

however, but certainly nothing to brag about.

Several factors have accelerated the demise of small producers: Globalization of commerce, economies of scale, limited access to capital, technological advances. The existence of worldwide markets for all commodities, not just agriculture, has created unique market forces.

Indeed, black farmers have suffered more. More than anything else, Mr. Speaker, the American people have ignored the fact that only 1 percent of the total farmers that now exist are African American; that is 18,816. This Nation cannot afford to ignore the plight of American farmers who happen to be African American.

TAX RELIEF FOR FAMILIES OF SURVIVORS OF SEPTEMBER 11 ATTACKS, ECONOMIC SECURITY, AND HEALTH INSURANCE COVERAGE FOR DISPLACED WORKERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I would like to discuss a number of topics tonight; and I know I am going to be joined by at least one of my colleagues, the gentlewoman from Florida (Mrs. THURMAN).

But I wanted to say that in the last couple of weeks before the holiday break, which I guess most of the Members of Congress are hoping that there will be some sort of holiday break, what I find, both here in Washington, in this Chamber, as well as back at home, is that while people continue to be concerned about the war on terrorism and also security here at home, they are also increasingly concerned about the economy and the recession that we now face, and the fact that so many workers have lost their jobs, the unemployment rate continues to rise, and that those displaced workers oftentimes have a problem, obviously, finding a new job, but also with their health care, their inability to keep their health insurance, as well as the fact that many Americans now face a problem that even if they have health insurance, they find that it costs them more, either because the premium goes up or because they have more copayments.

There is a tremendous amount of concern also, I think, by Americans, by the average American, about retirement security and whether Social Security, for example, or their pension, is going to be there when they retire.

So on the one hand, we continue the war on terrorism, which the President has very successfully continued in Afghanistan against the Taliban and al

Qaeda; but at the same time, there is increasing concern about the economy at home and the recession that faces us.

I wanted to start this evening very briefly by talking about an issue that kind of goes together and concerns what happened September 11, and also is an economic security issue.

About one week ago, last Wednesday, in fact, there were about a dozen women who lost their husbands during the September 11 terrorist attack who boarded a train in my home State of New Jersey, leaving their children behind, and came down to Washington. They did not want to be here. They were visiting with not only members of the New Jersey delegation, as well as our two U.S. Senators, but they also met with the Speaker and they met with the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader in the House.

When I say that these women did not want to come to Washington, that was obvious. They said many times that they were concerned about their children at home and about even being here. In fact, I would say that they were really angry over the fact that they had to personally come to the Nation's capital and ask in this case the House Republican leadership to bring up a bill that provides tax relief for their families.

The reason I bring it up tonight, and I have to say, I am going to bring it up every night until we adjourn for the holidays, is because when the women met with the Speaker, according to them, the Speaker promised them that the House would consider a tax relief bill for the victims' families from September 11 and that that bill would be brought up the following Tuesday, which was yesterday.

Well, it is pretty obvious, Mr. Speaker, that Tuesday has come and gone and nothing has happened in this regard, and they are still waiting.

□ 1900

My question really is how much longer are they going to have to worry about receiving relief from the Federal Government?

I do not want this to be partisan, but I understand, and I think they totally understand, that it is the Republican leadership that has to bring up this bill because they control the House. And I would say tonight, and I will say every night between now and when we leave, that it is time for the Speaker and the Republican leadership to step up and provide this tax relief by accepting the language that was passed last month by the U.S. Senate. The Senate passed a bill that accomplishes the goal of giving these women, in this case, widows, not only relief from their income tax for the 2-year period, but also relief from the payroll tax, from estate taxes. And it has other provisions that would help them out in this time of need.

Mr. Speaker, and now I am talking about "the Speaker," these families have not forgotten the promise that was made to them last week, and I would urge that this bill be brought up quickly, tomorrow, the next day, or as soon as possible. And as I said, I will continue to come to the House floor every day until the Republican leadership brings this legislation to the floor, because I think it is the only right thing to do.

I would like to, before I get into the economic stimulus issue, because I really believe very strongly that we need to pass an economic stimulus package also before we go home for the holidays, but before getting into that I would like to yield to the gentlewoman from Florida who, I understand, is here because she wants to comment on this report that was recently put out by the President's Commission on Social Security.

