

the trust fund by 2003, 15 years earlier than currently projected.

Moreover, under President Bush's plan, seniors will be forced to rely on private accounts that rise and fall with the stock market, thereby leaving their retirement security vulnerable to fluctuations in the market.

This program is too important to gamble with a volatile stock market, and Social Security must continue to be a vital safety net in the future. We must do everything possible to ensure it survives to provide benefits for all Americans.

SOCIAL SECURITY

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

Mr. PALLONE. Mr. Speaker, to my great disappointment, President Bush, with the assistance of the gentleman from Texas (Mr. ARMEY) and other Republicans, are promoting Social Security privatization. This includes replacing all or part of the current Social Security program with a system of individual retirement accounts which diverts funds from Social Security, and thus transfers investment risks from a pool of all workers to the individual.

All of the evidence shows that plans that allow people to divert part of their payroll taxes into private accounts makes Social Security's financing problems worse, not better. If some of the funds coming into Social Security over the next 75 years are diverted away from the program and into private accounts, then even more funds will be needed to pay for future Social Security benefits.

For example, if 2 percentage points of the current 12.4 percent payroll tax were diverted into private accounts, then the Social Security trust funds would be exhausted in 2024, 14 years earlier than is now expected. In short, if funds are diverted away from the Social Security program as it currently exists, the changes that are already needed to return Social Security to fiscal soundness will have to be more severe.

Mr. Speaker, Congress really should strengthen and protect a guaranteed benefit for seniors, for survivors, and for those with disabilities. Today, individual benefits are dependable and determined by law, not the whims of the stock market. This guarantee must not be changed, and Social Security must not, under any circumstances, be privatized.

Mr. Speaker, I would like to highlight that the Republican budget uses Social Security to pay for large corporate tax breaks. For example, there are 136,559 American workers earning \$30,000 a year who are paying 6.2 percent in FICA taxes. This money goes into the Social Security trust fund, from which the Republicans have now

diverted, in the budget, \$254 million in tax breaks to Enron; and that is Enron, I am talking about.

Now, we know that Enron is bankrupt. Does that mean that the corporate tax break goes back to the trust fund where it belongs? No, not at all. It will go to other corporations instead. By using the Social Security trust fund to finance corporate tax breaks, Republicans are breaking the promise that the government makes to working families.

Mr. Speaker, Social Security will continue to run an annual surplus this year and for the next 14 years. The program is solvent until 2037, at which point the trust fund will be exhausted and incoming revenues will meet only about three-quarters of benefit obligations.

But privatization is sure to harm only the solvency of Social Security, which will mean that the current and future beneficiaries would face benefit cuts, survivors and the disabled would lose their secure pensions, and the retirement age would have to increase. Overall, the Social Security system that our seniors have depended on for over 65 years would quickly erode away.

Mr. Speaker, I do not think that the American people realize what the effect of this Republican privatization proposal means. It means that it is going to be more difficult for Social Security to remain solvent over a longer period of time, and with these kinds of benefit cuts and increases in the age for eligibility, all these things will result from this Republican privatization proposal that they have put out there.

It is amazing to me that they continue to talk about it, they want to bring it up in committee, and they want to bring it to the floor. I think ultimately their goal, obviously, will be to destroy Social Security. I want to stress, as a Democrat, that Democrats are not going to stand for throwing away Social Security. The American people should not stand for it.

Democrats are going to be talking about this crazy privatization proposal by the Republicans for many days because we do not want it to happen, and we feel it is very important that we shed light on what is really going on here and what the Republicans have in mind with privatizing Social Security.

SOCIAL SECURITY

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentlewoman from Illinois (Ms. SCHAKOWSKY) is recognized during morning hour debates for 5 minutes.

Ms. SCHAKOWSKY. Mr. Speaker, we could have no higher goal than to protect and improve the financial security of retirees, survivors, dependents, and disabled workers.

For 67 years, Social Security has been the bedrock of that security.

Nearly 46 million people living in one out of every four households in this country today receive monthly benefits from Social Security. Social Security provides critical insurance protections against the future loss of income due to retirement, death, or disability for 96 percent of all workers, their spouses, and their children. Social Security provides over half of the total income for the average elderly household.

For one-third of women over age 65, Social Security represents 90 percent of their total income. Without this program, half of older women in this country would be living in poverty.

It is our responsibility to ensure that the Social Security program guarantee is here today, tomorrow, and for generations to come. It is our job, as elected officials, to enact the policies needed to maintain that guarantee and to reject policies that undermine Social Security; it is not our job to spend taxpayer dollars to send out worthless paper certificates designed to provide a false sense of security to American seniors and their families. We should not be engaged in a public relations campaign, but rather in a serious policy discussion that lets us debate how best to continue the Social Security commitment, to guarantee lifelong and inflation-proof benefits.

I understand why the Republican leadership may want to delay that debate until after the next election. I can understand why they want to distance themselves from recent history.

First, there is the budget record. Despite all the rhetoric about putting Social Security revenues in a lockbox, the lock to that box has been picked by Republican budgets. It is true that the lockbox resolution passed in the House provided certain exceptions, such as war or recession, but it is not true that one of those exceptions was providing tax breaks to the wealthy. The Congressional Budget Office has indicated that the single largest factor in the disappearing budget surplus is last year's tax cut.

As Members know, the Congressional Budget Office has estimated that even without new taxes or spending, we will take \$900 billion from the Social Security trust fund over the next 9 years. Now President Bush is proposing new tax cuts of \$675 billion over 10 years and \$343 billion to make last year's tax cuts permanent, most of which go to the wealthiest, money that will come out of Social Security and Medicare.

The Bush budget proposes to take \$553 billion of the Medicare surplus and \$1.5 trillion of the Social Security surplus over the next decade, and I doubt that any certificate will assure senior citizens that Social Security solvency is a priority, given those figures.

Second, there are those unfortunate statements by Treasury Secretary O'Neill.

Last May, in an interview with the Financial Times, Secretary O'Neill stated that "Able-bodied adults should save enough on a regular basis so they