

Maybe returning us to the rules of the previous Congress will be acceptable to them, maybe not. I guess we will find out as the minority leader is sweeping up the broken glass resulting from her shattered strategy of personal attacks, personal destruction, and personal slander.

The SPEAKER pro tempore (Mr. CARTER). Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### EXCHANGE OF SPECIAL ORDER TIME

Mr. McDERMOTT. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from New Jersey (Mr. PALLONE).

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

There was no objection.

#### PRACTICE WHAT YOU PREACH

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

Mr. McDERMOTT. Mr. Speaker, we passed the bankruptcy bill out of here the other day and I voted "no," and I will show you what I got for my reward. I got two more credit cards in the mail the very same day I voted "no."

The credit card industry in this country is demonstrating what is anti-Christian about this body. A lot of people stand around and tell us, oh, we believe in the Judeo-Christian religion and that is the root of all our efforts and everything else. Well, let me tell you something: The Israelites went down into Egypt and they were slaves. God said, look, I am going to take you out of Egypt, I will put you in the promised land but you have got to develop a community where nobody is enslaved.

Now, that took us to several different points in the presentation. The first was the idea of the Sabbath. On the Sabbath day, everybody was supposed to rest; slave, worker, wife, husband, animals, everybody rested on the seventh day.

The second concept was of the Sabbath year. And here is what the Sabbath year was. And I read this, this is from Deuteronomy 15. If you do not know, that is the fifth book in the Jewish Bible and it is also the fifth book in the Christian Bible.

"Every seventh year you shall grant a remission of debts. And this is the manner of the remission: Every creditor shall remit the claim that is held against a neighbor, not exacting it of a

neighbor who is a member of the community, because the Lord's remission has been proclaimed. When the Lord, your God, has blessed you as he has promised you, you will lend to other nations but you will not borrow."

How do we explain \$450 billion of borrowing?

"You will rule over other nations but they will not rule over you." And it goes on. "If there is among you anyone in need, a member of your community in any of our towns within the land that the Lord, your God, is giving you, do not be hard-hearted or tight-fisted towards your needy neighbor. You should open your hand, willingly lend enough to meet the need, whatever it may be. Be careful you do not entertain a mean thought, thinking the seventh year, the year of remission is near, and therefore view your needy neighbor with hostility and give nothing. Your neighbor might cry to the Lord against you and you will incur guilt. Give liberally but be ungrudging when you do so, for on this account the Lord, your God, will bless you and all your work and all that you undertake.

"Since there will never cease to be some in need on the Earth, I therefore command you, open your hand to the poor and the needy neighbor in your land."

Now we have stood out here and passed a bill that is in exact contradiction. This same idea goes right into the Christian faith. This is not a Jewish idea. It is not a Christian idea. It is the Judeo-Christian ethic under which we live.

The bankruptcy bill says, if you have taken more money and borrowed more money than you can pay off, we are going to get you. We are going to squeeze the last dime out of you.

In that bill that passed here the other day, we changed a basic principle in our bankruptcy law in this country; that if you are in bankruptcy the first draw on any money available is the wife and the children. Child support. That should be the first money that goes out to be paid. If there is nothing else left, that should be first.

What this bill said was, these credit card companies who are out there sending these cards out all over this country with absolutely no regulation whatsoever, they are hooking people and then we are going to squeeze the last dime. We will put the poor woman and her kids in court, arguing with attorneys from the credit card company about whether or not they are going to get any money. So the poor woman and the kids are going to spend their food money on a lawyer to fight these people. No protection whatsoever.

That is not what the book of Deuteronomy said. That is not what God commanded us to do. Whether we are Christian or Arab or Muslim or whatever, that bill was an abomination. We ought to start paying attention to the base of the values that we say we submit to in this House.

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

(Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. EMANUEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. FLAKE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. CONAWAY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. MILLENDER-McDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-McDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. DENT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. PETERSON of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### UPDATING SOCIAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentlewoman from Kentucky (Mrs. NORTHUP) is recognized for 60 minutes as the designee of the majority leader.

## GENERAL LEAVE

Mrs. NORTHUP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on my Special Order.

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

There was no objection.

Mrs. NORTHUP. Mr. Speaker, I rise today to highlight an important issue that has become the topic of much discussion across our country: Social Security.

Republicans in Congress have joined together to form a series of teams to highlight the important issues facing our Nation today, and I am proud to serve as the chairman of the Retirement Security Team and to be joined by a number of my esteemed colleagues for this important discussion tonight.

Mr. Speaker, we know that it is important that Congress address the challenges that Social Security stand before us in the coming years. We know that there is an increased number of retirees and that there are fewer joining the work force. When Social Security first paid out benefits in 1950 there were about 16 workers for every retiree. Today there are 3.3 workers for every retiree, and we are headed towards a time when there will be only 2 workers in the system for every retiree. This means that we need a system that can support a Social Security team program.

When Social Security began, it happened that it paid out benefits when you were 65, but the life expectancy was at the age of 62. So this means for the average American they paid into a system where they were expected to die 3 years before they would be entitled to collect benefits. To our great benefit and to all Americans' benefit, our lives are much different now. We know that our life expectancies are much greater than 65; 79, 80, 81 are becoming the life expectancy. And not only that, Americans are healthier. They are enjoying vibrant lives after they retire, and that means we have to have a Social Security system that can support the hope and opportunities that so many seniors have come to depend on and look forward to in their years after the age of 65.

It is an exciting time for Social Security. The Members here in Congress that are with me tonight are eager to address the challenges of Social Security so that we can meet our responsibilities and so that we can live up to the expectations of also our children and grandchildren who are going to be expected to bear the responsibility of this program after we ourselves are retired.

This is a good time to embrace this challenge, to put ideas on the table, to ask our friends across the aisle to join us and to make a difference for today's seniors that they know they are in a system that is strong and vital and is

there for them as they have always known it. For those that are about to be retired, that there is a system that they can expect is going to stay the same and benefit them.

We need to invite seniors today and those that are about to be seniors to join us in this conversation as seniors in previous generations have done, to sit down at the table and to help ensure that this program that means so much to them will be there for their children and grandchildren.