I have to say, again going back to what I said initially, I know in New Jersey and throughout the country that people continue to be concerned about terrorism but, at the same time, I also know that I am getting a lot of concern on behalf of my constituents about the economic issues, whether it be the recession, Social Security, or Medicare, and we were hopeful that this commission was going to make some recommendations with regard to Social Security that would deal with the solvency problem.

We know in a few years that Social Security is going to start to diminish. The money will not be there, at least at the levels that are promised. And I know that the gentlewoman and I were very disappointed that their recommendations really do not deal with the solvency problem, and make recommendations with regard to privatization and other matters that I think are not really going to help.

So I yield to the gentlewoman.

Mrs. THURMAN. I thank the gentleman from New Jersey for yielding to me.

I first would say to the women who came from New Jersey here to speak to the body, we heard so eloquently today somebody talk about "we the people," and this being "the people's place of business," and so we do need to be paying attention to what is being said for those people who are having to suffer as a result of these September 11 attacks. They are the survivors, the families, their children. We need to be very cognizant of the issues and the needs that are facing them, and particularly not only at the tough time, but the holiday time, when they are already suffering from their losses, but then to be economically strapped because of the consequences.

Mr. PALLONE. If I could just reclaim my time. I did not go into the issue in a lot of detail, in part because, I have to be honest, it concerns me so much

that it is difficult to talk about. But what has happened to them, and I think a lot of people do not realize this, is that the nonprofits, I guess primarily the Red Cross, basically provided assistance for the victims' families for a 3-month period. That ended essentially December 1.

So a lot of people think that the families of these victims are continuing to be helped by nonprofits, and in fact, that is not true. Some of them are in a position where they have a little money, but a lot of them do not.

I yield back to the gentlewoman.

Mrs. THURMAN. And I would say to the gentleman that that kind of walks into the issue of Social Security. So often we think of Social Security as just being something for those that have reached the age of 62 or 65. But the fact of the matter is we also recognize that Social Security provides essential income also for survivor benefits, and those survivor benefits in this case would be those children who are under the age of 16. They would have these benefits available to them.

Even as of last night, this House debated a resolution that pointed out why keeping Social Security was so important. And in the resolution it said, in the findings, "This Congress finds that; one, Social Security provides essential income security through retirement, disability, and survivor benefits for over 45 million Americans of all ages, without which nearly 50 percent of seniors would live in poverty. Social Security is of particular importance for low earners, especially widows and women caring for children," similar to what the gentleman is talking about, "without which nearly 53 percent of elderly women would live in poverty. And each payday American workers send their hard-earned payroll taxes to Social Security and, in return, are promised income protections for themselves and their families upon retirement, disability or death."

In this resolution it says, "and that commitment must be kept." Well, as we go through this resolution there is also a part that says "the sense of Congress," and it says, "The President's commission to strengthen Social Security, recognizing the immense financial commitment of every American worker into the Social Security System, should present in its recommendations innovative ways to protect that commitment without lowering benefits or increasing taxes, and that the President and the Congress should join to develop legislation to strengthen Social Security as soon as possible."

And it goes on to talk about what such legislation would have: "Recognizes obstacles that women face in securing the financial stability at retirement, or in cases of disability or death, and the essential role that the Social Security program plays in providing income security for women."

It also says, "Recognize the unique needs of minorities and the critical role the Social Security program plays in preventing poverty and providing financial security for them and their families when income is reduced or lost due to retirement, disability, or death;" and "It should guarantee current law promised benefits, including their cost-of-living adjustments that fully index for inflation for current and future retirees without increasing taxes."

Like the gentleman from New Jersey, I had great hopes. I thought the commission was a bipartisan commission that was going to come back with some recommendations, or a recommendation, not only on how we keep Social Security solvent but also how we extend it into the future, and we have heard the magic number of 75 years. I was rather concerned when the commission came back and released this long-awaited report on the privatization of Social Security.

Rather than releasing a consensus document with a single recommendation on how to lengthen the life of the trust fund, it released a list of three options, with little in the way of details. We just met with the commission and we said, are you going to give us details; how are we going to pay for this; what are we going to do? But what happened in this is that all three of the plans that were presented have what is called a "claw back."

Now, these plans then are set up so that the retiree does not get the full amount of what they earn on their private accounts. So they get the difference between what their account earned over time and an arbitrary number that the commission has set. That is what is called the "claw back."

