WHAT'S GOOD ABOUT SOCIAL SECURITY

Social Security has dramatically cut poverty among the elderly and disabled. While about 12 percent of seniors currently live in poverty, without Social Security, 42 percent would be poor. About two-thirds of the elderly rely on Social Security to provide over half their retirement income. Social Security is especially essential since the U.S. does not require employers to provide pensions.

Social Security is progressive. Those who have been paid high salaries throughout their lives will get a much smaller percentage of their salary replaced by Social Security than those who have worked all their lives in low-wage jobs. An average wage-earner retiring in 1997 will get back about 44 percent of his or her earnings from Social Security. A high wage-earner gets back about 25 percent. And a low wage-earner gets about 80 percent.

Social Security benefits just about everyone. About 92 percent of people over 65 get Social Security. It's a program that working-class, middle-class, and poor people can all get behind.

Social Security is efficient. Because it is run entirely by the federal government, puts all the money into one pool and invests it in one place. Social Security only spends about one percent of benefits on administration.

WHAT OTHER COUNTRIES DO BETTER

All seven major industrialized countries (Japan, Canada, United Kingdom, U.S., Germany, France, and Italy) have systems that are, like ours, pay-as-you-go. Today's workers support today's retirees.

Italy, Germany, and France spend 12–14 percent of their gross domestic product to support retirees. The U.S. spends 6.9 percent. Japan, Canada, and the UK pay slightly less than us.

In the U.S., the average-earning worker can expect to get 42–44 percent of his or her income replaced on retirement. In Germany, France, and Italy the rate is 50 percent.

In the U.S., Germany, and Japan, retirement age is now 65. It's lower in France, Italy, and Canada. In the U.K., it's 65 for men and 60 for women. (The U.S. retirement age is slated to go up to 67 for people born after 1960.)

All the industrialized countries have programs to cover the healthcare costs of retirees, but American retirees have to pay more out of their pockets than seniors in the other six countries. Today, U.S. seniors pay a third of their medical costs themselves.

WHAT WE SHOULD DO ABOUT SOCIAL SECURITY

The Social Security system is quite sound, and with only minor modifications, it should stay that way. We don't have to institute privatization, raise the retirement age, cut benefits, reformulate the cost-of-living index, or increase the payroll tax on workers to ''save'' Social Security.

One modest and relatively painless change to Social Security would wipe out a big chunk of the shortfall that some are projecting: Eliminate the payroll-tax earning cap. Currently, the Social Security payroll tax is not paid on wages in excess of $68,400. Since the ranks of the very rich, have been growing, this has resulted in something of a drain on Social Security. In the early 1980s, 90 percent of all wages fell under the threshold. Now it's 87 percent, and it's expected to drop to 85 percent. Why not make it 100 percent?

Says economist Dean Baker: ''If you eliminate the cap altogether, it would wipe out about three-quarters of the projected Social Security shortfall. The amount that will be paid out in Social Security benefits won't be that much more than before, because it's a progressive pay-out structure. Someone who earned a million or two in their lifetime might only get an annual Social Security payment of $50,000, say.''

Another proposal the Labor Party has suggested: raise the payroll tax on employers—but not workers. Workers have seen a net drain on their incomes for the past couple of decades, and this would be one way to begin to tip the balance in the other direction.

## INTRODUCTION OF LEGISLATION TO INCREASE PENALTIES FOR FALSE REPORTING AND INACCURATE ROYALTY PAYMENTS ON FEDERAL OIL AND GAS LEASES

### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 24, 1999*

Mr. GEORGE MILLER of California. Mr. Speaker, American taxpayers are being systematically cheated out of hundreds of millions of dollars by oil companies that do not pay the correct amount of royalties on the oil and gas they produce from public lands.

We can see evidence of this fraudulent behavior in several Congressional investigations, the Department of Justice litigation and a Clinton Administration Interagency Task Force report. Additionally, the Justice Department intervened in 8 of 19 qui tam cases filed by private individuals alleging hundreds of millions of dollars underpaid to the federal government. One company (Mobil) has settled with the federal government for $45 million. In addition, States (including Alaska, California, Alabama, Louisiana and Texas) have brought similar lawsuits that have been settled for almost $3 billion. The Interior Department is collecting more than $275 million on underpayments.

To correct the underlying problem, the Department of the Interior has tried—unsuccessfully—for the past three years to revise its rules to make it more difficult for oil producers to avoid paying accurate royalties. The proposed regulations would clarify long standing legal requirements requiring the industry's responsibility to pay the cost of marketing the public's oil and gas. But some oil producers have been systematically deducting those costs from the amounts they owe taxpayers. Under the new rules, these producers would be required to pay the correct amount—based on real-market sales—to the American people who own the oil and gas.

Instead of supporting this necessary corrective action, however, Congress has enacted legislative riders preventing the implementation of the new rules at a cost of more than $60 million a year, most of which would go to fund public education. The Senate is poised to extend this travesty on the Emergency Supplemental Appropriations bill, and the House is expected to go along in Conference Committee. Taxpayers should be distressed that Congress would rather side with industry rather than assure fair market value on the public's natural resources.

This larceny has gone on too long. It is time for the Congress to consider legislation that will assure prompt and accurate payment of royalties instead of providing cover to that portion of the industry that wants to shortchange taxpayers on their resources we all own.

That is why I am introducing legislation today that will impose a penalty of treble damages on any producer who chronically undervalues royalty payments. If industry will not pay the correct amount voluntarily and fights efforts to issue legitimate rules to safeguard the public, then industry must know that abusers, when caught, will be punished.

For those in the industry who abide by the rules and pay the correct amount, this legislation has no effect. But on those who deceive and delay, this legislation will mean serious punishment.

This bill will require under payors to pay three times the amount they should have paid plus a $25,000 civil penalty for each violation. In addition, lessees found guilty of chronic repeated failure to pay correctly would be subject to an additional civil penalty three times the amount owed for a single violation. Finally, the bill would require the federal government to share such sums collected under the penalty provisions with the State in which the violation occurred, as happens with royalty payments overall.

This bill will not affect responsible companies in the oil and gas sector. Nevertheless, we must draw a bright line for companies that deliberately and repeatedly withhold revenues to the taxpaying public. Unfortunately, there is a history of underpayments in this field that requires a strong legislative response. I would hope the Congress ends its practice of ignoring these underpayments and instead takes actions on this legislation to assure that taxpayers receive the royalties they are due.

## TRIBUTE TO BRIDGET MEYER

### HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 24, 1999*

Ms. ESHOO. Mr. Speaker, I rise today to honor Bridget Meyer, an extraordinary high school student who is being honored as a Young Woman of Excellence by the San Mateo County Women's Hall of Fame.

Bridget Meyer has been described by her teacher as someone who always gives one hundred percent and puts the feelings and concerns of others first. Bridget is a special young woman who, through difficulties with her family and finances, has worked every day after school to pay her rent. This alone is remarkable. However, when one considers that she's been doing this while maintaining a 4.0 grade point average and serving as Senior Class Vice President, the achievements of her young life are all the more amazing.

Bridget is a young woman who leads by example. Whether she is volunteering at Habitat for Humanity, Safe Rides or AIDS Awareness, Bridget is constantly giving of herself to make our community better.

Mr. Speaker, Bridget Meyer is an outstanding young woman who serves as a role model to her classmates, her family and her community. To those who say we live in a time when we lack heroes, they haven't met Bridget Meyers. I salute Bridget for her remarkable contributions and commitment to her community. I ask my colleagues to join me in honoring her on being named a Young Woman of Excellence by the San Mateo County Women's Hall of Fame.