

Privatizers are trying to claim that the sky is falling—the only way that they can justify the drastic changes that they are proposing. But the facts are different. Even without any changes, Social Security will be able to pay full benefits through 2038 and, after that, it will be able to pay 73 percent of benefits. Moderate changes are needed but not a privatization plan that will take \$1 trillion out of the Trust Fund and reduce future benefits by up to 54 percent. It's also reasonable to ask President why, if he thinks the situation is so dire, he decided to give a \$1.7 trillion tax break, the majority of which goes to the wealthiest Americans, before taking steps to protect Social Security.

I want to draw my colleagues' attention to a statement by AARP on the interim plan, which I think says it best: the Commission is out of the "mainstream" and the interim report is just a "public relations" ploy to undermine the basic guarantee of Social Security that will lead to "a dramatic overhaul of Social Security that would lead to cuts in guaranteed benefits and shift financial risk to individuals."

STATEMENT BY AARP EXECUTIVE DIRECTOR WILLIAM D. NOVELLI ON THE DRAFT INTERIM SOCIAL SECURITY COMMISSION REPORT

WASHINGTON, July 19.—The following is a statement by AARP Executive Director William D. Novelli on the Draft Interim Social Security Commission Report:

The President's Social Security Commission continues to work toward a predetermined outcome—a dramatic overhaul of Social Security that would lead to cuts in guaranteed benefits and shift financial risk to individuals.

Today's draft interim report puts forward a fundamentally flawed and biased view of the nature and purpose of Social Security. It implies that the program is riskier than private investment. It recycles old alarmist arguments that portray the financial shape of Social Security in the worst possible light. The rhetoric in the report demonstrates how far outside the mainstream the Commission appears to be headed, referring to Social Security as a "novelty" and calling the system "broken."

The draft report lays the public relations groundwork for a campaign to change the fundamental nature of Social Security. It argues for turning Social Security into a system of wealth-building. But Social Security was designed to provide income protection and a floor of financial security. For many, especially women and minorities, Social Security is the only income-protection they will have, providing them with a lifetime, guaranteed benefit that is adjusted annually for inflation. The report ignores the fact that other vehicles currently exist for wealth-building through personal savings and employer provided pensions.

Individual accounts do not address Social Security's long-term financing issues. Add-on accounts—which have merit—can add value on top of Social Security, but taking money from workers' Social Security contributions to fund new private accounts only worsens Social Security's ability to pay today's retirees and advances the date of insolvency.

Social Security is the bedrock of our nation's income security system. To preserve this benefit for future generations, the Commission should focus on all potential options and tradeoffs, rather than a narrow and fundamental restructuring of the program. The sooner the nation begins to address the pro-

gram's long-term financing needs, the more moderate the changes that are needed and the more time provided for those affected to adjust their plans.

INTERNET GAMBLING PAYMENTS PROHIBITION ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 2001

Mr. LAFALCE. Mr. Speaker, two years have passed since the Congressional-mandated National Gambling Impact Study Commission released its final report on gambling in the United States. A major recommendation of the report, adopted unanimously by the Commission, was a Federal prohibition on Internet gambling. The Commission determined that the traditional approach of state regulation of gambling was inadequate to address the problem of Internet gambling and that Federal legislation was needed.

The bill I am introducing today, the "Internet Gambling Payment Prohibition Act," seeks to implement this important Commission recommendation. However, it does not propose an outright prohibition of Internet gambling, since outright prohibition presents significant technical and enforcement difficulties. Instead, the bill would restrict the electronic payments that permit online betting and, thus, make Internet gambling possible. Regulation of electronic payment transfers and the most traditional check clearance system are Federal responsibilities that, in my view, offer the most effective means to address the unique challenges of Internet gambling.

Any American with a computer and a credit card can find numerous opportunities for high stakes gambling on the Internet. The number of Internet gambling sites has grown geometrically in recent years. The Internet Gaming Council has identified some 1,400 web sites that entice people to engage in some form of gambling. The typical Internet gambling site or virtual casino operates from locations outside the United States, in places such as Antigua or the Netherlands Antilles that impose little regulatory scrutiny other than collecting licensing fees. And Internet gambling is proving to be extremely lucrative for both site operators and their host countries. Between 1999 and 2001, combined annual revenues received by Internet gambling sites nearly tripled, from \$1.3 billion to \$3.1 billion. Industry experts expect annual revenues to double to more than \$6 billion by 2003.