All three of these options also carve private accounts out of Social Security. Here are the options: Option one diverts 2 percent of the payroll taxes into private accounts. This comes at a cost of \$1 trillion over the next 10 years. How does this option extend the life of the trust fund? And, by the way, we do not think it does.

The commission also recommended reducing Social Security checks to seniors. But the cuts would not be enough to offset the \$1 trillion in cost to the trust fund, so the commission failed to meet their goal of extending the life of the trust fund.

Option two diverts 4 percent of payroll taxes up to a maximum amount of \$1,000. How does this get paid for, we asked? It reduces Social Security checks by changing the way payments are calculated for each new generation of retirees.

In making this seemingly small change, benefits for new retirees will gradually fall over time. Over time this adds up to a dramatic cut in benefits. It would mean a benefit cut of 24 percent for someone retiring in the year

2040. By 2070, the cut would be over 40 percent.

Option three combines a 2.5 percent payroll tax diversion with a 1 percent investment of your total paycheck. This option, we found, was so expensive that numerous cuts in benefits would have to be made.

The Wall Street Journal put it best when it wrote in its editorial page, "Benefits for all retirees would be changed in so many ways that grandma's head would spin."

The option that the President's commission has put out leaves several questions that we need answers to. What are the costs to the transition to private accounts from the current system? If tax increases are off the table, as the majority of this Congress voted for today, what Federal spending would have to be cut to provide additional revenue? What, if any, protections are in place for those who retire during a market slump? How will disability and survivor benefits be affected?

The President's commission was vague about how their three options would be financed. They mentioned that the revenue would be raised, but neglected to explain from where. The money has to come from somewhere. How can the President or Congress weigh the pros and cons of making these large changes to the Social Security System without this information? It is a question.

I believe, and I think many of us believe, there should be some investment component to Social Security. However, I would say that these are not the way. All three options that the President's commission put forth include a reduction in benefits, including a reduction in disability benefits. One option has so many cuts in benefits, as I said earlier, the Wall Street Journal said, again, "Grandma's head would spin."

The commission's report leaves too many unanswered questions. No one knows exactly how much these options would cost or where the money would come from to pay for these options. What we do know is this: We know that future seniors would face a reduction in their Social Security checks each month; diverting as little as 2 percent of payroll taxes to private accounts would cost \$1 trillion in just the first 10 years; and we also know that none of these options will keep Social Security solvent over the long haul.

The gentleman from New Jersey and I have been here for a couple of years, we have been involved in this debate, and we care about this debate. The fact that this commission has come back and has left us with three options, has given us no knowledge as to how to pay for them, and leaves us probably with more questions than answers means that this debate will fall upon Congress once again.

I believe that if we were taking these dollars and, instead of diverting them,

that we could actually, as we know from past reports, continue to make the Social Security System solvent by putting these dollars in the system that we have today versus trying to come up with another way of funding this or coming up with these privatizations.

We had some very good conversations last year to take some of what we used to have, the surplus, divert it to Social Security, to even actually take some of those dollars and use them in some accounts to extend the life of Social Security, that would be benefits for everybody, and now we are in a situation where we are left with a lot of questions, and talk of diverting funds, and no way to pay and no surplus.

I would say to the gentleman from New Jersey, and I know one of the reasons he is here tonight is to talk about the shape of the economy and the stimulus package, but the fact of the matter is we have left some false hopes for those seniors on the table today, and to those with disabilities, and to those that he spoke of so eloquently earlier, those that are survivors.

Mr. PALLONE. Well, I want to thank the gentlewoman. I know that on the Committee on Ways and Means, that this is one of the major issues that she has struggled with.

It all goes back to what we were saying in the beginning, which is that September 11 came, and we know what a dramatic impact it has had on the lives of the average American and on what we do here. But the bottom line is that before September 11, we had these outstanding issues; how were we going to deal with Social Security and the potential insolvency? How were we going to deal with the need for prescription drug benefit?

Mrs. THURMAN. If the gentleman will yield, I have to tell him that tomorrow in my district, and I cannot be there, obviously, because I am here, but I would recommend my seniors in Spring Hill and in New Port Richey, Pasco County, attend a rally they are holding.

