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

H.R. 4921 AMENDING TITLE 38 TO ENSURE THAT ALL VETERANS EXPOSED TO IONIZING RADIATION ARE CONSIDERED IN FULL FOR THEIR DISABILITY CLAIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I am introducing a bill to enable veterans exposed to radiation to be considered for medical assistance without regard to their particular level of exposure. The bill, also, expands the definition of radiation-risk activity to include veterans exposed to residual contamination.

The destroyer U.S.S. Brush entered the waters of the Kwajalein Atoll in the Marshall Islands, an area contaminated with radiation from a large number of ships that had served as targets during two atmospheric nuclear tests. Crew members of the U.S.S. Brush ate fish and drank water distilled from the bay and crew members made trips to the target vessels to retrieve souvenirs. There was no dosimetry data collected on the U.S.S. Brush or at the Kwajalein Atoll to determine levels of exposure. No safety precautions were taken to prevent exposure and the crew was unaware of the dangers of ionizing radiation.

Veterans who served on the U.S.S. Brush now suffer from a number of diseases that can be linked to radiation exposure. However, their disability claims have repeatedly been denied because they were not onsite participants in an atmospheric nuclear test and they were exposed to low levels of ionizing radiation.

Congress has assisted veterans exposed to radiation in the past. In 1988 Congress passed the Radiation-Exposed Veterans Compensation Act (PL 100–321). This law covered veterans which participated in a radiation risk activity. The law has three definitions of radiation risk activity. They include: onsite participation in a nuclear detonation, occupation of Hiroshima or Nagasaki, Japan, by United States forces during the period beginning on August 6, 1945 and ending on July 1, 1946, and internment as a prisoner of war in Japan during WWII which resulted in the opportunity for exposure to ionizing radiation comparable to that of veterans occupying Hiroshima or Nagasaki. Clearly, this language does not cover those veterans exposed to radiation while in the service of their country.

VA claims that lab tests on these veterans show that levels of residual radiation are not sufficient to sustain their claims for disability. However, these dose levels were based on lab tests, not data collected on sight at the Kwajalein Atoll. This is important because Congress has previously concluded that determining the level of exposure, unless collected onsite, is a futile exercise. Disability claims must be considered without regard to whether any particular level of radiation was measured for that individual especially when exposure is not denied.

Congress must act to ensure that veterans exposed to ionizing radiation either on site or residually be considered for benefits. Without this legislation radiation exposed veterans do not have a realistic chance of proving their disability claim. I urge my colleagues to support our veterans by co-sponsoring this bill.

NIGHTSIDE CHAT

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

Mr. MCINNIS. Mr. Speaker, first of all, I would like to go basically over what the comments that I am going to make this evening, but I guess it would be appropriate to make a couple comments about this weekend back in Colorado.

First of all, I would like to express deep appreciation for all the firemen and the firefighters that are so courageously fighting the forest fires that we have out there in Colorado.

As many of my colleagues know, my district is the Third Congressional District of the State of Colorado. That district geographically is larger than the State of Florida. It is essentially all the mountains of the State of Colorado. As one can guess, it is the highest district in the United States. So we have a lot of lightning strikes and so on.

We do have a major fire down at Mesa Verde National Park down at the Four Corners of Colorado. Right now it has consumed about 17,000 acres. The conditions are very tough to fight the fire. But we have got a lot of volunteer firefighters. We have a got a lot of volunteers from the community. We, of course, have our own fire fighting teams. We have got the bombers in there. We have got the helicopter pilots. We just have a lot of cooperation out there in Colorado. So I thank my colleagues for their expressions of support, and I do want to express my deep appreciation for all of the people out there in Colorado who are helping get an upper hand on the fires right there in their Third Congressional District.

Second thing I would like to mention to my colleagues before I go into my comments, and that is I had the privilege Friday of speaking at a service for a Colorado State patrolman, Captain Fred Bitterman. Captain Bitterman was a well-respected officer of the Colorado State Patrol.

I used to be a police officer. I used to know the captain. Of course, I was not on the State Patrol. I was a city police officer.

The service was a very moving service. He has a wonderful family. His commitment to the State of Colorado, his commitment to the Colorado State Patrol, his commitment to his friends, his commitment to the communities was all well represented at that service.

We are going to miss him. The captain did a good job. He was a very, very good man. I have entered into the CONGRESSIONAL RECORD a congressional tribute in honor of the service that he gave to us. He will be sorely missed.

Mr. Speaker, this evening I would like to address three fundamental subjects, and they are fundamental especially for the younger generations of this country. For the people that are, say, below 45, 45 and under. We hear a lot of discussions going on, but what is the real focus for the future?

There are three items that I would like to talk about that I think focus on the future that our young people that are under 45 years of age should take special interest in, because I think our generation over 45 years of age owes something to this generation, not owes in the way of a giveaway, but owes in the way that we have a responsibility to move this country forward in such a fashion that these three elements have some sense of protection or some sense of right direction for the generation that follows us.