The seniors in my district are appreciative of the generations before them that planned for a program that would be sustainable while they themselves were retired. And I know that they are eager to roll up their sleeves and to join in this discussion and make sure that the program for their children and grandchildren will be sustainable too.

So tonight let me introduce several of my colleagues as we discuss what the opportunities are before us with relationship to Social Security.

First, I would like to introduce my very good friend, the gentleman from South Bend, Indiana (Mr. CHOCOLA) or Elkhart, Indiana to be exact. I thank the gentleman for being with us tonight.

Mr. CHOCOLA. Mr. Speaker, I thank the gentlewoman for yielding to me. I also thank her for her leadership on this issue.

This is not the first time that we have come to the floor and talked about this important issue that we face as a Nation, and it is really a test we cannot afford to fail. We need to act responsibly. We need to find ways to find a bipartisan solution to the challenges, the really undeniable challenges that we face with Social Security. People like the Chairman of the Federal Reserve and the Comptroller General of the United States have said that the sooner we act, the less painful any solutions will be.

We can talk tonight about important numbers like 2017 when we go into a negative cash flow. We can talk about 2041 when the trust fund is exhausted and we can not pay the promised benefits to future retirees. We can talk about \$10.4 trillion unfunded liability that we have as a Nation today that we must face up to. But I think that this problem is really even bigger than that. And to that end, I will tell just a quick story.

I was in a committee hearing not long ago where the Secretary of the Treasury, John Snowe, was testifying. And our friends on the other side of the aisle were criticizing the Secretary about any proposed solutions that had been discussed or offered to address this problem. And after that criticism I talked to one of my friends on the other side of the aisle and said, If this is so bad, if our solutions are so unwelcomed by the American people, why do you not just let us do it because that would be the quickest way to go back into the majority? If this is such a bad idea and the American people

will like it so little, they will throw us out of office for trying to solve this problem in a responsible way.

□ 2130

I do not think that that offer is going to be taken because I think that many understand that this is much bigger than Social Security in itself. This is a bigger test and a challenge that we face as a Nation.

Just stop and think for a second that if we allowed every working American the opportunity to own a little bit of a growing economy, we would truly become an ownership society, and think about the fact that every American could own a piece of this growing Nation, the strongest economy on Earth, and got the benefit of this and could build a nest egg and build wealth over the course of their career, they would not really like things like frivolous lawsuits anymore or excessive regulation or excessive corporate taxes. We pay the highest corporate taxes in the industrialized world. People would understand, take ownership of how we grow the economy, and we all could benefit from that.

I think the ramifications of that go much beyond Social Security. They represent an ownership society, and we can use those types of principles to address even bigger problems like Medicare, Medicaid, pension reform.

So this is such an important issue that we have to move forward. It is a test we cannot afford to fail, and we need to find a bipartisan solution.

Before I turn it back over to the gentlewoman from Kentucky, I just say that I invite all Members of this body to become part of the solution. I used to be in the private sector before I was elected to Congress; and the people I worked with never came and said, boy, we have got a problem and all your ideas are rotten. What they would do is say, you know, we have got a problem and here are some ideas that I have to solve those problems and so we can act responsibly.

Is that not what we are elected to do? Because it is easy to be against things. It is easy to criticize other people's ideas, but we are really elected to find solutions to hard problems. If we are not willing to stand up and offer solutions to tough problems, rather than just criticizing others for their solutions, I do not think we are living up to the responsibility that we have as public servants. It is certainly not why anyone sent us here from home to serve in this body.

So I thank the gentlewoman for her leadership, and I invite every Member of this body to participate in a constructive discussion to find a bipartisan solution to an undeniable challenge that we face as a Nation; and if we do not live up to it, we are not doing what we need to do to serve future generations and generations that are currently retired in a responsible way.

Mrs. NORTHUP. Mr. Speaker, I thank the gentleman for his comments,

and I know that I look forward to discussing some of the directions we do not go.

We know that raising taxes is not a solution. We know that depending on a trust fund that does not exist is not a solution; but I do see that our friend, the gentleman from Georgia (Mr. GINGREY), has joined us. I welcome him, and I will yield to him for a few minutes.

Mr. GINGREY. Mr. Speaker, I thank the gentlewoman from Kentucky, and as well my good friend from Indiana; and it is a pleasure to be with my colleagues tonight to discuss something of such tremendous import to the country.

I have done about, Mr. Speaker, 10 listening sessions, town hall meetings on this subject; and it is very, very instructive. If you do them during the daytime, it is typically going to be senior-dominated; and many of those individuals, of course, are among the 43 million who are current Social Security beneficiaries.

One thing that we try to make sure that they understand is in any of the plans that are out there, and of course, every plan is a work in progress and nothing is set in stone, but that the concept, first of all, of holding harmless anyone 55 years or older, that their Social Security benefits will not change. Their checks will only change when they get their annual COLA, and they would not, in fact, have the opportunity to invest in an individual personal account, if that is part of the final solution.

I do not know, maybe my colleagues have heard this, too. Some of them, in particular at age 55, they are a little disappointed: Why did you cut me out? I do not get full retirement until I am 67 years old because of those changes that occurred under the Reagan administration in 1983, the last time we were in crisis. They are kind of disappointed, particularly if they are planning on working and deferring their benefits until age 70. They would have 15 years of an opportunity to get the miracle of compound interest.

But these seniors, and I am sure again that my colleagues are hearing the same thing, they are very concerned. Even when we tell them that they are secure and we promise them this is our pledge, they are concerned about their children and grandchildren; and they are there not so much for themselves, even if their Social Security was at risk, they are very concerned about their children and grandchildren. That kind of renews my sense of faith and spirit in our seniors and in the American way. It is really great to hear that from them.

Mrs. NORTHUP. Mr. Speaker, reclaiming my time, I am over 55 and many of my friends are over 55. I hear it more often from people that are 49, that say, now, wait a minute, if you are going to cut off the people who can benefit from these at 50, I only have a year to go; so how long is it going to

take you to pass this bill so that I can get in the gate and be one of those that can also grow a personal account within Social Security to help pay some of the benefits that I will be entitled to when I retire.