□ 1915

They are holding a rally. They have not forgotten the promises that were made during election time. They are talking and having a rally. They are expecting somewhere around 250 people to talk about the procedure issue. The article that I read today on it said we are going to send a videotape to the gentlewoman from Florida (Mrs. THURMAN) with the stories and the plight of these families and the cost of procedures in this country.

I would invite once I get this videotape for any Member of this Congress to come and sit with me and watch and see what so many of these people are struggling with on everyday life-threatening situations, and that is the inability for them to pay for their medicines.

Mr. Speaker, I know that the gentleman has done a fabulous job on this issue. I enjoy working with the gentleman on the Democratic Health Task Force. I think we have done some very good things. But again, prior to September 11 when everything was done with the tax cuts, nothing is paid for, there is nothing left. Every month we are spending a billion dollars out of dollars that we do not have today that we had before.

Mr. PALLONE. Mr. Speaker, reclaiming my time, the fact of the matter is, and I do not want to make it so partisan and go back to the Clinton administration, but the fact is during the Clinton years we had finally gotten to a situation where we had a surplus. That had a major positive impact on the economy because it meant that the Federal Government was not borrowing so much. Money was freed up for companies to borrow and build factories and create new jobs. It was an important part of why the economy did so well.

I cannot believe when President Bush came in he started preaching essentially that we had to have huge tax cuts that went to corporations and the very wealthy. As a consequence of that, we now have a deficit once again. I know that September 11 has aggravated that, but nonetheless we were there even before September 11.

When we talk about the Social Security system, I was amazed when I was looking at the analysis of this commission, they are suggesting using unspecified general revenues to restore solvency. President Clinton was saying exactly that, use the surplus to shore up Social Security. Some actuaries have said if we continued to do that over a number of years, that might have solved the problem itself, and we might not have had to do anything else. Now they are mentioning that in the report, knowing full well that the surplus is not there any more because of the Bush tax cut. There is some hypocrisy.

Mrs. THURMAN. Mr. Speaker, one of the things that is missed in this debate is that we watched the Social Security solvency, as well as Medicare, increase by year. Every year we were moving ahead, not backwards. So at first when we heard about Social Security, it was going to be 2029. All of a sudden we were able to increase the solvency until 2037. The reason for that was because of a strong economy, people were working and unemployment was low. People were paying into Social Security and Medicare. We watched Medicare go from something like 2011 when we did the 1993 bill. We took some of those dollars and we transferred them into Medicare from the Social Security part of it to make sure that we could keep Medicare solvent. We pushed the number out into the future.

So not only is the economy affecting us with the whole issue of whether or

not we have any surplus left, but it is also reducing, because unemployment is going up, those dollars that would be going into the system that would be extending these programs. So we are really kind of getting a double whammy here. It is not like we can forget without the growth in the economy, it also dwindles the dollars that goes into these programs.

So not only are we talking about what the options are, we have to try to figure out how to extend the solvency from where we are; and the best way to do that is to make the economy grow. There are ways to do that; and if we could sit down in a bipartisan fashion, do a bill that is fair across the board, is paid for, we could be going home with a gift to our constituents that helped all Americans and not just a few.

Mr. PALLONE. Mr. Speaker, I agree. I know that the gentlewoman can be very hard hitting, and in some ways she is almost being nice about the Social Security commission. It is not only the hypocrisy in talking about using general revenues that do not exist any more, but also they did not make it clear that any kind of privatization is ultimately going to aggravate the solvency problem.

I know that there are different suggestions here, but there is no way to create these private accounts and take any percentage of the money away from the Social Security trust and invest it and not impact the solvency. They are disguising what they are doing with the three options; but ultimately by privatizing, they are making the solvency situation worse, not better.

Maybe we need to be a little harsher about it than we have been, frankly.

Mr. Speaker, I yield to the gentlewoman.

Mrs. THURMAN. Mr. Speaker, we just got the report. It is 150 pages long. We are going to continue to dissect it and try to figure out if there are some things that we might catch onto. But there is an issue in the report that does concern me, and it is the one that I spoke about earlier called the "claw back." This claw-back issue is enormous because people think they are going to get their Social Security plus this investment. It does not work that way.

That is a really big concern because I think we are giving some false hope that we are going to take this 2 percent and invest it for you and, oh, by the way, you are going to get this, but you are also going to get all of this money that you supposedly made, and it does not work that way.

