time out to care for their families, and because they only earn 75 cents for every $1 that men earn, women will have much less to invest in private retirement accounts.

Privatization, as has been suggested by George Bush, would cut spousal benefits by one-third, leaving many wives at near poverty level and penalizing them for taking time out of the labor force to care for their families.

This notion of privatization is very dangerous for women. While it is suggested today that there only be 2 percent of the benefits invested in private accounts, there is some information that George Bush talked about with reporters over the last couple of days that in fact could lead, that his plan could lead to complete privatization of social security. Let me just mention some of this information.

On May 17, George Bush said it was possible that workers would eventually be allowed to invest their entire social security tax, not just a portion. The Houston Chronicle reported, ''Bush on Tuesday said his plan to create private savings accounts could be the first step toward a complete privatization of social security.''

The New York Times reported, answering a question about his plan, that Mr. Bush said, ''The government could not go from one regime to another overnight. It is going to take a while to transition to a system where personal savings accounts are the predominant part of the investment vehicle. So this is a step toward a completely different world, and an important step.'' That was reported in the New York Times on May 15.

The other information here that I think, when asked the question about whether or not Americans could lose money through the plan that he proposed, he said that it was ''conceivable that a worker taking advantage of the investment accounts would get a lower guaranteed income from social security.''

The New York Times reported that, and I quote, ''Bush also refused to say how much benefits might be reduced for workers who created private investment accounts. 'That is all up for discussion,' Mr. Bush said.'' That was reported in the New York Times on May 17.

As I said earlier, as reported in the Dallas Morning News, ''Asked whether he envisions a system in which future beneficiaries will receive no less than they would have under the current system, Mr. Bush said, 'Maybe, maybe not.'''

He has also admitted that he has not accounted for trillion dollar costs in making a transition to this new program. He acknowledged that he has not fully accounted for the cost of moving from the current system to his proposed one, costs that Vice President GORE pegs at $900 billion.

It is not only the Vice President that has pegged these costs at a high rate, but we can again look to conservative publications, economists, people who understand what the transition would mean, and the millions of dollars that it would cost and billions of dollars that it would cost to make that transition.

The Washington Post reported on May 11 that, ''The plan laid out by George Bush leaves out one of the most important factors, the cost. According to a new report published by the Center for Budget and Policy Priorities, Bush's privatization plan would cost $900 billion over the first 10 years. These costs occur because the social security system must simultaneously pay out current benefits while privatization drains over 16 percent of the amount of money coming into the system. Combine this with the costs of George Bush's nearly $2 trillion tax cut, and the Bush plan will leave multitrillion dollar debts as far as the eye can see.''

The essential issue here is that there is not any question that we must do something to make sure that we strengthen and protect the social security system in the future because of what it has meant in the lives of working Americans.

Today, two-thirds of seniors rely on social security for over one-half of their income. We cannot play fast and loose with reform of the social security system. At a time when we need to make the reforms, we have a clear opportunity, given the historic surplus that we have.

In a prudent society and in a commonsense society, it makes all the sense in the world to say, let us take this opportunity to put the twin pillars of retirement security, social security and Medicare, on the path to real stability for today's people who need to take advantage of these systems and are eligible for them, and for those who come along in the future.

That is what I am trying to suggest here this evening, as well as to make the point that, particularly for women in our society, if we play fast and loose with the social security system, we will increase the ranks of poor older women.

Today one of the largest groups of our society who in their later years find themselves in poverty are older women. We should not compound that problem at this moment in our history, not when we have worked so hard and diligently to try to put our fiscal house in order.

Mr. Speaker, I call on my colleagues and I call on the American people to engage in this debate and in this discussion, and pay particular attention to what happens to women in our society as we go about trying to reform our social security system.

THE SOLVENCY OF SOCIAL SECURITY AND THE ISSUE OF HEALTH CARE AND PRESCRIPTION DRUGS

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Under the Speaker's announced policy of January 6, 1999, the gentleman from Iowa (Mr. GANSKE) is recognized for 60 minutes as the designee of the majority leader.

Mr. GANSKE. Mr. Speaker, I wonder if the gentlewoman from Connecticut (Ms. DELAURO) would like to enter into a discussion, if she has some time for a little bit.

I yield to the gentlewoman from Connecticut.

Ms. DELAURO. I would be happy to, Mr. Speaker.

Mr. GANSKE. I think we could have a very unusual discussion tonight.

I had originally thought about talking about a case of HMO abuse that was highlighted today in the Los Angeles Times about a 74-year-old woman who died of a ruptured aortic aneurysm, and maybe if I have some time after a while I will do that.