So I have heard that and I agree with my colleague. It is very heartening to talk to the seniors. They obviously know that they depend on Social Security. They deserve to be reassured that their benefits are not going to change.

But many of them remember that the Democrat Congress in 1993 passed a tax on Social Security. They raised the taxes on Social Security significantly. They had thought that their Social Security would be untaxed. Now it is taxed, and they realize that if we can secure Social Security for the long run, that their current Social Security is even less likely to incur higher tax rates or a greater percentage of their Social Security tax. That is reassuring to them and also gives them a sense that they have helped steer or shepherd Social Security through sort of this transition so that it will be there for their children.

Mr. CHOCOLA. Mr. Speaker, if the gentlewoman would yield for just a second, I think it is important to step back for just a second and kind of review the course of the debate on this issue.

There were a whole bunch of headlines in the paper yesterday and today about a hearing that occurred over in the other body and which would lead people, I think, to believe that the discussion about Social Security has stalled or the President is not being effective in leading the discussion on meaningful reform on Social Security. But it was not all that long ago, beginning this year in January, where I would hold town hall meetings and speak with people in the 2nd District of Indiana, and there was still a question of whether there was a problem or not. We would have a discussion: Do we have to act now or can we wait? Is this a crisis, or is this something that is being overblown?

But today when I talk to people back in the 2nd District of Indiana, there is no question whether there is a challenge, an undeniable challenge that we face in the need to move forward and act.

A very encouraging thing happened to me the other day. I think seniors do understand their benefits are safe and secure, and they are concerned about their children and their grandchildren and want to make sure there is a system in place that can give them the same benefits they have been able to enjoy.

I visited an eighth grade class in Culver, Indiana, on Liberty Day, where the local Lions hand out a copy of the Declaration of Independence and the Constitution, which is a great thing to do for our young people. I asked a question of the eighth grade class: How many of you are concerned about Social Security? To my great delight,

every single one of them raised their hands. I said the discussions we are having in Washington and around the country about Social Security really is not about your grandparents because their bennies are safe and secure, but I know they are concerned about you, and our action or inaction on this issue is really all about you because you are going to pay for or you are going to enjoy the benefit of whatever we do.

So I was very encouraged to see that the eighth graders in Culver, Indiana, are paying attention to this and they understand the consequences to them and their families. I think that the debate is moving in the right direction. We have gone from do we have a problem to, sure, we have a problem to, now what do we do about it.

Again, I think it is the only responsible thing we can do for every Member of this body to participate in the discussion, to offer their ideas. Personal accounts have been controversial. I think personally that they need to be part of the discussion, but I know the President and I am sure that my colleagues here tonight would say if somebody has a better idea that results in permanent solvency for the Social Security system and gives future generations the opportunity to have all of the benefits that their parents and their grandparents have had, let us hear it, let us talk about it, let us debate it. If it is a good idea, I am sure we could act on it, and I am sure we would all benefit from that.

Mrs. NORTHUP. Mr. Speaker, I agree. We are all looking for the best possible solution.

I think when you ask the question, can we afford to wait, the follow-up question is, or what we often hear from the other side of the aisle, we do not have a crisis now because the trust fund will take care of us until 2017 or 2018.

Let us talk a little bit about why that is not the solution. I do not know whether the gentleman from Georgia (Mr. GINGREY) would like to maybe lead that off, why we cannot wait and why the trust fund is not going to take care of this.

Mr. GINGREY. Mr. Speaker, I thank the gentlewoman because it is such a good point.

The gentleman from Indiana said in his earlier remarks that we have a \$10 trillion unfunded liability. That is a big number, but the cost of doing nothing is estimated at \$600 billion a year for every year we do nothing and continue to try to avoid the problem, pretend that it does not exist, hope that some other Congress, the 110th, the 112th, whatever, will address that, and we will not have to put our political careers at risk.

I have heard others say, and I have said many times in my discussions across my district, that I am more concerned about the next generation than the next election. We do an interesting thing in our listening sessions. We have a video clip. Of course, it is a black and

white movie reel going back to 1935 showing a little clip of President Roosevelt signing that initial law, and he said very clearly this is not going to be enough to take care of the average senior's full retirement. I encourage them because of, and he used a term I hardly knew what it meant, I had to look it up in the dictionary, the vicissitudes of life. Things happen, good and bad; and people should prepare by buying an annuity to cover the vicissitudes of life, but unfortunately, people, fully a third of our seniors, cannot afford to invest in an IRA. Maybe they never had an opportunity to participate in one of these employer-sponsored 401(k) benefit plans for retirement, where the employer matches the employee, and they certainly did not have enough money in the paycheck they were earning to buy an annuity.

So where the problem is, and we all know it, nobody is disputing this, a third of our seniors get to age 62 or 65, they do not have a job, they do not have any other savings. They only have the Social Security check.

So this idea of an individual personal account is not a brand-new idea, and I know my colleagues agree with me on this point. It is not privatization. We are not turning the Social Security trust fund over to Merrill Lynch or Smith Barney and saying, here, go ahead and invest the money and you do this on behalf of the government and its retirees, and if you want to invest in Enron or Global Crossing or WorldCom or something not at all.

I think it is just so disingenuous, but we have to spend so much time undoing some of the negative publicity that has been sent out to our seniors to literally scare them, just like the same scare tactics that were used when we were passing the Medicare Modernization and Prescription Drug Act. Tear up your AARP card because they supported that; resign from that organization. Even if you are eligible to get \$600 a year benefit on your prescription drugs, \$1,200 over 2 years, do not accept that Medicare-approved drug discount card.

So we are spending an inordinate amount of time trying to overcome that negative publicity, those scare tactics in regard, yes, now with Social Security.

It is important and I really commend the gentlewoman from Kentucky for sponsoring this hour, for leading this hour so that we can make sure our colleagues understand that clearly it is time to do something about Social Security, and we cannot afford to put it off to the future.