The first topic that I am going to visit with tonight is this death tax. Then I am going to move from the death tax into the marriage penalty. Then from the marriage penalty, I would like to talk about Social Security. In all three of these areas, there is a distinct difference between what the administration, President Clinton and AL GORE, are advocating and what is being advocated by the Bush team. I think it is fair to reflect on those this evening when I have these discussions with my colleagues.

Let me first of all begin on the death tax. As my colleagues know, I have spoken several times on this House floor in regards to what that death tax does and how devastating it is in this community. What has been of interest is the people opposed to this, including the Clinton administration, and, by the way, I refer specifically to the administration's policies, because I want my colleagues to know here in the House of Representatives we actually had 65 Democrats who voted to eliminate the death tax. So here in the House we have had a bipartisan effort, both Democrats and Republicans, going out there and recognizing just how punitive, how punishing the death tax is.

Well, since the debate started taking place on this several weeks ago, I have noted a number of different comments in our national press. One thing that is of special interest, I think, or a counterpoint I guess one would make, my point being that the death tax is devastating for a community as a whole; and the counterpoint that is being put out there by some of the liberal media writers I guess one would say is, wait a minute, all this does is favors the wealthy in this country.

Well, I want to talk about what I call the trickle-down impact of what that death tax does, not only just in a community, but what it does to family farms and family ranches.

For example, right here, we will have a family ranch. Now, I can tell my colleagues that most working ranches, at least the ones I am familiar with, and I have been on a lot of ranches in my career, but most of the family ranches that I am familiar with in Colorado are what we call working ranches. What we mean by a working ranch is that the family actually has to make a living off the ranch. They do not own the ranch for the beauty or the esthetics of having a ranch. They own it because that is how they provide a living for their family.

One of the assumptions that is being made by some of the opponents of this, including the Clinton administration, who seems to think that if one owns a ranch in Colorado or a ranch in Wyoming or a farm in Georgia or a farm in Kansas, that one automatically should be classified as the wealthy people of this country and one should be punished upon the event of one's death.

In other words, the Clinton administration says that death is a taxable event. In fact, the Clinton administration feels so strongly that death should be a taxable event that this year in President Clinton's budget that he has sent to us, the administration's budget, they actually call for an increase in the death tax, an increase in the death tax.

We clearly, including the Republicans and 65 Democrats, have a fundamental difference with the administration Clinton-Gore in that we do not believe that death should be a taxable event.

Well, let us go back to that working family or working ranch out there in my district since that is where I am the most familiar. Some of these people are saying, well, you go out there and tell these people to buy life insurance, you know, go out, and that way, when they pass away, because the government, frankly, the administration has pushed this as a taxable event, why you will have the life insurance. Upon the death of the owner of the ranch, why it is no problem. The life insurance pays the government these taxes.

Well, do my colleagues know what? That is based on an assumption that these working family farms and ranches in Colorado and elsewhere in this country make enough money to pay the premiums to buy the life insurance. Do my colleagues know something? Most of the farmers and ranchers that I know in my district no more have the money which would be, by the way, several tens and tens of thousands of dollars at a minimum every year just for the premiums, they no more have that money than they do extra cash in the bank.

What happens when one keeps this death tax? Oh, sure, one may think that one is going after the Rockefellers or the Carnegies or the Kennedys or the people like that, the Forbes or the Gates in our country, but, in fact, those are the families who have their money and the resources to do estate planning. They have their foundations and so on. So one would be surprised at the minimal impact there is on those families.

Where the impact is is these families that have, for example, as one says, has land, and they work it as a ranch in Colorado, but when they die, the land all of a sudden which has appreciated in value, after all, the one family I am speaking of, they have had the family ranch for 125 years, there has been an appreciation in that 125 years.

Well, what happens? The only thing that can possibly happen is that that ranch is going to cease to exist. There is no choice. The death tax is devastating on family farms and family ranches in this country.

Is this country not in the business of encouraging family farms and family ranches from going from one generation to the next generation? Is that not what our policy should be? Should not we stand up and say, hey, in America, in America, we want these farms to go from one generation to the next?

But that is not what is happening in this great country. What is happening in this country is, as long as we have that death tax in existence, we are discouraging, not encouraging, we are discouraging the possibility that that family farm will pass to the next generation.

☐ 1915

And is that really the policy that we want? Clearly, some of my colleagues over here, who have supported the Gore/Clinton policy, actually want an increase in the death tax. They support that budget. But 65 of the Democrats and all the Republicans have said, wait a minute, we should be, in this country, in the business of encouraging that this goes from one generation to the next generation.