Mr. PALLONE. Mr. Speaker, I agree. I am going to sound very partisan, but both President Clinton and Vice President Gore were suggesting that there be a private pension system over and above Social Security. That is the only

way we could actually accomplish this. Americans would still get their Social Security benefits, but then Americans put money aside into their own pension system which is matched with Federal dollars and then there is something beyond. But the only way to create that is if we bring new money into the system either because the individual is contributing it during their working years or the government matches. We cannot take it out of the existing trust fund without impacting the trust fund. That is why they have to claw back, obviously.

Mrs. THURMAN. The issue there was to encourage savings.

Mr. PALLONE. Exactly.

Mrs. THURMAN. It was to also recognize that Social Security was never supposed to be what people would have to live off of. So if we could find these U.S.A. accounts or whatever magic name we wanted to call them, the fact of the matter was that they would be there for the purposes of folks who do not make but a small amount of money, and they would invest into this on their own to be matched. It gave them incentives.

Mr. Speaker, guess what we have found. When people save, it is good for everybody in America. It is part of the economy. Savings is a part of what we rely on. So there was a plan with an outcome that was good for everyone and with no false hopes.

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from California (Ms. MILLENDER-McDONALD).

Ms. MILLENDER-McDONALD. Mr. Speaker, it is good to be with the gentleman tonight. He has always brought the critical issues to the floor and has really given the public the information that is true and real. A lot of times they hear the pontificating on this floor, and it is absolutely just loaded with all types of hypocrisy and misinformation and misgivings. But when the gentleman from New Jersey (Mr. PALLONE) comes to this floor, the public knows that he is coming in to speak the truth.

Mr. Speaker, as I look at my lapel and see the burqa cloth, I am reminded today that we pretty much stood with the Afghanistan women to say free at last, free at last, thank God almighty, we are free at last.

As I look at the burqa, I am reminded of the issue of Social Security and women, and how they are not saying free at last because of this report that has just come out from the President's commission. There were some of us who went and talked with the commission to let them know some of the adverse provisions of Social Security and how it impacts women, the elderly and the disabled; and yet this report comes out, and indeed it has those very things that we thought it would have, and how it impacts in an adverse way women and the disabled and the elderly.

I would like to just speak a little bit about what we have seen in our research and the fact that this report is very disappointing to me as the recommendations contained in the draft final report of the President's commission to strengthen Social Security is in fact going to weaken it. The fact that the commission could not agree on a single plan and released three separate options is a matter of deep concern, as Social Security is an issue of critical importance to my constituents and the people around and across this great country.

The three proposals all require profound and fundamental changes to the Nation's retirement plan. I am concerned in particular with the impact any changes to the Social Security system will have on women, retirees and disabled workers.

The three approaches taken by the commissioners share several problematic features. The plans call for benefit cuts for retirees and disabled workers, and also for individual workers to open voluntary private investment accounts to provide them with an income in their old age, and we do know that once you rob out of the trust fund, it does not retain solvency at all. It weakens it.

So to even call this report strengthening Social Security is a farce. It is absolutely a discredit to those who are looking for something different than what this report is saying. Each of the plans diverts Social Security resources elsewhere, and none of the plans balance Social Security without the use of massive transfusions of general revenue.

□ 1930

That surplus that they thought we had, and I suppose they must still think that, is not there anymore. So that is another misconception, a misnomer, a misdirection. Hypocrisy. No independent actuarial analysis was released, making it difficult to assess the commission's claims. What is clear is that each plan would "carve out" private accounts from Social Security, thus they would divert a portion of the trust fund revenues into private accounts.

Let me give you just a couple of things. We will not go into this plan. I am urging all of the Members to read this plan, to synthesize it, to dissect it, because it has several plans and all talk about this "claw-back" that my dear friend the gentlewoman from Florida just mentioned. I would like to just give information as to why women really need a good Social Security plan. We recognize that women, on the average, earn less than men, meaning that they count on Social Security's weighted benefit structure to ensure that they have an adequate income in retirement. Women are less likely to be covered by an employer-sponsored

pension fund, which means that Social Security comprises a larger portion of their total retirement income. Women lose an average of 14 years in earnings because they take time off from the workforce to raise their children or to care for an ailing parent or spouse. When women are in the workforce, they often work in part-time jobs. This means that they have less opportunity to save for retirement. So to even suggest that one would take voluntarily or otherwise from already a very weak type of income that they have, an income that is not conducive to caring for their family adequately, let alone talking about a private savings account.