I was very moved by your presentation on social security. I think it is a very, very important issue. There is no doubt about it, that elderly women depend on social security in order to stay out of poverty. The statistics of the gentlewoman from Connecticut are very similar to Iowa, and maybe even more so in Iowa, because Iowa has the largest number of people over the age of 85 percentage-wise of any State in the country, and the majority of those people are women and widows.

Some of them have to choose. They live on that social security check, and they are now in the situation where they have to choose between their rent and some of their medications, so prescription drugs are involved in this. I think we could agree on some facts, and so I would like to get the gentlewoman's feedback on some of this.

The Social Security Advisory Committee's report says that as the baby boomers move into retirement in about 25 years, or the baby boomers start to retire about the year 2011, at which time my group and the gentlewoman's group will be retiring at one every 8 seconds, by about the year 2025, the trust funds are empty, and we will be faced with a couple of choices based on current projected income from the social security tax, which is 12.4 percent combined for individual and from their employer.

That is, we would either need to reduce benefits by about 25 percent at that time, because of such a large number of baby boomers in retirement, or, because, as the gentlewoman pointed out I think very correctly, we will have significantly reduced numbers of workers, maybe even at the point of two workers for every retiree, then another option would be to raise the withholding, their work tax, their payroll tax. We might have to do that by as much as 50 percent.

The third option that the Social Security Advisory Committee talked about, and about a year ago offered three different scenarios, was whether in fact we could increase the rate of return on the funds that are going in.

Senator KERRY and Senator MOYNIHAN have proposed, and I have gone

around my district for the last couple of years talking about Senator KERRY's proposal and actually utilizing some of his computer programs, they have proposed essentially a payroll tax cut of 2 percent of that 12.4 percent, so that would be about a 16 to 18 percent payroll tax cut.

Part of the reason that they have done that is because, for the average working person, not the person who has invested in the tech stocks, the most taxes they pay are their payroll tax. The people that the gentlewoman and I represent that are the average workers out there, they pay more in payroll tax than they do in income tax or any other taxes.

So there is an appeal, I think a bipartisan appeal if we are looking at a tax cut, in order to direct that toward those who need it the most, and those who need it the most are the ones where the biggest part of their taxes are coming from their payroll tax.

I am just interested if the gentlewoman from Connecticut is in agreement with me so far.

Ms. DELAURO. Mr. Speaker, the gentleman's assertions at the outset about where we are going and what is important about when the baby boomers retire is accurate. I agree with that.

What I think we have to deal with is how in fact we use the issue of, again, the surplus to assist this process. And we cannot count on this, but the fact of the matter is if we continue the rate of growth that we have been at in the last several years, which has been pretty sustained, and I understand that we cannot totally rely on that, one could project that in fact that rate of growth over the next number of years could allow us to really correct the social security problem that we have with the baby boomers moving into retirement.

So there are a number of scenarios, without talking about cutting people's benefits or raising the eligible age. I think there is merit to thinking and talking about the payroll tax and cutting that back. It is up for discussion. Maybe we are in the same mode. This notion of this 2 percent that we put in these retirement accounts, my view ultimately, this winds up increasing a deficit situation that we have. It also means that at some point we have to draw on general revenues and so forth.

□ 2115

So the current proposal that is being made I find to be troubling in this sense that I have expressed on that, and I think that there is room to have a discussion on what we want to do and where we want to go on this issue.

Mr. GANSKE. I agree with the gentlewoman, let us say that you did set up personal accounts, and how you do that is open to debate, but let us say that you did that, you reduced the average payroll tax for a worker; let us, say, number one that we are not going to change the benefits for anyone over the age of 50 or 55, but let us say you set up personal accounts with 2 percent, with that 2 percent of the 12.4 percent, my point would be that that is in their name, and as Senator KERREY says, my goal is to help everyone in this country become richer.

That is an automatic increase in wealth for them, but the gentlewoman is absolutely correct. If you take 2 percent out of that 12.4 percent, that is about $1 in $6 of current revenues going into Social Security that is not in that trust fund.

Ms. DELAURO. That is right.

Mr. GANSKE. And we are in agreement on that. I think that there is a way to do a compromise on this issue, because I think Members of the Democratic side, your side and my side, would both like to see all Americans be wealthier. We probably both would like to see especially the people who are paying the most portion of their taxes in the payroll tax have some tax abatement.

The question then becomes, and this is where you are talking about the transition costs on this, and this is the $1 out of $6, that if you did this 2 percent, where would you make that up? I would suggest that the compromise on this between the parties, and we are certainly not going to work out this issue tonight, but it is something I think for people to think about, is if the economy continues to do so well and we have the surplus, then I would use part of that surplus to cover that transition costs of the payroll tax cut, so that for every dollar that you are providing for a payroll out of the $6, to go into a personal account, you replace in that trust fund with part of the surplus.

I am just curious as to what the gentlewoman would think about that.