The other thing that I want to bring up that is being widely ignored by the critics and the media, who are criticizing us because we are saying that death should not be a taxable event, the media that is criticizing us for saying that death should not be a taxable event are ignoring something. They keep coming out and saying this is for the wealthy. Well, take a look at what it does to a community.

For example, I know a small community in Colorado where there was a fairly wealthy individual, the person was a millionaire in that community, and upon his untimely death the Government came in and taxed his death. And what did they do with that money? Did they keep it in that small community? Of course the Government did not allow that money to stay in the community. It was not enough for the Government to take it away from someone they said was a wealthy person; and by the way, to qualify for that, if someone is a contractor, for instance, all they have to really do is own a bulldozer, a dump truck, and a backhoe and they have to worry about estate taxes.

Let us look closely at that logic. Citizen A is very wealthy. Let us follow the logic. Now, I do not agree with the logic, but let us follow the logic some of my colleagues have. Their logic is just simply because the person is wealthy, based on that fact alone, just because they are wealthy, we should tax them on their death. Well, if we follow that logic, then we should say, okay, tax the wealthy person, punish them, go after them simply because they are wealthy.

Then what is done with the money? As my colleagues know, this money does not stay here in the community. It does not stay in this community and continue to go to the local church, or charities or help provide jobs or create capital or create investment in that community. That money is sucked out of that small community; and it all goes east, to Washington, D.C., where the bureaucracy takes it and redistributes it, takes the money from the small communities, whether in Kansas or out in California or up in Wyoming or Montana or Idaho, takes the money from those death-taxed estates and takes it out of those communities and ships it to Washington, D.C., back here in the East, and then it is redistributed. And that has a very negative impact.

What these editorial writers who support the death tax, what they should put in their editorials is not what it does to the wealthy family, although in fairness they should say what it does to a small business owner or a rancher or a farmer; but they ought to be fair and talk about what happens to that next generation. They also ought to be fair to the rest of the community where that individual lives and talk about what happens to that community, especially a small community where that money is sucked out of the community and sent to the East. Obviously, it has a very negative impact.

I thought I would bring up a couple articles here and read them for my colleagues. I do not like to read verbatim, but I would just like to just speak to these because I think these are important.

Every June for the past 8 years Jeannie Mizell, owner and manager of Mizell Lumber & Hardware Company, has sent the Government a check for $19,000. She will have to continue to send that check for the next 7 years. This money is not income tax on profits; the money is because the company is profitable. It has been in business for 78 years, 78 years in that community and in her family. It is the price that she is being forced to pay by the Government because she inherited the hardware store from her father and her mother.

''It is not a very pleasant feeling to get that letter in the mail every May,'' says Mizell, speaking of the Federal death tax bill. ''My father, who joined with his father in the family business in 1947, worked very hard, 6 days a week for 37 years, and he paid his taxes every year on time. He did not owe any past taxes and he should have been able to keep the money he accumulated and pass it on to the next generation so that our generation could have an opportunity to have the lumber company and the hardware company.''

Instead, after her parents died, the Federal Government steps in and nails them with a death tax of over $300,000; with another $45,000 which had to be spent by Mrs. Mizell just to get the appraisal done of the lumber company so the Federal Government could figure out just exactly how much money they wanted out of that estate. That is what the death tax does.

By the way, this is not Home Depot we are talking about. This is a small family hardware and lumber business. This is what is being punished out there. If my colleagues think Home Depot is going to suffer as a result of the death of one of their founders, they are not. They have got the planning; they have the resources to plan for it. It is the small lumber companies, the small families in small-town America that is being punished by these death taxes.

Here is another one. ''My name is Leanne Ferris. My family lives in the central part of Idaho. Our family's cattle ranch is 45 miles northeast of the Sun Valley area and the Lost River Valley. The ranch consists of 2,600 deeded acres and a cow-calf operation with 700 head of cattle.

''My youngest brother, Ross, lives with and manages the ranch with my mother. Although I'm still very involved in the ranch, my husband and I also operate a design business in Ketchum, Idaho. My brothers and sister and I all grew up working alongside my mother and my father and my grandfather. We worked weekends and holidays and summers branding and moving cattle, riding the range and fixing fences. We didn't have a lot of material things, but we had our family, we had the land, and we had the lifestyle.

''On October 5, 1993, my father was accidentally killed when his clothing got caught in a farm machine. He was 71 years old, and he was very healthy. He worked from dawn to dusk and he loved the land. He loved his family. We all worked as a team. We were always a very close-knit family and the hub of our family was my father and our ranch.

''Even though my brother Jack and my sister Cary and I do not live there anymore, we all go home, along with the grandchildren, to help with the seasonal work. My daughter and I take as much time off in the summer as we can so that we can work at the summer cow camp in Copper Basin moving the cattle. My mother puts on a lot of church and community picnics and barbecues down by the swimming hole. Every June our family enters the local parade with a float representing our ranch, and all our other ranchers and their families in the valley do the same. Last year, the theme for the parade was the Mackays Heritage Ranching Mining and Logging.

