

accepted in the last QDR. The Pentagon arrived at these pre-9/11 force levels because the F/A-22 offers unique capabilities against growing threats in the western Pacific and elsewhere. Also, a recent military exercise between the United States and Air Force fighter pilots from India, called COPE India, proved beyond a doubt that the new foreign-made fighters now outmatch our F-15s, F-16s, and F-18s.

Furthermore, these bureaucrats are ignoring the impact that the proposed F/A-22 cuts will have on future domestic high technology production and design capacity. The American aerospace industry stands to lose more than 40,000 jobs nationwide, with some 160 suppliers in 43 States. This dismantling of our home-grown technology base would come just when subsidized foreign competitors are jockeying to displace United States manufacturing. Once lost, these hard-acquired skills will not easily return to our workforce; and, in some cases, they will never return.

In the end, at stake are vital national interests: American technology know-how, our global positions in the aerospace industry, and, most importantly, the safety of our men and women serving overseas. We must focus our armed services on more than just the asymmetries of a global war on terrorism. We cannot ignore, Mr. Speaker, a rising China, nuclear Iran, increasingly unstable North Korea, and other unconventional military threats that may need to be faced by the capabilities found in the F/A-22.

It is the job of any administration to produce an annual budget that satisfies the Nation's immediate needs like the war in Iraq. But we in Congress also have a leadership responsibility to prevent rash and unwise decisions destined to actually increase spending and cripple our ability to effectively defend against future threats.

EQUAL TAXATION FOR ALL AMERICANS WILL ENSURE SOCIAL SECURITY BENEFITS

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

Mr. DEFAZIO. Mr. Speaker, I had the first of a number of town hall meetings in my district last weekend on the issue of Social Security. I had an overflow crowd and had to turn people away, because people are confused and anxious and they want some facts. So I will try and explain a bit tonight what I explained to them there.

There are two issues. One is the ideological or public policy issue of privatization. The other is the financial and fiscal stability of Social Security. They are totally separate, as the President admitted last week during his

round of staged town hall meetings around the country.

For the future stability of Social Security, here is what the concern is: conservative projections by the actuaries of Social Security say that 40 years from now, we might only have enough income coming into Social Security to pay 75 percent of promised benefits. The Congressional Budget Office says 50 years from today, 80 percent of promised benefits. So there is a problem that is out there. We should resolve that.

I have proposed in the past three Congresses legislation to do that; it is done simply, to say that all Americans who work for wages and salary should pay the same amount of tax on all of their earnings. Millionaires today pay a tiny fraction of their income to Social Security because after \$90,000, no one pays. Someone who earns \$30,000 a year pays 6 percent of their income. If you lift the cap, you create so much income for Social Security, that you could exempt the first \$4,000 of earnings.

So under my proposal, everybody who earns less than \$90,000 a year gets a tax break. The less you earn, the bigger the tax break. So that is one way of resolving that.

The President has a different proposal. He says we should cut benefits. He is not sure which way he would choose, but his commission chose a method that would reduce benefits 40 years from today by 40 percent. So the President takes a possible potential reduction in benefits 40 years in the future of 25 percent, and he guarantees a reduction in benefits today of 40 percent. That is a heck of a way to solve a potential possible future problem, by guaranteeing people they will get less.

Then he says he wants to create private accounts. Let me tell my colleagues what the President's proposal is for privatizing accounts. People would be able to divert some of their FICA tax into an account controlled by the government with a limited range of investments; the President said they would be very conservative and very limited, because he does not trust people to invest conservatively; controlled by the government, chosen by the government; and one would not be able to borrow against it, unlike Federal employees with their TSP. You could not withdraw it early, unlike Federal employees and other people with 401(K)s and pay a penalty and withdraw it. And at the end of your working life, the government would say to you, this is the President of the United States' plan: well, that money you diverted over there, we assume if Social Security had kept your money, it would have earned inflation plus 3 percent, so we are going to subtract that from what you earned with your investments. And if you did not earn more than inflation plus 3 percent, the gov-

ernment will actually reduce your already-reduced Social Security benefit; and if you manage to beat the market and beat that, they will let you have that money only after they force you into this so-called plan, let me have my money; the President's idea of privatization, the government controls it, the government lends it to you, the government borrows the money to lend it to you, and then if you beat the market, the government forces you to buy an annuity from an insurance company. That is the President's so-called privatization plan.

People say to me, I want to control my money, I can do better. I say, well, here is what the President is proposing. Nobody is proposing that you can opt out of Social Security and just invest on your own. People forget that this is one leg of a three-legged stool for retirement, a guaranteed insurance plan, Social Security, a defined benefit, something that is getting harder and harder to get, not adequate to live really comfortably on in retirement, but something that will be there for you when you retire; something that will be there for your spouse and/or children if you die before you retire; something that will be there for you if you are disabled.

I had people coming to my town halls and talk about their parents dying and getting the survivor's benefit; I had people come to my town halls and talk about becoming totally disabled and getting that lifeline from Social Security. Those things would not be available under a privatization plan. You would get what was in your account after the government took back the inflation plus 3 percent earnings against your private account. That would be all your heirs would get. Survivors would get what you would get on disability, plus a minuscule, doubly-reduced Social Security benefit.

This is not well thought out. We need to assure future generations Social Security will be there. We can do that by taxing all Americans the same for their Social Security benefit. That will more than assure the future of the fund. In fact, as I said earlier, my plan gives everybody who earns less than \$94,000 a tax break. We do not need to have people gamble with the government controlling their investments and then take money back from them just before they retire.

ORDER OF BUSINESS

Mr. KINGSTON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.