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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. CULBERSON).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 8, 2002.

I hereby appoint the Honorable JOHN ABNEY CULBERSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes, but in no event shall debate extend beyond 9:50 a.m.

The Chair recognizes the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) for 5 minutes.

PROTECTING SOCIAL SECURITY MUST BE A PRIORITY

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to underscore the importance of protecting the Social Security system from the dangers of privatization. We already know that Social Security is keeping tens of millions of older Americans out of poverty. Two-thirds of our senior citizens rely on Social Security for more than half of their income.

In addition to our seniors, 14 million Americans also rely on Social Security to provide vital disability or survivor benefits every month.

When we consider who will be impacted, it is easy to see why my colleagues in the Republican Party are ducking the debate on privatization. After all, the success of these plans rests on the performance of the same equity markets that have lost $4.5 trillion in the last 18 months. So I really do not blame them for wanting to dodge the question or wanting to play down previous endorsements of privatizing Social Security.

After all, the safety net of Social Security has never been more important, especially in light of the staggering losses to retirement savings plans under this administration's failed economic policies.

In 2001 alone, 401(k) plans lost roughly $210 billion, while individual retirement accounts shed an additional $230 billion. So it is no surprise that Republicans do not want to talk about the fact that their privatization plan will result in benefit cuts up to 40 percent.

They do not want to talk about the fact that privatizing Social Security could force workers to delay their retirement in order to collect full benefits. They do not want to talk about the fact that benefit cuts would impact all beneficiaries, even those who choose not to open personal accounts, and Republicans certainly do not want to talk about the $2 trillion that would be siphoned away from the trust fund in order to set up these private accounts. After all, who wants to call attention to the fact that taking a mere 2 percent of payroll taxes away from the trust fund can double or triple the size of the Federal deficit.

It is not a pretty picture. However, this debate is simply too important for us to allow our colleagues to stick their heads in the sand or to defer their plans to undermine the system until after the 2002 elections, and I also think it is especially important to set the record straight on privatization because there are some people out there who want to paint Social Security as a bad deal for African Americans and other people of color. In fact, one recent Republican political ad even went so far as to label Social Security as reverse reparations, a false and truly offensive claim against a program that provides the only guaranteed safety net for millions of African American men, women, and children.

We must never forget that Social Security is the single most important source for African American retirees, providing on average three-quarters of their retirement income. We must also dispel the myth that private accounts would be good for African Americans. Privatization undermines the guaranteed benefits that keep millions of African American seniors out of poverty, and it undermines the system's progressive benefits structure which helps minorities compensate for a lifetime average of lower wages and less savings.

I believe that these risks are unacceptable. Protecting the financial security of our seniors and our most vulnerable is a social compact that was forged with the greatest generation, and now we have a responsibility to protect this system for our children's generations.

To that end, I believe that the only course of action is a fair and balanced debate about the future of Social Security. Our constituents deserve to hear an honest conversation about what will happen if we put our faith and our retirement savings in the stock market. They deserve to hear what plans Members have to guarantee Social Security benefits before they go to the polls in November, and they deserve to see us roll up our sleeves and get to work on protecting their retirement security.

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Mr. Speaker, let us debate Social Security privatization now. It is much too important to wait.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate agreed to the following resolution:

S. RES. 335

Whereas Jo-Anne Coe served as an employee of the Senate of the United States and ably and faithfully upheld the high standards and traditions of the staff of the Senate from January 3, 1969 until January 31, 1989 for a period that included ten Congresses;

Whereas Jo-Anne Coe was the first woman in history to be elected as the Secretary of the Senate in 1985;

Whereas Jo-Anne Coe served as Secretary of the Senate, Administrative Director of the Committee on Finance, Administrative Director of the Office of Senator Bob Dole and Chief of Staff under Senator Dole;

Whereas Jo-Anne Coe faithfully discharged the difficult duties and responsibilities of a wide variety of important and demanding positions in public life, with honesty, integrity, loyalty, and humility;

Whereas Jo-Anne Coe's clear understanding and appreciation of the challenges facing the Nation has left her mark on those many areas of public life: Now, therefore, be it

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Jo-Anne Coe.

Resolved, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses or adjourns today, it stand recessed or adjourned as a further mark of respect to the memory of Jo-Anne Coe.

The message also announced that the Senate has passed a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 150. Concurrent resolution welcoming Her Majesty Queen Sirikit of Thailand on her visit to the United States, and for other purposes.

SOCIAL SECURITY PRIVATIZATION

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from California (Mr. MATSUI) is recognized during morning hour debates for 5 minutes.