''My father's death was the most devastating event any of us had ever gone through. The second most devastating event was sitting down with our estate attorney after my father's death. And I will never forget what the attorney said. 'There is no way you can keep this ranch. Absolutely no way.' Still in shock from the accident, I asked, 'How can this be? It's our ranch. We own the land. We've paid the taxes. We have no debt. We just lost our father, and now we're going to lose the ranch, the very thing which was the centrifugal force of keeping our family together along with our father?' our attorney proceeded to pencil out the death taxes that would be due after my mother's death, and we all sat back in total shock. It had taken my grandfather and my father their entire lifetimes to build up this ranch.''

Let me repeat that. ''It had taken my grandfather and my father their entire lifetime to build up this ranch, and now we cannot continue on, and the grandchildren cannot enjoy the land and the rich life-style.'' Now, not rich in monetary terms, but rich in lifestyle, of going out and working hard in the fields. They do not get to have that any more. It provided a rich heritage. Rich, again meaning the character, the heritage that was there that is now going to be taken by the Government on taxes that have already been paid on this property.

''It has been three and a half years on my father's death, and we still don't know what we're going to do. We only know we're not going to be able to keep the ranch unless something can be done with the estate tax now. The estate tax on our family ranching assets is going to be estimated at $3.3 million. Without the land being paid for and tight operating costs, we will not be able to make money from the business. To spread that tax over 14 years at the 4 percent interest is of absolutely no value to us.''

In other words, what she is saying, my colleagues, is do not come to us out in small-town America and our families in ranching operations and tell us that we are being done a great big favor because the Government is going to allow us to finance the death tax over a period of 14 years.

''All this means is that we're going to have to pay an amount of money which is virtually impossible. In order to try to buy a life insurance policy, we're going to have to sell one of the spring ranches now, and that might allow us to pay off one-third of the death tax and avoid a fire sale.''

So what this family is saying is that they will sell part of the ranch now. They are going to sell part of the ranch, a third of the ranch right now, and by doing that what they hope to do is to be able to pay the Government enough money upon the death of their mother that they do not have to go through a fire sale on the rest of the ranch. They are still going to have to sell the rest of the ranch; but if they sell a third of it right now, then they do not have to go to a quick sale on the remaining two-thirds.

''The same scenario is happening to many of our ranchers in the valley. Eighty percent of the ranches have been owned by the same families one, two, and three generations.

''The value of the land has risen dramatically in the last 5 years. All of these ranchers live on very modest incomes and most of them can barely educate their children. I am certain that none of them will be able to pay this tax. The town is almost solely supported by the ranchers who buy feed, gas, food and clothing. The community will not be able to survive without them.

''What is happening is that these ranches are being bought by wealthy absentee owners who do not run cattle and who fly in once or twice a year to enjoy the amenities of the ranch. This has already happened to two neighboring ranches, both of those owners, both second generation ranchers were killed, unfortunately, in accidents. Their families could not pay the death tax and had to sell the ranches to wealthy Southern Californians.

''I have heard it said that the death tax exists to redistribute wealth; to take from the rich, presumably to benefit others less fortunate. Let me tell you, from where I stand now, that is a tax that accomplishes exactly the opposite. For my family, the tax means we will not be able to continue running the ranch that has been our heritage for over 60 years.

''The Congress says it is a pro-family Congress. However, I know from my personal experience that the death tax is antifamily. The death tax will force us to sell our ranch to a wealthy absentee owner who is unlikely to run cattle or keep the workers employed or contribute to the community. Surely if Congress does not provide relief from the death tax, many other families across this country will suffer a similar fate. Ultimately, I wonder whether towns like our small town, as we know it today, will continue to exist.

''I urge you to ask yourself why does this death tax exist? Is it worth the great harm it has caused to my family and to many others like us? If it is not worth the harm, then the death tax shouldn't exist, and I hope you will do everything in your power to eliminate the death tax.''

What more can I say? This is a letter sent to our office. This is from their heart. This is not something some big fancy lobbying organization in Washington, D.C., sent to me. It was not sent to me by the Rockefellers or the Kennedys or the Mellons or the Gateses, or any of those kind of people. This letter was sent to our office by a small family not to make money on the ranching, simply trying to pass their ranch from one generation to the other, to pass the heritage from one generation to the other; simply to keep the money for their ranching and their ranching community alive in their small community.

And by the way, for those of my colleagues who voted no on the death tax, voted to keep it in place, in fact supported the President's budget to increase the death tax, if only they could take the time to really, really see, to go out and visit this family, my guess would be that those same individuals, those who voted to support the death tax, who stand in favor of the death tax, and who want to increase the death tax, after having taken the time to go out and visit with this family, I think they would come back a new man or a new woman; and I think they would be prepared to get rid of that death tax.