Mrs. NORTHUP. Mr. Speaker, I thank the gentleman; and I want to yield to the gentleman from Indiana (Mr. CHOCOLA) to also discuss the trust fund and why we cannot wait and depend on the trust fund.

□ 2145

Mr. CHOCOLA. Well, Mr. Speaker, that is a very good question, and there

has been a lot of discussion about what is the trust fund. Does it have money in it? Does it have IOUs in it? Really, what does it have? And that question was presented to David Walker, who is Comptroller of the United States and responsible for the GAO.

In a committee hearing he was asked, how would you characterize the trust fund? And David Walker is one of the most honest, knowledgeable people I have ever heard talk about this issue. He is a Clinton appointee, but he does not talk about it in partisan ways at all. And paraphrasing his response, he said, well, the trust is less of a trust and more of an accounting device. It really is only pieces of paper in a filing cabinet. There is no marketable securities in there.

And I think his point was that we need to act now. Because in less than 3 years from now, in 2008, the baby boomers will start to retire. What we are faced with, in large part, is a demographic math problem. We have so many people retiring that we do not have enough people paying into the system to be able to provide the benefits for those collecting those benefits.

So that the trust fund itself, again characterizing the comments of David Walker, is that there are no assets there. There are only liabilities. They are IOUs that the government owes itself and that we must pay. We must find a way to live up to the promises we have made to current retirees and future retirees. But we are going to have to do it by thinking about alternative solutions. All the options need to be put on the table.

The fact is that one of the earliest lessons I learned in business was that balance sheets and income statements are fiction, cash flow is reality. The reality is that we have a cash flow problem. We do not have enough cash to pay the benefits, and we need to act now. As my colleague from Georgia said, if we fail to act, every year it costs us \$600 billion more and the options on the table become fewer and more painful.

And so we need to act now. We need to find a bipartisan way and we need to invite our colleagues, especially on the other side of the aisle, to be part of the solution, not just part of the problem.

Mrs. NORTHUP. Mr. Speaker, I also would like to address the trust fund issue. I often use as an example an analogy that most people in every home can understand. I would say if you came home from work every week and you put some of your paycheck in a cookie jar for your child's college education, and then you borrowed it and you took a vacation, you bought some clothes, you did whatever with it, and you left an IOU in the cookie jar, at the end of 18 years you would have a cookie jar full of IOUs with no assets to back those up. In a sense, you would have nothing more than if you had never had the trust fund to start with. It is nothing but an accounting tool that shows us how much has gone in.

Now, this is how it was from the beginning. It is possible if we could bring back the Congresses of 1945 and 1948 and 1950 and 1960 and 1967, we could ask them if they would like to rethink that, and if they would have wanted to put it in a trust fund and put it someplace where it would grow and get interest and so forth. But in the meantime, those Congresses, believing that it was important to build an educational system and so forth, they spent the money.

In fact, in 1967, when Social Security was fixed at one point, increased revenues, it supported the war in Vietnam and at the same time the Great Society. Unfortunately, those programs that were started at that time still are the responsibility of the generations that followed behind. So our children are not only going to have the responsibility of Social Security, they also are going to bear the responsibility of continuing these programs that our educational system is dependent on, that our health system is dependent on, and that our rural communities have depended on. It is part of the American foundation.

So that is an enormous responsibility, filling the necessary programs and at the same time paying Social Security benefits that should have been part of a trust but that are not. So the trust fund is not something that is going to be there for our children to depend on or for those that are about to be retiring. In fact, already Social Security is reaching across to the education programs, the health programs, and pulling those dollars back across into Social Security to pay out the old-age benefits that have been promised, and that of course we are going to pay.

So already we are feeling the pressure on all of the other programs that got used to depending on the Social Security surplus dollars. Each year that is difficult for us, but starting in 2017 not only will every Social Security dollar be absorbed in benefits that will be paid out, but also dollars that have come in in general revenues, that had been used to sustain our defense, to keeping our rivers going and our airports flying and all the other responsibilities that government has, they will have to be foregoing those dollars to pay Social Security benefits. And as more of the baby boomers retire, that gets into a deficit that is so steep it challenges this country for all the rest of the years without a fix in Social Security.

Mr. Speaker, I do see that my friend and colleague, the gentleman from Wisconsin (Mr. RYAN), has come in. I know that he has put forth or introduced a plan that has all of us very interested in that plan and how it would work. Maybe I could ask the gentleman to spend a little while telling us about his program.

Mr. RYAN of Wisconsin. Mr. Speaker, I would be glad to do so, but let me first thank my colleagues from Georgia, Indiana and Kentucky for talking

about this issue tonight. This is one of the most important issues facing our country, and it faces all generations; our seniors' generation, our worker generation, our children's generation and our grandchildren's generation.

We have one problem that my colleagues have done such a good job of talking about, which is the insolvency problem, that when we go from 3.3 workers paying for one retiree to 2 workers paying for one retiree, or put another way, when we go from 40 million seniors to 80 million seniors within one generation, it is bringing the system to insolvency. But the real problem starts not just in 2017 but in 3 years, in 2008, when the oldest baby boomers begin retiring. That is when the revenues coming into Social Security start going down. And in 12 years, we no longer have enough money coming in to pay off all the benefits.

But there is one more problem that is coming to Social Security that we also want to fix, in addition to making the program solvent, and that is we want to make this program generationally fair, and it is not right now. Take me, for example. My mom is 70 years old and she gets about a 5 percent rate of return on her payroll taxes that she paid when she worked. It is a good deal for current seniors. They are getting a relatively good market rate of return on their payroll taxes, 5 percent for a 70-year-old; even higher for an 80-year-old.

But for current workers today, based upon the payroll taxes they are now paying, they are getting anywhere from 1 to 1.5 percent. The average worker today gets a 1.25 percent rate of return on their payroll taxes. Well, when you take a look at my children, our children's generation, I have three little toddlers, right now, under the current system, they are scheduled to get today a negative 1 percent rate of return on their payroll taxes.

