PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. BECERRA. Mr. Speaker, on October 18, 2000, I was unavoidably detained and therefore unable to cast my vote on rollcall No. 531, H.J. Res. 631, on Agreeing to the Resolution Honoring the Members of the Crew of the Guided Missile Destroyer U.S.S. *Cole* Who Were Killed or Wounded in the Terrorist Attack on that Vessel in Aden, Yemen, on October 12, 2000. Had I been present for the vote, I would have voted ''yea.''

Mr. Speaker, I join my colleagues in honoring the members of the crew of the U.S.S. *Cole* who died on October 12th as a result of a cowardly act of terrorism, and I send my heartfelt condolences to their families, friends, and loved ones. I also rise to honor those serving on the U.S.S. *Cole* who were wounded in the attack, and wish them a speedy recovery. Finally, I salute those members of the crew who fought valiantly to save their ship and rescue their wounded shipmates. Indeed, I wish to express my deep gratitude to all of the men and women of our Armed Forces who routinely put their lives on the line.

ACTION TO PROMOTE GREATER RETIREMENT SECURITY SHOULD BE A PRIORITY

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. UDALL of Colorado. Mr. Speaker, we are nearing the end of this 106th Congress—but we have not finished all the work that needs to be done. When the new Congress meets next year, it will find a long list of unfinished business. An important thing on that list will be action to support and improve the ability of all Americans to look forward to fiscal security in their years of retirement. I want to take this opportunity to outline my thinking about the steps that Congress should take toward that goal, in several areas.

SOCIAL SECURITY

Social Security is our most important and most successful program dealing with retirement security. Today its guaranteed benefits provide the primary source of income for 66 percent of Americans over age 65, and are especially important for the 42 percent of the elderly for whom Social Security is all that keeps them above the poverty line. It is also an important compact between generations and across divisions based on income levels.

I strongly support maintaining adequate and appropriate guaranteed defined benefits for current Social Security recipients, and for people who will retire in the future—but that does not mean that I oppose any changes in Social Security.

Earlier this year, I supported the successful effort to remove the earnings limit that could reduce Social Security payments to people retiring at age 65. And there are some other additional steps to revise Social Security that we should take right away. For example, we should limit the so-called ''windfall elimination'' offset so that it will not apply to individuals whose combined monthly income is under $2,000. And we should again allow blind individuals to earn up to the social security excess earnings threshold without losing benefits.

Further, as we look ahead, we must recognize that Social Security faces future demographic problems because retirement of the ''baby boom'' generation will greatly increase the number of beneficiaries in comparison with the number of people paying into the system.

Congress will have to address this problem, and should do so sooner rather than later—but, obviously, that will take time. In the meantime, our first priority should be to avoid making the problem harder. That means—Social Security's current surplus revenues should not be spent for any other purpose. That way, the Treasury Department will use these revenues to reduce the publicly-held debt. By paying down the debt, we will reduce the amount of interest the government otherwise would have to pay, freeing valuable resources and increasing our options to bolster Social Security for the future.

Congress also must avoid excessive and ill-targeted tax cuts that would endanger our ability to protect Social Security and Medicare and strengthen them for the future.

SAVING FOR RETIREMENT

Social Security is indispensable, but people will be better off if they can also have other sources of retirement income. So, we should make it easier for them to save and invest and accumulate assets. Previous action has led the way in several areas, and we can build on those foundations in some important ways, including—Increasing the amount that individuals can put into Individual Retirement Accounts (IRAs) and benefit from favorable treatment under the tax laws.

Enabling people to make additional contributions to 401(k) or similar retirement accounts, and making it easier to take full advantage of such retirement plans.

Making it easier for people to maintain their retirement accounts when they change jobs.

Making it more feasible for employers—especially small businesses—to establish and maintain retirement plans for their employees.

OTHER PROPOSALS

As we all know, both Vice President GORE and Governor George W. Bush, have proposed additional new initiatives. Under each, the federal government would assist people to set up, maintain, and benefit from individual investment accounts. But there is a big difference.

Under Governor Bush's plan, the federal assistance would come from allowing people to decide to divert part of their Social Security taxes into these accounts. In contrast, under the Vice President's plan general federal revenues—not Social Security revenues—would be used to add to the money people choose to put into tax-free individual savings accounts.

I am concerned about the effects of the Bush proposal on Social Security. Diverting revenues out of Social Security now will make it harder to maintain adequate guaranteed benefits in the future. And that effect is compounded because the diverted amounts cannot be used to pay down the debt, so it will be necessary to pay hundreds of billions of dollars in additional interest.

Those who support privatizing a portion of Social Security (the plan proposed by Governor Bush and by my Republican opponent, Ms. Carolyn Cox) claim that differences in benefits will be made up from the higher returns that can be earned by investing a portion of individual account balances in stocks and equities. But many economic forecasters have suggested that for this claim to be true, stock returns for the next 75 years will have to equal those of the last 75 years—a rate that seems unlikely to be sustained. It seems to me that to rely on that scenario would require a dramatic leap in faith that our national economic growth will continue the record pace of the last decade.

Moreover, the costs of administering individual retirement accounts have to be taken into account, and even conservative estimates suggest that these costs would be high enough to cut accumulations in individual retirement accounts by 20 percent over a worker's lifetime.

Diverting funds away from the Social Security Trust Fund strikes me as an unnecessary and potentially dangerous step in ''reforming'' Social Security. It has an element of risk in some ways similar to those involved in having the government invest the Trust Fund directly in the securities markets—which was one of the reasons I declined to support President Clinton's earlier proposal for such investments, even though the President at least tried to address the questions of stock market volatility.

In short, both the Bush plan and a similar one supported by my opponent, Ms. Cox, strike me as not the right way to proceed as we work for the long-term stability of Social Security.

I also have some questions about the Vice President's plan, but the fact it would not mean that kind of diversion—it is ''Social Security plus,'' not ''Social Security minus''—means that it would not start out by making it harder to assure that Social Security will continue to remain as the indispensable safety net for future retirees.

MACON IRON AND PAPER STOCK, INC.

HON. SAXBY CHAMBLISS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. CHAMBLISS. Mr. Speaker, I want to congratulate Macon Iron and Paper Stock, Inc. today for their recent recognition by the Department of Labor. Macon Iron recently won the prestigious Director's Award for Safety at the annual Georgia Department of Labor's Health Safety and Environmental Conference.

State Labor Commissioner Michael Thurmond bestowed this award upon Macon Iron at the seventh annual meeting in Atlanta along with its sister companies General Steel, Industrial Alloy Supply, and Commercial Doors and Accessories.

This award is presented to companies for criteria involving safety performance, contributions to the community, the sharing of safety information, and civic responsibility. Macon Iron was chosen from almost 100 companies in the state of Georgia who participate in the labor department's safety awards program, and was selected for their exceptional safety programs.

I congratulate the employees of Macon Iron and its sister companies for their hard work