☐ 1930

Now let me go on to the next subject because it is somewhat related.

Once again, here it is the Federal Government, the taxing entity of the United States, has decided that not only death is a taxable event, it is the Government that decided some time ago, and let us call it as it is, Democrats, it happened when you had it here for 40 years, it was determined during that period of time that marriage, being married, should be a taxable event.

Now, let me say at the onset, we had a vote on this, we had a couple votes on this; and I can say with a great deal of confidence with the Democrats here on the House floor, that 48 of the Democrats voted to get rid of that marriage tax. In fact, the President of the United States, standing right here in his State of the Union address, said we needed to get rid of the estate tax.

I have got an editorial here from the Grand Junction Daily Sentinel, an excellent newspaper, western Colorado, Grand Junction, Colorado. It was just last January that President Clinton, as a part of his State of the Union address urged Congress, urged all of us sitting down here listening to the speech being made right there, urged us to enact legislation to end the so-called marriage penalty.

What a reversal. Now the President's policy is he is going to veto it. And some people on this floor support that position.

I hope you have enough guts when you go back to your district to stand up to your constituents and look them in the eye and try and justify that. Number one, tell them how you voted, that you voted to support the marriage penalty, and do not give them some flimsy, run-around excuse for it. It was a straight up-or-down vote, do you support taxing marriages or do you not support it? If you support the marriage penalty, then you voted no on this bill to get rid of it and you ought to stand up.

I hope your constituents understand that it is a straight up-or-down vote. There were no side issues involved here. What we are sending down to the administration, to the President and the Vice President, we hope they sign but they have already promised to veto despite the fact the President stood up here and gave his State of the Union address and said we ought to get rid of the marriage penalty. So you talk about it on one end and then you end it on the other with a veto.

How can a country who is proud of the family foundation, who boasts to the rest of the world that our country has become the strongest country in the history of the world, in a large part due to the fact that we have strong families, that we encourage marriage, how can we look at other countries and say, by the way, this is the country in the world where we penalize you if you are married, we tax you, it is a taxable event, come to the United States and get married and it is taxable, the event is a taxable event, just like the death? How do you justify any one of those?

Both of those taxes. The marriage penalty, do you think that encourages our young people, the hope of our country, do you think it encourages them to get married? And how much of that money, by the way, for those of you who support taxing marriage, how much of that money do you think could have gone into these young people's education?

There are a lot of young married couples out there that like to have that extra $1,400 to pay for their college tuition or to go out and further their education. And some of you stand up and talk about how you advocate and you are pro-education, and by the way I have never found anybody that is anti-education, but you stand up and advocate how you are pro-education, but then you turn around and vote for a tax, a marriage penalty, that takes $1,400 away primarily from these young couples who are the very ones who need that money to further their education.

How can you justify it? How can you look at your constituents and say that you can justify taxing a married couple simply because of the fact that they are married?

And again, my colleagues, when you go out there into your districts, do not give any cock-and-bull story about why getting rid of the marriage penalty would cause this or cause that or as I heard the news report Saturday that the President said getting rid of the death tax and getting rid of the marriage penalty would put the surplus at risk.

What a bunch of hogwash. It is not going to put the surplus at risk, not at all. The question here is fundamental fairness. That is what you ought to look at. Is it fundamentally fair to consider death a taxable event? Is it fundamentally fair to go out there and consider a marriage a taxable event?

This Government is not in such dire straits that it has to go out and tax its own citizens when they die. This Government is not in such dire straits that it needs to go out to our young people and show up with a wedding gift of a tax bill.

And even if this country was in dire straits economically, can you justify the marriage penalty, can you justify the death tax based on that event? Of course you cannot. Of course you cannot.

Mr. Speaker, let me move from the death tax and from the marriage penalty. But before I do, let me point out one thing. Remember, the President stood up here, as I said earlier in my comments, he stood up here when he gave the State of the Union address and urged all of us to get rid of the marriage penalty. Let us see if he stands by his words this week and signs the bill, or let us see if he turns around and vetoes the bill.

The last I heard coming from the White House was they wanted to do a little bargain, a little tit for tat. Hey, give us this program and maybe we will give you the marriage tax penalty.

Quit the horse play. The marriage penalty is not justified. To many of us on the floor, we make a hundred and some thousand bucks a year. The marriage penalty, you can absorb it. Maybe it is not a big bother to you. But you ought to take a look at our kids. My kids are that age where they are of the age where they are getting married and things like that. Ask yourself, look at what kind of punishment it is on them.

So we will see this week. We will see if the President sticks by his words, his policy. His policy was to get rid of the marriage penalty.

Oh, how interesting it is a couple 3 or 4 months before a national election. Now we are going to see him veto it. I hope we all keep that in mind when we go back to our constituents and say somehow Washington, D.C. is able to justify death and marriage, both of them, as taxable events.