Since women live 6 to 8 years longer than men do, they must make their retirement savings stretch over longer periods of time. Consequently, women depend considerably upon Social Security's progressive, lifelong, inflation-indexed benefits. Privatizing Social Security would undermine many of the features that benefit American women, retirees and the disabled the most. Privatization would encourage individuals to invest their proceeds in private accounts, especially through the investment marketplace and the stock market. Private pension plans require sophisticated knowledge of the stock market. Many women, and even men, lack the skills involved in making investment decisions, decisions that would be vital to their long-term financial security. In addition, because women earn less, live longer and spend less time in the workforce, they will have less to invest in their private pension plan. The result would be that women would have to live on smaller benefits from smaller accounts.

Finally, besides the risks evident in investing in the stock market, there is nothing to prevent individual private pension plans from being eroded by inflation, for heaven's sake. This is particularly devastating for women who have less money to retire on and the need to make their money last longer. Social Security resolves this problem by increasing benefits each year through a cost-of-living adjustment, which is COLAs. This safety net, it appears, will no longer exist, though, under this President's Social Security plan.

I say to you that the women across this country will now have an opportunity to look closely at this new strengthening Social Security proposal that the President's commission has come out with, and they too will be rallying in the streets, thinking that what they thought they were going to get, they will not get unless some of us rescue the Social Security plan and put back into the trust fund those types of benefits that one should put back in and should have in terms of strengthening the solvency of Social Security.

Another issue that my friend spoke about is the fact that unemployment

and people who are laid off work cannot invest in Social Security. Therefore, the solvency will be eroded, eradicated, we will not have that. And so to mention and to even suggest that one can invest voluntarily into a privatized pension or an account is really suggesting that you will have more people on the street, poor people on the street, homeless people on the street, women who have no sense of security because if they invest, not knowing and not having the skills as most of us do not have, they will come out losers. This is a losing proposition, not strengthening but weakening Social Security. I thank the gentleman for allowing me to just make some statements tonight as I continue to work with women across this Nation to look at this plan that does nothing for us but to weaken the position that we are already weakened in.

Mr. PALLONE. I want to thank the gentlewoman. She is right when she says that we need to have a lot more analysis of this because it just came out. But in pinpointing the difficulties in particular that women or low wage earners would face, I think that anybody who looks at this should be very concerned about the impact. The gentlewoman from Florida talked about the fact that Social Security is not just for people over 65, but also for people who are disabled and for survivors. Particularly with those groups, there is a lot here that they should be concerned about.

If I could just mention three things with regard to people who take an early retirement, the plan includes a provision that really further reduces early retirement benefits. Again, you have people that because of the economy now and the recession, there are a lot of these early retirement packages being offered in lieu of losing your job, so to speak. People who are taking those packages under this are going to have a problem, because they are going to be living a long time, particularly if they are women who tend to live a little longer, and they are going to be suffering because the amount of benefits they are going to be getting are going to be significantly reduced.

Ms. MILLENDER-McDONALD. If the gentleman will yield, indeed they will. As we speak about the disabled, there is still not anything that is focused in a positive way in this report. So the disabled is out of luck in trying to find any redeeming qualities in this proposal. Then in addition to that, you are right. When people are now opting out and retiring early, they expect something in their Social Security benefits that will not be there if this is passed and institutionalized. I hope and pray that it is not, because the women of this country will be in an uproar, and men, too, those who opt to take an early retirement, thinking that what they are going to get is indeed what

they will not get under this President's commission's plan. Again, to strengthen is the operative word. It does not strengthen. It weakens.

Mr. PALLONE. Just this last thing I wanted to mention is that apparently there is some effort on the part of the commission that suggests that the benefits would be improved for widows and low earners. But from what I can see, it is just not true. It is just overstated. The Social Security benefits widows would receive under the commission's proposal for an improvement in survivor benefits would actually be less than they would receive under current law. The reason is, from what I understand, because the commission imposes sharp reductions in the basic benefits on which the survivor's benefit is calculated, so basically undermining the apparent increase in the survivor's benefit. So it is really very confusing and not what it pretends to be. It also says here that the benefit improvements for low earners may also be smaller than suggested in the commission's documents because few low wage workers have 30 years of steady earnings at the minimum wage. So few would receive the full antipoverty protection that the commission proposes. They are suggesting somehow that survivors and low wage earners are going to do better, but when you look at how they achieve those improved benefits, very few people would qualify.