Now, why is that important? I would say it is important because 80 percent of the American worker pays more in payroll taxes than they even pay in income taxes. It is the biggest tax most Americans pay. When Americans take 12.4 percent of their wages and put it into this program and it is a program that they are not even getting a fair share on, we have to ask ourselves can we not do better? Can people get a better retirement benefit from Social Security if they could only grow their money, this 12.4 percent coming out of their paychecks, at a better rate of return, like current seniors are getting?

That is why when we talk about saving Social Security, we want to do more than what Congress has traditionally done in the past. What have they traditionally done in the past? Raised taxes or reduced benefits. Specifically, Congress has raised payroll taxes 22 times since this program began. The payroll tax rate was 2 percent in 1937. Today, it is 12.4 percent. So we could save this program with solvency by just raising taxes again or

reducing benefits. But if that is what we do, then that 1.25 percent that current workers are getting, and that negative 1 percent that our children will be getting, will just get much worse.

When you take a look at the pension plans around America, if you take a look at the Thrift Savings Plan that we here in Congress and other Federal employees have, which got us an average of 7.67 percent over the last 10 years; or if you take a look at most of the union pension plans, the Taft-Hartley plans, that got between 7 and 10 percent over the last 10 years; or if you look at the AARP's mutual funds, they have 35 bond and stock mutual funds that got on average about 7 percent over the last 10 years; and you look at the pension system, you say we can do better for workers today.

Why are today's workers only going to get a little over a 1 percent rate of return on their payroll tax dollars when every other pension fund, every other savings system out there does about 5 or 6 or 6 times that? So that is what we are taking a look at.

What I do in my bill is give people a choice. For those people under the age of 55, if they want to, they can dedicate a portion of their payroll taxes to their personal savings accounts. And we are not talking about privatizing Social Security. We are not even talking about partially privatizing Social Security. Because to privatize the program would be to let someone take a chunk of their payroll taxes and go outside the system, take it to their stock broker and do whatever they want with it. That is not what is being debated here. That is not what is on the table. That is not what is being discussed.

What we are talking about, whether you look at the Ryan-Sununu bill or any other bill in Congress, or the President's framework, what we are talking about is personal accounts that are inside of Social Security; that are run, overseen, managed, and regulated by Social Security, not Wall Street firms outside of the system. The vision that we have is to give people a choice of having a personal retirement account inside of Social Security, run by Social Security, just like the Thrift Savings Plan that we here in Congress have where we can get a better rate of return on our dollars. That is what we are planning on doing.

Now, the great thing that you can accomplish with personal retirement accounts is it can help bring solvency to the system and it can reduce the need to raise taxes or reduce future benefits. So what I would say is, the most humane way to save Social Security for future generations, to make it fair for our kids so they can get a similar retirement benefit like our seniors are getting today, and to bring the system into solvency and preserve the Social Security safety net, which we are all interested in continuing, personal retirement accounts are the most humane way to save the system. Because

without them, then you have to resort to steep tax increases or benefit reductions.

If we want to fix this problem right now, tomorrow, and just do it on taxes, what the Social Security trustees, what the actuaries tell us, is the payroll tax rate would have to go up 50 percent tomorrow, to 18.6 percent. So when you are looking at the fact that 80 percent of us in this country, the biggest tax we pay is payroll taxes, and you want to raise that 50 percent to solve this problem, we say no to that.

When you take a look at the benefits, if you want to do this just on benefits, we would have to reduce future benefits by 40 percent just to solve this problem for the three generations we have. But with personal retirement accounts, you can prevent those kinds of painful options and give people a chance of making their money work harder for them so they can actually accumulate real wealth and get a better benefit when they retire.

The added benefit of a personal retirement account also is that it is your property. It is part of the individual's property. The government cannot take it away from you. It is the ultimate lockbox. Because unlike today, where the government spends all the Social Security surpluses, raids the trust fund, the government cannot take your personal account away from you.

When I talk to constituents, one thing that surprises them so much is that they think that they have a personal retirement account already. When they get their statement in the mail from Social Security, it says here is what you are entitled to, here is what you paid into it. People think there is an account with their name on it with money in it waiting for them. That is not the case. Court case after court case, from *Fleming v. Nester* in 1960, the Supreme Court has continuously told us no American has a legal or a contractual right to their Social Security benefit. The only guarantee any American has to their Social Security benefit is whatever the 535 politicians in Congress in any given year decide it is going to be.

But with a personal retirement account, that is your money. That is your property. It is surrounded by private property rights that the government cannot take from you. If you die, it goes to your family. It does not go back to the government.

I take a look at my personal situation from my own life, because our lives shape our values, which shape what we do here. My father died when I was 16 years old. He was 55. I was a recipient of the safety net. The survivor benefits that I got from Social Security helped me pay for college and finance my education. My mom at the time had a choice to make. She could either keep the payroll taxes that she paid when she worked, and my mom was a stay-at-home mom for a number of years, but also worked at a hospital. So she paid a lot of payroll taxes. But

she had a choice when my dad died: Keep what she paid in her payroll taxes or not, and/or keep what my dad had paid in his payroll taxes. Not both.

She got a \$250 death benefit and then she had to give away all that money she paid in payroll taxes throughout her working career. She had to give that all back into the system and get the benefit based on my dad's payroll taxes. Under the personal retirement account system, especially for women who outlive their husbands, especially for any spouse who outlives the other spouse, not only would my mom be able to keep the payroll taxes she had always paid over those years for herself, she would also get my dad's personal retirement account on top of it.

So there are a lot of problems in the current system that I think a personal retirement account fixes, not least of which is inheritability. You actually own the fruits of your own labor and you own the account that you have in your name. The great thing that occurs in society by fixing Social Security this way, instead of going to the old-fashioned way of cutting benefits or raising taxes, is you broadly decentralize the concentration of wealth in America through personal retirement accounts.

□ 2200

Mr. Speaker, what do I mean when I say that. Under the Ryan-Sununu bill with accounts that we are proposing, where we have accounts and we keep the safety net of Social Security intact, we do not reduce benefits or raise taxes. According to the Social Security actuary, workers will have \$7 trillion in their personal retirement accounts within 15 years. That is \$7 trillion that every willing worker in America will have in their name as part of their property that they otherwise would not have. That is \$7 trillion that would have otherwise gone to Washington will instead go into workers' savings.