Well, while we are on the discussion that involves our younger generation, a generation, by the way, that has so many things going on for it. My gosh, the young people that come into my office. The excitement they have, the energy. As many of my colleagues know, they run circles around us they are so bright. They are capable, the computer world, that generation that follows us and the generation that follows that generation, these generations have a whole lot more going for them than they do going against them.

And we, I think, my colleagues serving on this House floor, I think we have a fiduciary responsibility to that generation and the generation behind that generation and all future generations to get the programs that this Government has in place in as good a shape as we can get them in.

Frankly, that is what I like about the Governor of Texas', George W. Bush, position on education. Every time I have talked to him, and I have talked to him on a number of different occasions, I cannot remember one conversation of any length that I have had with George W. Bush where he has not brought up education.

Why? Because the best thing we can do for this next generation is to make sure that we have an education system that works, that we have a health care system that works. And there is one other factor out there that we have got to do some work on. We have got to make sure that our Social Security system is in place.

And you know what? In those conversations that I have had with George W. Bush, that was in the conversation: Healthcare, education, and Social Security.

Now, look, our Social Security system from a cash basis, that means money in the bank today, is not in trouble. Social Security is not in trouble today on a cash basis, but on an actuarial basis.

In other words, Social Security today has this amount of money required for claims and it has this amount of money in the bank. But what happens over the next 30 years is these lines begin to intersect. So on a cash basis today, we have money in the bank, there is a surplus in there. It is a surplus.

But what happens is that as this begins to go out is that when you reach this point, you owe all of this money, and this actually, and then all of a sudden it goes up like that. And not even a slight increase. It is almost like a rocket. It goes up just like that.

Those are our obligations. And these obligations right here are not obligations 30 years out. It is actually 30 years out or so before they collect them. But the obligations had been incurred today. In other words, we owe the money today.

So when we look at the Social Security system, we should not look at the money we have in the bank today. That is one factor to look at the money we have in the bank today. But we also need to look at what obligations we have.

It is kind of like deciding when you get your paycheck on the first of the month, I am a rich person, you know, I have got a $2,000 or I have got a $1,500 paycheck here. Well, you cannot just look at how much you have in your hand. You have got to take a look at how much you owe. And when you take a look at Social Security on an actuarial basis, it is bankrupt. Today it is not. But 30 years from now when we pay what we owe, it is bankrupt.

Now, what is giving me some confidence about the debate that we have had on Social Security, what gave me the confidence when I talked to George W. Bush was the fact that we are for the first time in a long time looking out ahead. We do have some time if we really take it seriously.

What I liked about the Bush approach was that they are willing to take some risks. We have got to take some risks. We cannot let the Social Security system stay on status quo. If we stay with status quo, we are all going to be happy until that point right there. That is what status quo buys us. It buys us a plane in the air without a propeller at that point right there.

Now is the time to start thinking about how do we get this line, how do we adapt for this so that we come close so we still bring those two lines together but we do not have the obligations way exceeding it. What do we do?

Well, I think in order to figure out what we do, we have got to figure out historically what was gone wrong with the fund, where have we run into problems with Social Security.

Well, there are a couple key factors to keep in mind. Number one, when Social Security was first created, when Social Security first came about, there were 43 workers for every retired person. So for every one person that was retiring on Social Security we had 43 workers supporting the system. That is when Social Security first came into place.

Today do you know what that number is? Today we have three workers for every person, three workers in our working system for every person on retirement.

☐ 1945

That is a dramatic difference and that is a significant problem that has led us to the actuarial problem we have in Social Security.

What is the other problem that we have in Social Security? That one is actually pretty, hey, good news. It is our health care system in this country. When Social Security was first created, a man could expect to live to be 61 years old. But throughout time because of the advancements of Social Security, and this is good news for us, but because of the advances in Social Security, that man now can expect to live to be 73 years old. For the female, those numbers were 65, and now they are somewhere around 78 approximately. Those are good numbers.

But the problem is that we now have more people on the Social Security system, we have less workers supporting the Social Security system, and we have people living to a longer age. The couple that is drawing from Social Security today draws out about $118,000 more than they put into the system because of these factors. They are taking out $118,000 more than they put in. A system cannot operate like that. We have got to make some adjustments.

What kind of adjustments do we make and who is going to be impacted? The plan that Governor Bush of Texas has put out and the plan that I am advocating tonight, not because of the fact that I am absolutely convinced that there is only one plan out there, but it is because of the fact that I have looked at a number of different options; and I think the one that is the best is one that has some experience, and the one that has some experience is the one that the governor of Texas has proposed we adopt in these halls of Congress.

Why does it have some experience? Because we Members of Congress have our own retirement plan. We are on Social Security, by the way. But we have our own retirement plan here in Congress which allows us choice, not allowed under Social Security.

