

the administration's funding of the war in Iraq. I am hopeful that Republicans will finally remember why they were sent to Washington and join us in creating this investigative committee. It is high time we look at the potential for war profiteering and abuse of these contracts and the money we are spending in Iraq.

We need to have oversight. We need to have accountability. It does not matter that there happens to be a war. It does not matter that it happens that we have a Republican president and a Republican Congress. We should all join together on a bipartisan basis to ensure there is accountability for this money before we proceed in spending any more of it.

ORDER OF BUSINESS

Mr. BURGESS. Mr. Speaker, I ask unanimous consent to take my time out of order.

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

There was no objection.

SOCIAL SECURITY

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

Mr. BURGESS. Mr. Speaker, we hear a lot of talk about Social Security and what is the right word to use. Is it a crisis? Is it just a problem? Is there no problem with a system awash in cash that perhaps just needs some minor adjustments down the road?

Well, Mr. Speaker, I do believe there is a crisis, or at least a serious problem that is looming. There is no question we are held captive by our demographics. In order for our Social Security System to work, we need large numbers of young people to pay into the system. We also need people on retirement to not live very long after they retire. But the reality is our birth rates in this country are down, and our retirees are living longer lives.

Both situations are arguably good news, but they do portend a serious situation for our Social Security System. I would draw attention to this graphic. This was produced by the Congressional Research Service. It is not a partisan chart. But here is the year I was born, 1950, and we have a little over 16 workers working away to support every retiree. Fast forward, and here we are in 2005. We have three workers working to support every retiree. But as we move down the line, we go to two workers to support every retiree.

Now, Mr. Speaker, make no mistake about it, I believe very strongly in the American economy. And I would bet on the American economy over and above any economy in the world. And I just bet we can make those two workers a

lot more productive in those out years, in 2040 and 2050. But I do not know if we can make them productive enough for two workers to support one retiree. I think we have to look at some other things.

A lot of people talk about the trust fund, and, gosh, there is just money in the trust fund, and we will spend that money on retirees when the time comes. Again, I will go to the Congressional Research Service, and this is a graph produced by them just a few weeks ago. It is on the Web site. Anybody can go access it that wants to. Well, this shows the money in the trust fund. And again, you will see that there is a great deal of money coming in, and it is projected to increase. But we reach a point, looks to be about 2028, when the money starts coming down, and it comes down very rapidly.

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This includes paying back the money that is in the trust fund that was borrowed. This includes monetizing the Social Security debt which in and of itself can be pretty painful for the markets when that time comes.

Mr. Speaker, there is a question of fairness here because 12 percent of the country's payroll pays into the Social Security system and does not really pay a fair rate of return. It pays by anyone's estimate 1.14, 1.19 percent interest. What Albert Einstein, probably the finest mind of the last century, described as the miracle of compound interest, this miracle is being denied to American workers.

The old axiom states we tax what you do not want, but surely we want jobs for tomorrow's American. Increasing the payroll tax is really not a solution that I can accept. So what are the solutions? What about cutting benefits as suggested by one of the other speakers. I did not come to Congress to cut benefits on Social Security. We could raise taxes, but I do not want to do that. Taxes on jobs are going to drive jobs overseas. We already create a punitive environment in this country for the creation of new jobs with our legal system, cost of health care, and our Social Security payroll tax. I do not think we need to contribute to that, and this Congress should make a pledge that it will not contribute to driving jobs overseas by increasing the payroll tax.

I have already alluded to growth in the economy, and I believe in this country and I believe our economy will grow, but I do not know that we can count on that to cover all of the projected problems with the shortfall in the Social Security fund. So that leaves one lever left to pull, and that lever is getting a fair rate of return on the money that is invested in the Social Security system.

The problem is if we leave that money for us in Congress, and I have

only been here for 2 years, but I know what other Members know, if we leave that money in Congress, we will spend it. We will spend it so quickly, we will not even know we have spent it. And when it comes time to pay the interest, we will write an IOU to pay the other IOUs we have in that filing cabinet in West Virginia.

The only way to protect the Social Security funds is to put them in accounts controlled by individuals where we cannot get at it. A question always comes how are we going to pay for this. We are already paying a great deal of money into the Social Security funds. We are paying a surplus into the Social Security system. So why not take that money in surplus, invest it and earn a fair rate of return on that investment.

There is debt that is owed to the Social Security system. That debt will some day have to be monetized. That money continues to grow as we pay the interest on it and as we continue to borrow from those funds. Why do we not just borrow the money? The obligation is already there. Let us refinance it like any American family would refinance a mortgage if they were trying to work their way out of a difficult financial situation. Refinance the money, make it real debt with a real interest rate. I think the markets would take a great deal of comfort in that. Markets do not like uncertainty, and I do not think in 10 or 15 years' time they are going to like the uncertainty when we monetize the debt that we owe the Social Security system.

So let us recognize it up front, call it what it is, it is a loan, we borrowed it, let us set a fair interest rate on it, and pledge to pay it back and set up a repayment schedule that we can all live with.

So the current obligation is already present. Let us finance the transition with that debt and convert an unknown obligation into bonded indebtedness and give the markets some measure of comfort that we in Congress recognize the problem and know what we are doing to alleviate the problem.

Mr. Speaker, it has been 70 years since Social Security was founded. Here in this House, let me just give a quote: "It is proposed that the Federal Government assume one-half of the cost of the old age pension plan which ultimately ought to be supplanted by self-supporting annuity plans." These words were spoken in this House in a joint address before Congress by President Franklin Roosevelt in 1935. I think he had it right, and I think it is time for us to work on that.

HONORING DR. JOSEPH M. STOWELL

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