The problems presented by these lucrative and poorly regulated Internet gambling operations are numerous. There is no meaningful way to limit participation in gambling by adolescents or by problem gamblers. There is no assurance as to the integrity of the web site operators or the honesty of their games. There are little or no protections against security breaches, hacking, diversion of credit card payments or identity theft. And there is a strong chance that many off-shore gambling operations will be used as part of money laundering and other criminal operations.

Perhaps my greatest concern with Internet gambling is the fact that the problems created

by compulsive gambling, which in the past were largely localized to areas with legal gambling, will be experience almost anywhere, but without any added public revenues to help address these problems. The National Commission identified a very strong correlation between the availability of high stakes gambling opportunities and the incidence of problem or pathological gambling. Current estimates of compulsive gamblers range from 1.5% of the adult population to over 5%, depending on the amount of legal gambling in the state. Add to this another 15 million people which the Commission identified as also being at risk at any time of becoming addicted gamblers, the potential universe of problem gamblers is significant. Psychologist estimate that more than 5 percent of people develop a gambling problem at some time, twice the rate of cocaine or other serious drug addiction.

Like alcoholism or any other addiction, the problems of compulsive gambling are not limited to individual gamblers, but affect entire families and communities. At a minimum, compulsive gambling leads to severe indebtedness and often bankruptcy. By the time most problem gamblers seek help they have debts exceeding \$120,000 and their families are in shambles. Compulsive gamblers have a high incidence of broken families and lost homes, poor work productivity and job terminations, health problem and related alcohol or drug addiction. Most alarming is the high suicide rate among problem gamblers. The New York Times reported in 1999 that more than 80 percent of compulsive gamblers seriously consider suicide and nearly 20 percent attempt or succeed in killing themselves. This is considerably higher than the suicide rate for major depression.

With the Internet rapidly expanding access to high-stakes gambling, the number of compulsive and pathological gamblers can only increase. This poses a serious problem for our nation's youth. A number of factors converge to make today's adolescents particularly vulnerable to the lure of Internet gambling. Today's teenagers are far more experienced and comfortable with computers than many of their parents. They have grown up playing a wide variety of video and computer games. Most have broad access to the Internet. And large numbers of adolescents now have access to some form of credit, debit or stored value cards to make on-line bets. Banks and credit card companies have aggressively marketed credit cards on college campuses for years and have recently initiated new programs to market stored-value cards to high school aged youth.

While youth involvement in sports betting and other forms of gambling has increased in recent years, the heightened accessibility of Internet gambling, the ability to gamble in private and the ability to gamble with credit cards all place teenagers at greater risk. A young person sitting alone at home or in a college dormitory can gain access to hundreds of gambling sites and can easily run up the credit line on their own or their parent's credit cards on games that appear little different than the computer card games they have played for years. What seems an easy opportunity to win a big jackpot could result in financial losses that could harm their families and destroy their future plans.

The issue Congress must address is how we can protect our nation's youth from the growing availability and potential negative consequences of Internet gambling. To me, the answer is simple. We cut off Internet gambling at its source by prohibiting the primary payment vehicles that make on-line betting possible. My legislation, the "Internet Gambling Payment Prohibitions Act," would prohibit known Internet gambling sites from accepting any check, credit card, debit card or other form of electronic transfer as payment of any bet or wager over the Internet. The effect of this prohibition is to deny known Internet gambling sites from being approved for credit card, debit and other electronic transfer accounts. While liability for accepting prohibited payments would be on Internet site operators, credit card issuers, banks and money transmitting services would also be liable if it is determined that they knowingly participated in transferring payments to known Internet gambling operations. The benefit of this approach is that it is equally effective in denying payment of whether they are based within a state or half way around the world.

Other bills have been introduced that propose to prohibit payments only to "unlawful" Internet gambling operations. While this approach may be appealing politically, it is of little practical benefit. The open and unrestricted nature of the world wide web makes distinctions between legal or unlawful gambling extremely difficult, if not impossible. We cannot distinguish with any certainty the location of most Internet gambling sites, nor the location of persons attempting to access these sites. If Internet gambling is legal anywhere in the world, it will be available to people everywhere in the world. Proposals that only restrict payments to "unlawful" Internet gambling sites would, in effect represent an actual expansion of legalized gambling under Federal law. For once the Internet gambling is sanctioned in any jurisdiction, domestic or international, the restrictions on electronic funds transfer, would be inoperative. We would, in effect, be legally sanctioning such gambling—the exact opposite of what we portend to do.