Ms. DELAURO. Again, you can, over a certain period of time, deal with funding the credit with the budget surplus, and the gentleman could get it. There are reports out there about that, the gentleman could probably get yourself between now and 2015 where the gentleman might be able to do that, and again, the Center for Budget Priorities talks about 2015 to 2030 where the credit would be financed through spending cuts or larger deficits.

And, again, this is a proposal, a similar kind of a proposal that Martin Feldstein has made in terms of partially privatizing Social Security; by his own, estimate, the credit would be financed with higher tax revenues, which would have to be generated by higher tax rates of national savings and investment translated in terms of corporate profits, so that you are then dealing with a situation, if you will, in what we call the outyears here of either dealing with higher tax revenues or, again, some rate of national savings which there is not a guarantee of.

Mr. GANSKE. As the gentlewoman I think rightly pointed out, those outyears, the farther we get out, a lot of that will depend on exactly whether our economy continues to be as strong, what kind of economic growth, what, in essence, I am suggesting is that if we are, I think the gentlewoman, as she said, is in favor of some tax cuts, if we are looking at devoting some funds for tax cuts, why do we not devote those tax cut funds or a large portion of it to relief on the payroll tax, which is the tax which hits the average American the hardest?

I am not speaking for anyone else on the Republican side.

Ms. DELAURO. I understand that.

Mr. GANSKE. This is just purely an idea I have been tossing around in my mind and how do you do this.

Ms. DELAURO. Well, if you are going to deal with cutting back, where does the gentleman continue to be able to finance the effort, which is what is ultimately, in my mind, and when we start to talk about other proposals on Social Security, is that if the gentleman then looks at the utilization of the surplus, or the gentleman wants to do it in one way by bringing down the payroll tax.

Mr. GANSKE. I would use part of the surplus for a payroll tax.

Ms. DELAURO. That is right. But if the gentleman utilizes this in terms of where is the greater gain, I do not know, because I do not know the intricacies and where it comes out with what the gentleman is suggesting. But if you are paying down the debt and thereby reducing interest rates and costs and then utilizing, I mean, it just seems to me that in terms of overall fiscal policy, I am not an economist, that the gentleman is then dealing with a much greater financial stability by being able to pay down that debt over a period of time which has a whole variety of different ripple effects in the economy when that interest rate comes down and what people can do and what business can do, et cetera, and the whole litany of the multiplier effect on all of that. So that seems to me to be a better direction for us to head than to look at personal accounts, which, again, I think leaves people at the mercy of a stock market and whether or not they are proficient in being able to invest.

I cannot imagine, I do not know what the percentage is, but I do not know that there is a very large percentage of people who are so familiar with the stock market that they can do that, and there are those that do and those that cannot, and those that cannot will wind up dragging down those that can in terms of what they will have to make up in terms of lost dollars.

The gentleman is suggesting another alternative here, which I think reasonable people can take a look at and sort out and begin to ask some questions about.

Mr. GANSKE. My constituents back in Iowa tell me that as we look at the surplus, the number 1 thing that they want us to do with it right now is to pay down the debt, number one; number 2, to secure Medicare and Social Security; and number 3, in the context of the surplus, to do some tax relief.

And I am just suggesting tonight that there might be a solution between the Republicans and the Democrats that could come about on Social Security, too, where we focus on trying to increase the net worth of every American by letting them keep a little bit of that payroll tax, making up the difference from the surplus, as part of a tax cut, or focused on a payroll tax cut.

This, I think, gets around a lot of the debate that we have seen on where do you put that tax cut, and how the numbers exactly would work out neither the gentlewoman nor I have that data right now, because there are lots of variables that the Congressional Budget Office and others would have to look at in terms of projections for economic growth, and exactly what the dollars would be coming into the Social Security trust fund or not be there if you had that 2 percent reduction.

I am just saying that I think that Republicans and Democrats on both sides of the aisle that have some shared goals, and the number one shared goal I think is Social Security solvency; number 2, maintaining the safety net for those elderly women; number 3, helping every American become richer. I would like to see every American become a lot more wealthy; and number 4, making sure that the younger people who are coming up, the two out of which we will be supporting every one retiree in about 25 years, that we somehow or another figure this out so that we do not leave them with an overwhelming payroll tax to be supporting the gentlewoman from Connecticut and me when we are in our retirement.

I very much appreciate the gentlewoman from Connecticut for just entering into a brief colloquy with me on this. And I would be happy to yield again to the gentlewoman if she has any further remarks.