Mr. MATSUI. Mr. Speaker, I would like to thank the gentlewoman from Texas for her comments and certainly the gentleman from Missouri, the Democratic leader, for helping put this together this morning.

This is not a theoretical debate. The whole issue of Social Security privatization is a real discussion, something that really will, in fact, occur in 2003.

The gentleman from Virginia (Mr. TOM DAVIS), the Chair of the Republican Campaign Committee, said in the month of August that privatization will be a 2003 issue, they intend to bring it up. Paul O'Neill, the Secretary of the Treasury, has said that he intends to have the President bring up privatization of Social Security in 2003 after the November 5 election.

The reason this is a theoretical debate is because this is hard to believe, but my Republican colleagues have five real plans to privatize Social Security. We have President Bush who convened a 14-member commission of experts that essentially came up with three plans to privatize Social Security. The gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means, has drafted a privatization of Social Security plan; and the gentleman from Texas (Mr. ARMEY), the majority leader, has come up with a plan to privatize Social Security as well.

So we have five plans, one of which will undoubtedly be the plan that will be brought up and attempted to be adopted by the President in the year 2003. I thought it would be important for us to talk about this because obviously, if this comes up, the American public should know exactly what we are talking about before the November election.

My Republican colleagues will say, well, the gentleman from California (Mr. MATSUI), the gentleman from Missouri (Mr. GEPHARDT), the gentlewoman form Texas (Ms. EDDIE BERNICE JOHNSON) are just trying to scare seniors; but by explaining these plans, we hope we are not attempting to scare seniors, but what we are trying to do is explain to the American public exactly what these plans are, because it will be coming up in the year 2003.

For example, the Shaw plan, which is a privatization plan, the gentleman from Florida (Mr. SHAW) has not explained to us that within 30 years, by privatizing Social Security, it will require $6.9 trillion or approximately $7 trillion of general fund moneys. We know that those general fund moneys do not exist so we wonder where this general fund money is going to come from, and the gentleman from Florida (Mr. SHAW) also in his plan is basically an arbitrage plan. They borrow the $6.9 trillion and then invest it in the stock market and hope the rate of return will be better and higher than the rate of loss in borrowing that money; and so if, in fact, the market drops, it will result in a cut in benefits.

The same thing with the gentleman from Texas' (Mr. ARMEY) and the gentleman from South Carolina's (Mr. DEMINT) plan. In a 30-year period, they are going to have to borrow $10 trillion; and that basically would mean tripling, tripling the national debt of this country, to put that in perspective. It would triple the national debt of this country.

Then we have, of course, the President's three plans, some of which, $3.3 trillion, that would require up to a 54 percent cut in benefits not only for seniors but also for the disabled and survivor's benefits for families with minor children and a surviving spouse. So we are talking about plans that will either cost trillions of dollars by tripling the national debt; or we are talking about a combination of those, plus massive cuts in benefits for the American public.

I have to just say, Mr. Speaker, that my colleagues on the other side of the aisle have tried to obscure this issue by saying that personal savings accounts are not privatization. Personal savings accounts are, in fact, privatization. They were talking about, let us not really bring this issue up this year because we do not want to alarm the American public. But then why have they introduced five pieces of legislation and why has the Secretary of the Treasury talked about bringing this issue up in the year 2003?

This is an issue that the American public should be aware of today because it will be massive cuts in benefits, particularly given the fact that the market has collapsed at this time and given the fact that that is the only defined benefit that most Americans have.

THE MISSING DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Missouri (Mr. GEPHARDT) is recognized during morning hour debates for 13 minutes.

Mr. GEPHARDT. Mr. Speaker, I rise to urge a free and fair debate on this floor about the future of Social Security before the November elections occur. Here we are in October, nearing what will become the end of the 107th Congress, and we have yet to have a real debate about what perhaps is the most important issue facing the American people.

We have a Republican leadership that wants to adjourn without debating one of the most serious concerns that people have about their own retirement. We have spent our time renaming post offices, we have done very well at that, and passing non-sense of the House resolutions, but we have had no time, not a moment, to debate the Republican plan to privatize Social Security and cut Social Security benefits.

The Republican strategy is clear. It is deception. The Republican leadership from the gentleman from Illinois (Mr. HASTERT) to the gentleman from Texas (Mr. ARMEY) to the gentleman from Texas (Mr. DELAY) all are on record in strong support of privatization. They support cutting benefits and taking funds that should be secure and putting them into risky stock market accounts.

I think it is vital that we have this debate before the November elections and not afterwards when it will probably be too late.

We are not talking about an academic exercise here. We are not talking about theories or philosophies. We are talking about people's lives and what happens to them every day of every