So what we need to do when we look at Social Security is, first of all, any kind of proposal, and the proposal put out by the governor of the State of Texas has one fundamental rule at the very beginning and that is, those who are currently on Social Security, so our current recipients, face no risk. Anybody on Social Security today does not have any threat to their Social Security retirement funds that they are receiving. That is fundamental and they are not at risk in any sense. So during this political season, do not let your constituents be hoodwinked into thinking that their Social Security pension that they are drawing today is at risk. It is not. What we are talking about is what can we do for the future generation? What can we do for my children and my children's children to help assure that when they get there, Social Security will be alive and well?

What the proposal is that has been put forth by the governor, I guess really the best way to do it, let me explain what happens if you are a Member of Congress or if you are a government employee, so it is not just Congress, it is Federal employees, so there are over 2 million Federal employees in this country, over 2 million. Here is the plan they have in effect. First of all, they do pay Social Security.

But here is the Government plan, the U.S. Government plan for its own people. It is called the Thrift Savings Plan. It really works in two ways. It has two sections to it. The first section we will call section A pulls an amount of money out of your paycheck every month and you have no say-so about where that is invested. It is the safety net. It is your safety net. So this amount of money is pulled out. You have no say-so; but as a result of that, after, say, so many years of service and a certain age, you are guaranteed a certain retirement check every month. No risk, not much return, but no risk.

Now, by the way, if you want to consider return, figure out that Social Security, if you were born, for example, in 1960, so that would make you 41 today, 40 years old, if you were 40 years old, your return on the current system, if we do not do anything with Social Security, your return is less than 1 percent. 1 percent. Less than 1 percent. That is what you are making on Social Security. We can do better. And the Government knows it can do better because it does it on its own program.

So the first part of the Government retirement program which covers all government employees has this pullout; it is an automatic pullout out of your check. It is for your retirement. I forget exactly what mine is every month. I have no choice. That is the safety net. The second section is what we call, we will just call it section B. That is not the formal name; but for our discussion tonight, B. What that allows you to do is it is optional. You do not have to do it. If you as a government employee do not want to participate in the second portion, you do not have to. But if you want to, you can designate, not all your retirement money but you can designate up to 10 percent. You can designate up to 10 percent of your salary every month to go into that retirement section.

What that allows you to do is it gives you three choices. The three choices really are an opportunity for you as an individual to invest your retirement money, to help plan for your own retirement. It gives you choice. Social Security today gives you no choice. It mandates you live with the 1 percent return. It mandates that. But this program here, the Government program for its own employees allows you, if you want to, totally optional, to participate in this program of choice.

What does it do? You contribute up to 10 percent of your check; then I think the Government matches the first 5 percent, then you get to make a choice. You can have that money invested in government savings where it is insured, it is guaranteed and, of course, when you have a guaranteed return with minimal risk, you are going to have a low return. The history of that shows that pays 3, 4 percent a year. The second option you have is you can go into the bond market. The third option you can go into is your highest risk, which offers your highest returns, but again has its highest risk and it is the stock market. But even if you took the stock market choice and you lost everything, you still had the safety net up here. That is how the Government program for 2.5 million people works.

By the way, I want you to know that the strongest opposition to George Bush's plan to bring out this Social Security, to help it for this next generation, the strongest opposition, of course, comes from the administration. But I can tell you that the Vice President voted for this government program many years ago when he was in Congress. So what is good enough for the goose ought to be good enough for the gander. If it is good enough for government employees, why is it not good enough for the citizens of America who want to participate in Social Security?

What the administration has advocated is to take the status quo. Look, we have got 30 years before this next generation gets up there and is going to make a call on the bank. So let's just ride the status quo, or let's have another committee, to study another committee for another committee study. That is not good enough. We have got to take some risk.

Some of you in here, you do not like risk; and I understand that. But I want you to know that the people who are currently on Social Security or are close to, they face no risk. We are not impairing their ability to draw down on Social Security the benefits that they are entitled to. But those of you who want to sit around and do not want to take risk, you better be prepared for this next generation to explain to them why frankly you sat on your duff and did not do anything to save this system.

We have got to have some leadership in Social Security. Somebody has got to take the ship out into the storm. The easiest thing to do is to dock your ship in the harbor and get out of it and get onto the land. But somebody has got to get through to the other side. That is exactly why I was pleased when I saw and sat down, was able actually to discuss only briefly, but discuss the governor of Texas' plan and a plan that most of us on the Republican side and I think frankly a lot of Democrats would support.