Ms. DELAURO. Well, I am pleased as well that the gentleman asked to be able to do this, because I think that there is room for discussion of the issues. Again, it is worrisome that we are, again, in two proposals that have been made in the last several days, which have captured the national attention that I think it is well worth pointing out, and again, in my view, I think one is terribly risky in this sense, as I started out my commentary, is that to somehow turn on its head the notion of this guaranteed annual income, which has been so important to people in their lives. It was not meant to be just that, the only income, but for some people, about a third of the beneficiaries of Social Security, that is the only income that they have, and to somehow tamper with that seems to be moving away from that guarantee that people have believed in.

Then the notion of the savings accounts deals with increasing individual risk, which I think, again, threatens the system. Now, are there alternate proposals that we might consider to get where we want to go in order to make sure that there is that guarantee that does not put people at risk, in which case then you can try to look at how, in fact, we can as the gentleman pointed out increase people's financial wherewithal; certainly, we ought to take a look at that.

I will tell the gentleman that in all of this, in terms of its effect on women and older women in our society, and if we do not go down this road in a very careful way about the unique situation that women find themselves in, then we are going to compound their vulnerability and increase their rate of poverty, and that is not where we want to go and what I see at the moment, in terms of a public policy direction, which has been espoused by Governor Bush, is that that, in fact, is where it leads. And I am not suggesting that is where you are and that there is not room for conversation and debate and discussion on this issue in a way that the gentleman has proposed, and there may be other ways, but it scares me.

Mr. GANSKE. I agree with the gentlewoman that we need to be very careful. And I think it will be, I hope that our parties' respective presidential candidates have a chance to be as civil to each other during a presidential debate on this important issue as we have been.

I also want to thank the gentlewoman for working so vigorously on the children's clothing issue as it relates to whether clothing can catch on fire. She has worked very diligently on trying to make sure that we have safe standards for children's clothing, and I look forward to joining the gentlewoman on this.

I would just close with this, and that is, that I think it is going to be important to talk in a reasoned fashion about where does Social Security go, with the baby boomers coming down the line, I think it is also true, though, that we will need to seek solutions and not just be reactionary and say that no change is the only way to go.

Ms. DELAURO. There has to be change.

Mr. GANSKE. I know the gentlewoman is not proposing that.

Ms. DELAURO. I thank the gentleman from Iowa, and I thank the gentleman, if I just might for one second, and I do not want to take any more of the gentleman's time, is for the gentleman's diligence, your commitment to the health of people in our country and in our society, both in your own profession as a doctor in which the gentleman has really made his own personal commitment, but the role that the gentleman has played in trying to bring us to some understanding and conclusion about patients and the decisions, medical decisions that affect their lives and your hard work on the patients' bill of rights. And I thank the gentleman.

□ 2130

Mr. GANSKE. I thank the gentlewoman from Connecticut.

Mr. Speaker, I am going to save my comments on HMOs for another night, because I am going to yield the balance of my time to my colleague from Colorado, who has important things to say, as he usually does, and so I will yield to the gentleman from Colorado.

SOCIAL SECURITY REFORM

The SPEAKER pro tempore (Mr. WALDEN of Oregon). Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. MCINNIS) is recognized for 30 minutes as the designee of the majority leader.

POINT OF ORDER

Mr. MCINNIS. Point of order, Mr. Speaker. The gentleman, I think, yielded me the balance of his time, which I think would give me an additional 7 minutes. So I would request 37 minutes for the special order.

The SPEAKER pro tempore. Under the Speaker's guidelines, the gentleman from Iowa (Mr. GANSKE) is not allowed to yield to the gentleman, so the Chair recognizes the gentleman from Colorado (Mr. MCINNIS) for 30 minutes.

Mr. MCINNIS. I thank the Speaker for the clarification.

Good evening, colleagues. I have been listening to the discussions. I think we had a healthy discussion, where the gentleman from Iowa and the gentlewoman from Connecticut were having a discussion. But previous to that I was not quite as inspired as some might have been in regards to her attack on the policies of the Governor of the State of Texas, the Republican candidate for the Presidency, in regards to Social Security.

Now, my purpose here this evening with my colleagues is not to talk to them necessarily about partisan politics. That is not the purpose of this podium. My purpose this evening is to talk about an issue that is important and, by the way, not just important for women, it is very important for women but it is very important for young people, regardless of their sex, regardless of their ethnic background.

I tell my colleagues, we are not going to accomplish a solution for Social Security by using fear tactics. Standing up and implying that the women of this country, apart from any other segment of this country, are endangered by Social Security ignores problems that go across the sexes. These are fear tactics that are being launched against senior citizens.

The reality of it is that every one of us in these chambers, every one of us in these chambers knows that today every senior citizen, or every beneficiary of Social Security benefits who is picking up the check today will have the check next month, will have the check next year, and will have the check as long as they are entitled to that benefit. There is not, under anybody's, under anybody's study of Social Security, there is not one beneficiary today who is receiving Social Security funds, whose funds are endangered during the period of time that they are to receive those funds.