up tomorrow will remove this unfair limitation.

There are at least five reasons why H.R. 5 should be passed by this body with a resounding margin so this oppressive limitation, which holds back senior citizens to the detriment of everybody in this country, can be lifted.

First, the earnings limit is plainly unfair to senior citizens. What kind of a message does the current law send to a worker turning age 65, Mr. President, when he or she learns that there will be a 33 percent penalty for continuing to work once his or her earnings exceed \$17,000?

Yet, at the same time, senior citizens who are fortunate enough to have interest, dividend, or capital gains income from stocks, bonds, or mutual funds, or income from a private pension, are not penalized, no matter how much of these kinds of income they receive. Even if the earnings limit otherwise had merit, which it doesn't, it punishes the very people who most need to work to make ends meet.

Second, the earnings limit is outdated. The limit was a feature of the original Social Security Act in 1935. It was included to encourage seniors to retire so their jobs would be available to the millions of younger workers who were unemployed in the difficult job market of the Great Depression. That was a different era. What was appropriate in 1935 is clearly not appropriate in 2000, when it is workers, not jobs, that are scarce.

Third, the earnings limit places extremely high marginal tax rates on

workers between the ages of 65 and 70 who continue to work. Consider the example of a 66-year-old plumber I will call Howard. Along with his son, Howard has run a small plumbing business in Ogden, UT, for over 20 years. Now that he is over 65, Howard has decided to turn the management of the business over to his son. However, Howard still wants to work, and because of an aged mother whom he takes care of, he still needs some income. Howard works three days a week and earns \$35,000 per year.

Believe it or not, when the earnings limit penalty of 33 percent is combined with the income tax rate of 28 percent, the self-employment tax rate of 15.3 percent, and the effect of taxing his Social Security benefits at 85 percent, Howard faces a marginal tax bracket of 88.8 percent, not counting the Utah income tax. This high a marginal tax rate is unconscionable and indefensible any way you look at it.

Fourth, the earnings limit is terrible for our economy. The biggest problem our economy faces right now is a severe shortage of workers. This is especially true in the high technology fields, where our shortages are so severe that we must increase the number of H-1B visas allowed this year so our high tech firms can stay competitive.

However, turning to overseas workers is only a temporary solution. We need a long-term answer to this problem, which is only going to be exacerbated by current demographic trends, and the retirement of the baby boom generation. Our senior citizens are a wonderful resource that is not being tapped enough. Only 17 percent of males over age 65 are now working, compared with 47 percent in 1948. These workers are experienced, and in many cases, they want to keep working. In order for this to happen, though, we need to scuttle outdated relics like this Social Security earnings test.

Finally, the earnings limit is no longer relevant, considering the growing longevity of Americans. In 1935, when the earnings limit was added to the Social Security Act, life expectancy in this country was 62 years. Now, it is 77 years. Moreover, senior citizens are the fastest growing segment of our population. There is absolutely no reason these citizens cannot keep on working if they desire to do so. I have read articles that the life expectancy of the American people may soon be approaching 85.

Therefore, I am very gratified to see that this earnings limit repeal is about to pass the Senate. And again, I am especially pleased that President Clinton has agreed to put aside election year politics and sign this legislation.

As important and long awaited this earnings limit repeal is, I want to emphasize that it does not lessen the need for comprehensive Social Security reform. Besides the repeal of the earnings

test, there are many other vital issues that must be addressed to ensure the long-term viability of the system. These include the large and difficult question of how to best increase the system's rate of return in order to lessen the need for any benefit cuts or payroll tax increases once the Social Security trust fund runs out of spending authority. Other important issues that need to be addressed in the context of fundamental Social Security reform include work disincentives for blind workers.

Many of our blind citizens are also subject to a type of limit on their earnings, in which they lose Social Security disability payments once their earnings reach \$14,040 per year. For many of the same reasons that the earnings limit is unfair to senior citizens, the "substantial gainful activity" limit is unfair to those workers disabled by blindness.

I wish H.R. 5 could accommodate this unfairness by ameliorating this earnings limit and removing the disincentive these workers face today. I wish President Clinton would have used some of his political capital in this final year of his Presidency to lead the way to major Social Security reform. Regrettably, the President has made it clear that broad reform will have to wait for the leadership of another President.

I urge all of my colleagues to vote yes for H.R. 5 and let's finally repeal the unfair earnings limit on senior citizens.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMEMBERING MY FRIEND MARSHALL COYNE

Mr. STEVENS. Madam President, it is with deep regret and personal sorrow that I come to the Senate today to report the death of my good friend Marshall Coyne. He died in his sleep on March 16. He was 89 years old. Marshall became my friend years ago. Actually, it was with former Senator and Ambassador Saxbe that I first met Marshall Coyne. He had served on the symphony board with my wife Ann. The two developed a great friendship. Following her death, he continued to be my friend, and has continued now for many years to be a dear and loyal friend to me and my wife Catherine, our daughter Lily, and our whole family. He was a rare man.

First, let me state that in all the time I knew him, he never asked me how I voted, suggested how I should

vote, or indicated that he had anything he wanted me to do on this floor. He did ask me for some information once in a while about various things going on in the city, the District, that is. But he was a very different person.

We developed such a close friendship that as I chaired Senate delegations going overseas, he would ask me where I was going, and he would show up there. He showed up in Geneva when we were there for the Senate arms control talks with the Soviets—going back that far. He showed up in London when we had the British parliamentary talks with Members of the Senate. And he showed up in Paris when we were there for the Paris Air Show. Marshall was the kind of friend who was always welcome. I never knew any Senator to object to the fact he was there. They all knew he was my friend and that he would come along.

We have had such a rare relationship. He had lunch with me every Friday that I was in the District of Columbia, I think, in the last 10 years. He had been to my home either one or two times a month during that whole time when we would be in Washington, DC.

He was the kind of friend I think every Senator needs and should have. We fished together. We fished together in Alaska. I remember how surprised he was one time when he saw a bear when we stopped at a stream. He, with my late friend Mike Joy, traveled around Alaska with me many times fishing. We fished off the coast of Costa Rica. We fished in Florida. He discussed his trips with me when I was not able to go. He went to Mongolia once, and he came back very impressed with that place.

Of course, our mutual interest was China, where I had served in World War II. He was one of the first Americans to reenter China after President and Mrs. Nixon's historic visit. He personally once a year visited Iceland. Another example of Marshall's interest in international affairs was his support for the Center for Strategic and International Studies (CSIS), a premier public policy institution dedicated to policy analysis on the world's major geographic regions.

He was, I think, a friend to many Members of the Congress and to many members of the military. Mr. Coyne organized the Ambassadors' Round Table at his Madison Hotel here in Washington so that new ambassadors to our country got to meet each other socially.

He also organized a series of meetings for former Cabinet members and distinguished military leaders who had reached the top of our military structure so they could come together and share their interests and remember old times together.

He said to me once: A person really was not your friend unless he really remembered you after he left office. He