Mr. Speaker, I believe the bill I am offering today provides the only effective approach for prohibiting Internet gambling and eliminating its potentially disastrous consequences for millions of American families. I urge adoption of this needed legislation.

SUPPORT FOR H.R. 1954

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 2001

Ms. SANCHEZ. Mr. Speaker, I rise today in strong support of H.R. 1954 which extends the Iran and Libya Sanctions Act until 2006. I have previously co-sponsored similar legislation and remain an advocate of trade sanctions on Iran and Libya. I look forward to the

President's report in 18 months on the effectiveness of these actions. I am also extremely interested in examining the impact of this law on humanitarian interests and on national security, foreign policy, and the economic interests of the United States. Again, Mr. Speaker, I want to affirm my strong support of H.R. 1954 to extend the Iran and Libya Sanctions Act for an additional 5 years and look forward to its favorable consideration by this body.

IN RECOGNITION OF TIMOTHY
JOHN LYNCH, SR.

HON. FORTNEY PETE STARK

OF CALIFORNIA

HON. ELLEN O. TAUSCHER

OF CALIFORNIA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 2001

Mr. STARK. Mr. Speaker, Mrs. TAUSCHER, Mr. GEORGE MILLER of California and myself would like to take this time to mourn the passing and celebrate the life of a very special man, Timothy John Lynch, Senior. His memory will be honored this weekend, when a memorial redwood and plaque will be dedicated to him at the 50th anniversary celebration of the Pleasant Hill Parks and Recreation District.

Born July 20, 1917 in San Francisco to Irish immigrant parents, Timothy grew up in the Irish Castro District of the City. He left his home state during World War II and served as captain and bombardier instructor in the U.S. Army Air Corps. He was married for 57 years to Mary-Louise Leach, and was the proud father of seven children, eighteen grandchildren, and nine great-grandchildren.

In 1950, Timothy moved his family from San Francisco to Pleasant Hill, California. During that very same year, he helped to build a community fit for his family and friends. He realized the need for a community park and worked alongside two other Pleasant Hill citizens to help raise funds to purchase the original land known today as the Pleasant Hill Park. Active in the Catholic Church his entire life, he also helped to establish Christ the King Catholic Parish, which is celebrating its fiftieth anniversary this year.

Shortly after settling in Pleasant Hill, Timothy served as a member and chairman of the Founding Board. He was elected and re-elected to serve on the board of trustees for the Pleasant Hill Parks & Recreation Department. Appointed to the Contra Costa Planning Commission, he made history as the first to represent the area that would later become the City of Pleasant Hill. Timothy also made efforts to contribute to education. He served as a member on both the President's Advisory Council and the College President's Fundraising Committee at St. Mary's College of California.

Timothy worked in the private sector as Vice President of a major San Francisco Bay Area wholesale liquor distributor. After retiring, he volunteered thirty hours per week in his community at Kaiser Hospital, and at the Contra Costa Regional Medical Center as head liaison for surgery and recovery until his death.

A lifelong active member of the Democratic Party, he placed his ideals alongside those of Franklin Delano Roosevelt. He served on Representative Jerome Waldie's "kitchen cabinet" during Waldie's terms in the California State Legislature and United States Congress. He continued to work for Waldie during his campaign for governor of California.

Timothy John Lynch, Sr. was an example of a model citizen for all. His tireless efforts to make a positive impact in his community, his state, and his country are evident. We ask our colleagues to join us in paying tribute to this great person, wonderful character, and community leader.

FOREIGN OPERATIONS, EXPORT
FINANCING, AND RELATED PRO-
GRAMS APPROPRIATIONS ACT,
2002

SPEECH OF

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes:

Ms. MILLENDER-McDONALD. Mr. Chairman, I am submitting the following letter that I received from the U.S. Agency for International Development pertaining to my amendment on HIV/AIDS in the Foreign Operations Appropriations Act, 2001.

U.S. AGENCY FOR INTERNATIONAL

DEVELOPMENT,

Washington, DC, July 19, 2001.

Hon. JUANITA MILLENDER-McDONALD,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN MILLENDER-McDONALD: Enclosed is a copy of our recent report to Congress on the U.S. Agency for International Development's efforts to prevent mother-to-child transmission of HIV/AIDS. It describes the vital role of mother-to-child transmission prevention activities and the complex issues that must be addressed as we and others expand our efforts in this important area.

Thank you for your interest in these programs.

Sincerely,

ROBERT M. LESTER,

Acting Deputy Asst. Administrator,
Bureau for Legislative and Public Affairs.

Enclosure: a/s.