Half of America today is the investor class. Half of the households own stocks and bonds. What that also means is the other half of America does not. The other half of America are not members of the investor class.

With personal retirement accounts which come from the existing retirement accounts that workers already pay, the biggest tax that they pay, every willing worker will be an owner in our society. They will own a piece of America's free enterprise system. They will have a stake in our society, they will be an owner of real assets and real wealth. That is a good thing.

I would like to think from the left or right, Republican or Democrat in Congress, we can agree on a couple of notions, that to decentralize the concentration of wealth in America and to narrow the gap between rich and poor would be a good thing to do. That is exactly what would happen when we have personal retirement accounts as part of the plan to save Social Security. That is essentially what our bill does.

If Members have any other questions on the specific mechanics, I will be happy to go into them. I thank the gentlewoman from Kentucky (Mrs. NORTHUP) for talking about this issue. If we delay like the gentleman from Indiana (Mr. CHOCOLA) said, every year we delay, according to the trustees, not the Republicans or the Democrats, but the trustees, it is another \$600 billion of debt that we go into the hole. We owe it to our kids and grandkids not only to make this program solvent, but to give them a choice to have a system so they get an actual decent retirement benefit when they retire.

Mrs. NORTHUP. Mr. Speaker, I will give all of my colleagues a chance to respond to the presentation of the gentleman from Wisconsin (Mr. RYAN), and I thank the gentleman for his hard work. It is very difficult with all of the numbers and all of the actuarial work, and we are all very excited about this plan.

When the gentleman talks about the \$7 trillion that would accumulate in workers' accounts, it reminds me of how important in an economy it is to have a thriving middle class. Economies with a few rich and many poor do not thrive because there is not a majority of people with purchasing power. In my district we make refrigerators and dishwashers and Ford has a Ford Explorer plant. We need a huge middle class that can create demand and gain the benefits of that production.

Years ago when there was only a fraction of Americans that owned stocks, all they got was what they made when they went to work. They got paid by the hour, week, or the month. As the economy grew, only that 20 percent that owned stocks shared in the wealth that came from the growth of the economy.

When you start to have every worker start to own stocks and bonds, they get to share in the economic growth of this country so you increase the purchasing power of the middle class. So you not only allow every single worker to increase the fruits of their labor; you also create an economy that is vibrant and exciting.

Also as we have more seniors that retire, it is important that they maintain their purchasing power. If our seniors wind up with the lowest amount of dollars that they can spend, they will not be able to participate in growing our economy. So the benefits of every single person growing a nest egg, a nest egg that they can count on and pass on to their children, that they can watch and understand what it means to the relationship between their job and their future when they retire is hugely important. We thank the gentleman.

Mr. Speaker, I yield to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. RYAN). I think the Ryan-Sununu plan is one that excites me. There are several others out there, but one thing that the gentleman from Wisconsin

(Mr. RYAN) said that we need to emphasize, he is explaining that if we totally, completely say that an individual personal account, not privatization but as he has explained it, an opportunity to invest a portion, just a portion of that payroll tax in something like a thrift savings plan, if we completely rule that out as our friends on the other side of the aisle have done in both Chambers, drawn a deep line in the sand and said no, not only no, but heck no.

But when we say show us your plan, what do they do, they hold up a blank sheet of paper because they do not want to admit what the gentleman from Wisconsin (Mr. RYAN) just pointed out, alternatives are to raise the payroll tax or to decrease benefits or raise the age at which a person can receive full benefits. Let us say because people are living longer and are healthier, let us say full retirement is 75 and early retirement is age 70, so it is important that people understand.

We are not ruling out anything on our side of the aisle. We do not have a plan set in stone, but clearly this option of an individual personal account enjoys, like no other fix, the miracle of compound interest. Einstein, when asked what the greatest power on Earth was, everyone expected him to say atomic energy, but he said the miracle of compound interest. I think the gentleman is on the right track.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman. Also, there are some fiscal issues that we need to talk about. There are some real misnomers out in the press. The trustees of Social Security have told us that the long-term debt, the unfunded debt we would owe to Social Security, that we would have to put aside today to keep it going into the future, is \$11.1 trillion. Add to that the \$1.7 trillion in unfunded IOUs we have in the Social Security trust fund, and it is not an asset, it is a debt, that is over \$12 trillion we are short of money we would need to keep Social Security going at the current level where my kids get a negative 1 percent rate of return.

If we come up with a plan to save the system that has a personal retirement account as a part of it, and any borrowing or cost associated with transitioning from the current system over to a saved system, that cost is not new debt. Many people say that the Bush plan costs \$2 trillion.

Well, that is not true; but, nevertheless, because there are not enough specifics to even analyze that plan, it is a framework, but let us take that at face value. The Bush plan costs \$2 trillion to have personal retirement accounts that are voluntary. To bring the system into permanent solvency, \$2 trillion wipes out that \$12 trillion in debt. So if we are talking about debt that is incurred to save the system, that is not new debt; that is taking debt that is hanging out there on top of the American people, recognizing it and paying it off today, just like you refinance your mortgage but paying it off at a



smaller digestible level, and leaving the country debt-free with a better Social Security system that is guaranteed and gives people better benefits when they retire. It is a really important point that I think is missed a lot in the debate up here.

Mrs. NORTHUP. Mr. Speaker, that is true and certainly in an accounting system, no one would approve an accounting system where the assets that are coming in are going to have to meet future liabilities without also accounting for those future liabilities. If you can reduce a 10 or 11 or \$12 trillion liability to a \$2 trillion transition, that you incur as a transition, what you have done is overall reduced liability to our children and grandchildren. That is an excellent point.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. CHOCOLA).

Mr. CHOCOLA. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. RYAN) for his leadership on this issue. He has provided a lot of great ideas and leadership throughout this body.