Ms. MILLENDER-McDONALD. This is very true. This is another reason why when we talked with them about that and they were trying to give us the formula, that formula was not adding up. Now that it is in print, it does not add up. The one thing that they should do is give us a stimulus package that really gives unemployment benefits to workers and to bring workers back to work. You bring workers back to work, then you can continue to buy into the Social Security trust fund, and then you might be able to do some of the things that they are talking about. But without the actuarial analysis, we cannot dissect this thing, we cannot really see all of the potentialities that they are talking about, but what we can see is that it is not strengthening Social Security. For that reason, we will have to denounce this. We will have to simply get our own plan going so that the American people, especially those women, the disabled and the elderly, will find comfort in a Social Security plan. This is no comfort at all.

Again, I thank the gentleman so much. We look forward to working with the gentleman as we bring about a plan that is a real plan for those Americans who are looking to Social Security for their benefits.

Mr. PALLONE. I want to thank the gentlewoman. I am glad that we brought up the issue of the Social Security commission tonight, because I

know that the report has come out but it has not received the attention that I think it needs to receive.

Ms. MILLENDER-McDONALD. The report and some of the analysis that we have done through the Democratic staff will be sent to all Members, so you will get that. We will continue to be on the floor to talk about it.

Mr. PALLONE. Mr. Speaker, before I conclude tonight, I did want to spend a little time on the issue of an economic stimulus. I wanted to stress again how important I think this is. As we all know, we probably have only another week, maybe 2 weeks but probably not even, just days before the holiday.

I know that there is talk now that we may not even do an economic stimulus package because either this House and the other body cannot get together or Democrats and Republicans are trying to come together and have not been able to so far. I do believe very strongly, though, that we must have an economic stimulus package.

As I said in the beginning of this special order, more and more of my constituents are telling me about the problems that they face because of the recession, either higher unemployment or the fact that many displaced workers do not have access to health insurance, do not have access to a lot of the benefits that they would normally have if they have a job. That is why the Democrats have stressed that this economic stimulus package has to primarily focus on displaced workers, unemployment compensation, health insurance coverage for people who no longer have a job. And also provide some help to low-income workers. In other words, we have talked about a rebate for those who did not get a rebate as a result of President Bush's tax cuts that took place about 6 months ago.

The emphasis on the part of the Democrats is to do things that will make people spend money. In other words, give money back to low-income workers, provide unemployment compensation, provide certain expenditures on infrastructure to protect the country from terrorism which also would create jobs. The problem on the Republican side, particularly with the bill that passed the House with the support of the Republican leadership, is that all the emphasis in that bill and on the Republican side in this Chamber was towards accelerating those same tax cuts that passed as part of the President's initiative about 6 months ago.

The fear that I have and that many of the Democrats have is that by accelerating those tax cuts, which primarily were to corporations and wealthy people, that that will not spur the economy, that will not bring money back into the economy because it is not necessarily the case that those tax cuts would be used and spent on things that would stimulate the economy.

I just wanted to mention briefly, if I could, some of the differences between

the Democratic and the Republican plan, not because I insist that the Democratic plan be passed. I understand that there have to be some compromises if we are going to reach a majority in both Houses, but I do think that the emphasis has to be on what stimulates the economy. If you look at the Democratic bill, I will just mention four or five points.

With regard to unemployment compensation, individuals who exhaust their 26-week eligibility for State unemployment would be eligible for an additional 52 weeks of cash payments funded entirely by the Federal Government. Individuals who do not meet their States' requirements for unemployment insurance, in other words, part-time workers, would receive 26 weeks of federally financed unemployment insurance. This is in the bill. This is the substance of the Democratic proposal.

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With regard to health care benefits, the Federal Government would fully reimburse eligible individuals for their COBRA premiums. Individuals who do not qualify for COBRA and are otherwise uninsured would be eligible for Medicaid, with the Federal Government covering 100 percent of the premiums. These benefits, these health care benefits, would last for a maximum of 18 months.

Then I mentioned the rebate checks. Under the Democratic proposal, low- and moderate-income workers who did not qualify for the rebate checks issued earlier this year under President Bush's tax cut would receive a one-time payment of up to \$300 for a single person and \$600 for married couples.

Finally, with regard to these homeland or domestic security upgrades, the Democratic package includes up to \$9 billion in spending programs to improve our Nation's infrastructure to protect against terrorism. Included would be funding for bioterrorism prevention and food safety, local police and fire departments, border security, airport security, and highway, bridge and tunnel improvements.

The idea of these upgrades is to basically hire more workers, and, therefore, lower the unemployment rate and put more money into the economy.

If you contrast that, Mr. Speaker, with the Republican tax cut bill which passed the House, just to give you some of the provisions, of the \$99.5 billion in tax cuts in 2002, \$70.8 billion benefits corporations, \$14.8 billion benefits affluent individuals, and only \$13.7 billion goes to workers with lower incomes.

Then you have the sweetheart things for the corporations, the repeal of corporate Alternative Minimum Tax. The bill not only repeals the corporate AMT, but it allows companies to receive refunds based on past AMT pay-

ments back to 1996. Capital gains tax cut, multinational financing tax cut, the list goes on.

Mr. Speaker, again, I am about to conclude; but I just wanted to stress again, I understand that if we are going to have an economic stimulus package, that we have to have the parties come together and the two Houses come together. But I also think it is crucial that whatever is done actually accomplishes the goal of stimulating the economy. I am very fearful that the Republican proposals that we saw in that House bill, that Republican bill that passed the House, would not accomplish that.

If I could just, in conclusion, Mr. Speaker, read part of this editorial that was in the New York Times on November 26. I know it is almost a month ago now, but I still think it says everything that needs to be said about what we should be doing with regard to economic stimulus. The sections I want to quote are as follows:

"Congress has only a few weeks left before adjourning for the year. Yet there is still no legislative agreement on measures to boost economy. President Bush needs to help break the impasse on both issues.

"Ideally, Congress should quickly pass a balanced fiscal stimulus bill aiding those who need help most without widening deficits in the years ahead. An appropriate homeland security measure would spend more than the \$8 billion the administration wants.

"Right now there are two competing stimulus bills, and the one supported by most Senators is by far the better. It would channel tax breaks and spending to those most hurt by the economic downturn, whereas the bill passed by the House Republicans would cut taxes disproportionately for the rich and for big corporations.

"Congress could reach a financially responsible compromise if Republicans dropped their worst ideas, a speed-up of the tax cuts enacted earlier this year for the wealthiest Americans and a separate measure to make it easier for big corporations to pay no taxes at all. The final bill could then focus on tax breaks, tax refunds and health benefits for the poor and the working poor, while helping small and medium-sized businesses with adjustments and write-offs for depreciation and expenses."

Mr. Speaker, there is no reason why we cannot come to a compromise along those lines. I would urge our leaders here over the next few days to try to reach a compromise because I think it is very important for the future of the economy.

CONFERENCE REPORT ON S. 1438,
NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mr. STUMP (during the Special Order of Mr. PALLONE) submitted the

following conference report and statement on the Senate bill (S. 1438) to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for the defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. 107-333)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1438), to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2002".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) **DIVISIONS.**—*This Act is organized into three divisions as follows:*

(1) *Division A—Department of Defense Authorizations.*

(2) *Division B—Military Construction Authorizations.*

(3) *Division C—Department of Energy National Security Authorizations and Other Authorizations.*

(b) **TABLE OF CONTENTS.**—*The table of contents for this Act is as follows:*

Sec. 1. Short title.

Sec. 2. Organization of Act into divisions; table of contents.

Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.

Sec. 102. Navy and Marine Corps.

Sec. 103. Air Force.

Sec. 104. Defense-wide activities.

Sec. 105. Defense Inspector General.

Sec. 106. Chemical Agents and Munitions Destruction, Defense.

Sec. 107. Defense Health Program.

Subtitle B—Army Programs

Sec. 111. Repeal of limitations on bunker defeat munitions program.

Sec. 112. Extension of pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.

Sec. 113. Limitations on acquisition of interim armored vehicles and deployment of interim brigade combat teams.

Subtitle C—Navy Programs

Sec. 121. Virginia class submarine program.

Sec. 122. Multiyear procurement authority for F/A-18E/F aircraft engines.

Sec. 123. V-22 Osprey aircraft program.