Just to reinforce a couple of things, as the gentleman from Georgia said, Albert Einstein said the greatest force in the universe is compound interest. And I would argue the second greatest force in the universe is ownership. I saw that firsthand in my private life. Before I was a Member of Congress, I ran a publicly traded company. We had a 401(k) and a profit-sharing plan. People who lived paycheck to paycheck, that one might not consider to be financially sophisticated, they would come into my office and say, How much management fee would I pay on that? What was the last 5-year return? How should I think about my risk tolerance?

Mr. Speaker, when people are given ownership of their own money, they become real smart. It was commonplace for people to retire after a 30- or 40-year career, to retire as hourly workers with \$300,000 or \$400,000 in a retirement nest egg. So they were proof that one of the most powerful forces in the universe is compound interest.

Those that criticize the gentleman's plan who say we would put at risk guaranteed benefits, I think it is an important point that the current system has zero guaranteed benefits. None of the benefits are our property or have our names on them, and having millions of small lockboxes with our names on them is the only way we can guarantee benefits for future retirees.

Finally, the transition financing issue. Part of the gentleman's plan is to pay transition financing through savings in government, slower growth in government, which is a great idea. But even if we had to borrow the money, every public company uses what is called accrual accounting, that you have to identify and state on our financial statements liabilities as they are incurred. We use a cash basis in government, and we identify or recognize those liabilities when we write the check.

If we are going to have truth in accounting, we have to stand up and say this is an unfunded liability that is already an obligation. So paying off our mortgage early as the gentleman pointed out is the responsible thing to do and in fact results in a lower financial obligation long term. That is how we get solvency and act responsibly, and I thank you for your leadership.

Mrs. NORTHUP. Mr. Speaker, I see that the gentleman from Georgia (Mr. KINGSTON) has joined us, and I yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I want to make a couple of points. Number one on the compounded interest, at one of my 16 Social Security town meetings, a woman from Douglas, Georgia, came up to me and said, as I got a little older, in 1989 I started saving \$200 a month. Compounded daily, that money is now worth \$320,000. That is the miracle that Einstein was talking about.

I also wanted to bring out one point here. We focus so much on solvency, but there is also a generational fairness issue, and that is best shown if we think about somebody retiring in 1980, they got all of their money out of Social Security in 2.8 years. If you retire in 2003, it will take you 17 years to get your money back. If you retire in 2020, it is worse than that, it is more like 21 years. One of the things that we have is a solvency challenge, and we also have a generational fairness challenge.

Finally, I want to make the point that we are Republicans. We are the majority. It is going to be a little more difficult because we have to govern and come up with ideas. And it is easier if you are in the minority party to just sit back and criticize and live out there and tell people there is no problem with Social Security. The reality is we need and we want Democratic ideas. I think Social Security should be bipartisan and it should transcend the next election, and you should get the best ideas of the Democrats and of the Republicans, and move forward with the best.

I was disappointed to learn that the meeting which some of us are going to be participating in tomorrow, the bipartisan meeting, now the gentleman from California (Ms. PELOSI) has said to her Members that they cannot go to it.

□ 2215

And I think of the bipartisan meeting that we are going to have with the AARP, an equal number of Democrats, equal number of Republicans, that we now only have two Democrats who are going to go even though others said, yes, we will go, this time works for us.

So I am hoping that the gentleman from California (Ms. PELOSI) and the Democrats will back off their extreme obstructionist position and allow Members to sit down and negotiate with the other party and try to come up with ideas, because that kind of partisanship, that kind of silliness,

that kind of bitterness is not going to help our seniors and our future generations.

So I am looking forward to this meeting. I know the gentlewoman from Kentucky (Mrs. NORTHUP) is going. I do not know if all of my colleagues here are going or not, but we would like to have everybody in attendance there.

Mrs. NORTHUP. Mr. Speaker, reclaiming my time, let me just reiterate what the gentleman said. How important it is and how thrilled we would be to have more of the Democrats there. First of all, I want to thank the Democrats who are still committed to come to it. I am eager to meet with them. I remember when I was in the Kentucky legislature in 1990, that we had education reform and I was in the minority and I was one of the Republicans that reached across the aisle and joined the majority party in passing educational reform. It just had a profound impact on education. It was one of the first systems that had an accountability system where we tested and held schools accountable.

It is thrilling when something happens, where people put party aside and step forward and pass something that will make generations of differences. And I am so excited that AARP is going to be part of a meeting, a bipartisan meeting. I am thrilled that two of our Democrat colleagues are eager to come. I know my colleagues here share my eagerness to hear what they have to say and start to look for common ground. I hope they will prevail upon some of their other members that this is bigger than a party thing. It is really something that is important for the future of our country, and I believe that it could still be quite a successful meeting.

Mr. CHOCOLA. Mr. Speaker, if the gentlewoman would yield, I just go back to the eighth graders I visited last week in Culver, Indiana. And I do not know if they remember that I was there a week later. But I guarantee in 20 years they will remember that I was there and they will look back and say, "That darn Chris Chocola, he was part of a Congress that could not get above the political rhetoric, could not put partisan politics aside and solve this problem for me and my family"; or they will think back and say, "Finally somebody did the responsible thing and I do not have to pay for the inaction of a Congress that was elected to make sure I did not have to pay the bill when I grew up and I was trying to grow my family and grow my career."

So I think that we should always keep in mind when we have these discussions those eighth graders and what they are going to think about us in 20 years, because, after all, that is what this is about. It is about the future of our country. It is about giving future generations the opportunity to enjoy some of the same benefits and opportunities that we have all had, that our parents have had, and if we do not act responsibly, I am afraid that those

eight graders will certainly recognize that and hold us responsible, as they should.

Mrs. NORTHUP. Mr. Speaker, reclaiming my time, I know our time is about up. So let me start by yielding to the gentleman from Wisconsin (Mr. RYAN) to see if he has any final thoughts or anything he wants to say in conclusion.

Mr. RYAN of Wisconsin. Mr. Speaker, only that I think it is very important that we come together, bring our ideas to the table, and fix this problem. We cannot keep kicking the can down the road. We owe too much to our kids, and just the numbers are so overwhelming. When we in one generation are going to double the number of retirees we have in this country, followed by fewer workers paying into the system, it is a system that cannot sustain itself. That is why we have got to fix this.

Social Security, I would argue, is the most successful and important program ever devised and created by the Federal Government. It has done wonders keeping people out of poverty. It is too important to let it fail and fall because of partisan politics. We have got to fix it for our kids and grandkids.

Mrs. NORTHUP. Mr. Speaker, reclaiming my time, let me close by thanking my colleagues who are here tonight. The gentleman from Elkhart, Indiana (Mr. CHOCOLA) has been a friend who has been on the floor. We have had opportunities to discuss this previously, and I know we will be back for future opportunities. And the gentleman from Georgia (Mr. GINGREY) has been a great leader on this issue. He is so thoughtful and so articulate on it, and I know that Americans around the country that heard him tonight were inspired. And, finally, the gentleman from Georgia (Mr. KINGSTON) is a leader in our caucus, and we depend on his advice and his leadership, and he has made a huge difference.

And we look forward to joining our fellow Americans around the country to continue these conversations in the future.

#### THE BUDGET

The SPEAKER pro tempore (Mr. GOHMERT). Under the Speaker's announced policy of January 4, 2005, the gentleman from South Carolina (Mr. SPRATT) is recognized for 60 minutes as the designee of the minority leader.

Mr. SPRATT. Mr. Speaker, more than a month ago, the House and Senate passed budget resolutions both on a fast track. Our hearings were minimal, ostensibly to finish up for the Easter break.

But this year's budget has become the classic case of hurry up and wait. Only yesterday, a month after finishing the budget resolution, did the House finally appoint conferees, and today we held the first and only meeting of the conference committee. We held that meeting amidst reports that agreement on the conference report

was almost already a done deal. So the meeting was a formality, a gesture to lend some sort of collaboration to the budget process. But there has been no collaboration, and the budget resolution said to be emerging from conference does not reflect the resolution that we would pass if we were full partners in this process.

This year the Federal Government faces a deficit estimated at \$427 billion, the third record deficit in a row. With deficits of this size, \$427 billion, rising and never ending, the budget should be used to make the bottom line better, not worse. But the budget coming out of this conference does just the opposite. The President's budget, the House Republican budget, the Senate budget all make the deficit larger, not smaller.

The House budget makes the deficit \$127 billion worse than current services. The Senate budget, Republican budget, makes the deficit \$217 billion worse than current services.

I acknowledge, I will give the Republicans their due, both houses. They have searched the budget for programs to cut, and they have come up with some significant cuts. Medicaid, \$20 billion; student loans; pension benefit guarantee premiums; probably the earned income tax credit, food stamps, maybe veterans benefits.

But these cuts do not go to the bottom line. That is the dirty little secret. They do not go to the bottom line and diminish the deficit. What they do, partially at least, is offset their tax cuts because even though the budget is \$427 billion in deficit, Republicans are still pushing for more tax cuts, knowing full well that it can only make the bottom line worse, the deficit larger.

I think it is fair to ask can we fund the government if we have massive deficits and yet keep on cutting taxes? Obviously one way is to use the payroll taxes in the Social Security surplus to make up for the income taxes that are lost to tax reduction. And, in fact, that is just what the Republicans do. They use the payroll taxes that are accumulated in the Social Security surplus to make up for the income taxes lost to tax reduction.

As the next chart shows, the chart I have right here shows, they spend 100 percent of the Social Security Trust Fund surplus not on benefits but on everything in the Federal budget, 100 percent of it not just this year, 2005, 2006, but every year in their 5-year budget. I know that a government bond is placed in the trust fund for every dollar that is taken out of it, but I also know that President Bush went to West Virginia a couple of weeks ago and disparaged these bonds as mere IOUs, just scraps of paper.

Mr. Speaker, I do not believe that Social Security is in what one would call a crisis, but I do believe the actuaries at Social Security when they tell us that it may be faced with insolvency as early as 2041, and I believe we should do all that we can, as soon as we can, to

remove that risk. But until we have a solution in place, a grand solution that returns the program to assured solvency for 75 years, surely we should do no further harm. Yet in raiding the Social Security Trust Fund of \$160 billion this year and more in subsequent years, the Republicans' budget does just that, considerable harm. This is not a step towards making Social Security solvent. It is a long step backwards.

This budget is also a long step backwards for programs that Americans depend upon: education, veterans health care, environmental protection, medical and scientific research, and on and on down the list. On the discretionary side, the money we are appropriating, 13 bills every year, the House resolution cuts nondefense discretionary spending, domestic discretionary spending, by \$12 billion in 2006 and by \$150 billion over the next 5 years below inflation. The Senate's resolution is a bit lighter. It cuts spending next year by \$6.3 billion and by \$128 billion over the next 5 years.

On the mandatory spending side, which some call the entitlement side, the House budget resolution directs nine committees to come up with mandatory spending cuts and reconciliation procedures that will total \$69 billion over 5 years. The Senate, more moderate, calls for \$17 billion in reconciled cuts.

These reconciled cuts that our committee issues to different committees of jurisdiction in the House and Senate do not designate or specify how they shall be achieved, but the jurisdiction of each committee suggests exactly what is likely to be cut. The House resolution, since it is directed to the Committee on Energy and Commerce, for example, will likely fall on Medicaid; and since it is directed to the Committee on Agriculture, it will likely fall on food stamps; and since it is directed to the Committee on Education and the Workforce, it will likely fall on student loans or other income security; and since it is directed to the Committee on Veterans' Affairs, on veterans benefits. It is also directed to the Committee on Ways and Means. That means it is likely to fall on something we call the earned income tax credit, which is tax relief for the working poor, the people who need it the most. Or it could fall on welfare for the most disabled, those who have nowhere else to turn and rely upon a program called SSI, Supplemental Security Income.

These cuts are likely as a result of the reconciliation instructions in the budget resolution, even though the President did not call for them in his budget resolution and they are not included in the Senate budget resolution.

The Senate also, enough Senators got their backs up and said the Medicaid program is too important to people for whom it is health care of last resort and we simply cannot blindly whack \$20 billion or even \$10 billion out of the program. If we want to reform it and