This is what the plan does. First of all, it is optional. You are not going to be required to do this, to participate in the choice aspect. Second of all, it has a safety net, so no matter what you want to do, there is going to be the majority of the money taken out of your paycheck for Social Security. The majority of it will be put into an account that you do not have any say over it. In other words, we do not want you losing that. We want to have a safety net, because not everybody is going to make money. Certainly on an average over a period of time, you are going to make a lot better than 1 percent, but some people may make bad decisions. It has been known to happen. Some people make bad decisions. We do not want 30 years out from now somebody saying, Look, I made bad decisions. I by choice invested all my money in really high-risk stuff and I lost. I thought I was going to win. I lost. Even for that person, we want to have at least a minimal safety net. That is what we do right here.

The second part is for those of you who want to under the Social Security system, just like the government thrift savings program, you are going to be allowed to take 2 percent of the money taken out for Social Security and you get to direct it, you get to choose how that money will be invested. We would run that program. The proposal for that program, to revise Social Security, so that this next generation, that our young people have something that they know is rock solid. What this allows you to do is to do the same as 2.5 million other government employees get to do, and, that is, with that 2 percent, you could invest it in a low risk. Low risk, of course, means low return. Or you could invest it in moderate risk, which means possibility of a moderate return. Or you can invest it in high risk, which means the possibility of high return. Of course high risk means that. High risk. You could lose it all. Moderate, you could lose it. This lower one, the first one, you would be guaranteed a return on your savings.

Now, what is wrong with that? Why is the administration opposing it? We, by the way, have a lot of Democrats, obviously from my comments I am a Republican, but we have a lot of Democrats who say this is a good idea. When you get beyond the Potomac out here, when you get out into the rest of America, you find out there are a lot of people out there that are not as partisan as you think. A lot of people out there would join together and say, Look, we have got to do something with Social Security.

I think most people in America, especially the younger generation, by the way, who are investing the maximum amount of money right now with the lowest possibility of return because of the pulling out of the funds, I think you would find that younger generation saying, hey, something has got to happen with the management. We need to take some different course with Social Security, because frankly, the young people are saying, we are paying into this system, why should we not be entitled to expect some kind of return out of the system?

Outside of Washington, D.C., people want Social Security to work. People do not want Washington, D.C., to bog down Social Security. They want a program that will move forward. Now, I know that the governor of Texas has come under some criticism because he has been bold enough to go out and say we have got to take this ship on a different course. And sure it looks like there is a storm ahead, but the only way we are going to get to the other side is we have got to sail. And somebody has got to have enough courage to stand up there and say, Look, let's try moving the ship. Not dramatically, not radically. We are not going through the eye of the storm to get torn up.

Under proper guidance and leadership, we can take this ship on a safe voyage. And when we get to the other end, this generation behind us and two generations behind us and the other generations that follow will have a Social Security system that the first thing you talk about is not how quickly it is going to fail. The first thing you should be able to talk about on Social Security is, it is a system that works. It is a system that works. And it allows you to have the choice.

Think about it. If you are confident today and for those of you who are standing and are opposed to any kind of change in Social Security, for those of you who are supporting the administration's policy, go out beyond the Potomac River and ask constituents of yours out there, If you've got a million dollars and you want to invest it, would you send it to the Social Security Administration or would you send it to the United States Congress to invest it on your behalf? Of course they are not going to say that. They have confidence that they can invest it better than we can back here in Washington, D.C.

Considering that the return for somebody born in 1960 is going to be less than 1 percent on their dollar in Social Security, I think they are right. I have got a lot more confidence in this younger generation than some of you might. I think they know, and I think they can wisely make decisions with a very small percentage of those Social Security payments. Remember, the people that are in the Social Security system, we are not allowing them to invest everything. We are not going to allow somebody to go in there and say, I want to take all my Social Security and put 100 percent of it in the stock market. We are taking 98 percent of it and saying, You don't have any choice on it. That is your safety net.

☐ 2000

That no matter how bad a decision you make, you still are going to have a payment available to you for those of us born in 1960 in another 15 years or 20 years, but we are going to do something different. Some would call it a dramatic course of action.

I do not think it is dramatic in its results. I think it is dramatic, and it is finally about time that somebody stood at the helm of the ship and said let us change the course.

What we are doing is we are allowing them to take just a small percentage, that younger generation, and let us give them a little confidence for their capabilities of making decisions and saying to the younger generation we are going to allow you a choice. You get to help in that investment; it is, after all, your dollar. Many people in Washington D.C., get the idea that it is the money of the Government back here.

It is not the money of the Government. It is the money of the people, and they have sent it to us on a trustee basis, and I do not think it is so wrong to ask them to help join us in the decisions that should be made on the investments of their dollars. And that is what that Social Security plan calls for. That is why I hope when we reconvene with a new President in January of next year that on that agenda we have three items of which I consider very important: one, an opportunity to take Social Security and allow the people more input and allow the younger people of this country an opportunity to voice their decision and help make decisions on their own personal investments in that Social Security system. We can save Social Security. It does not need to be bankrupt in 30 years.

The second thing I hope we see when we have a new President in January, because I am afraid unfortunately that the President we have today is going to veto it, and that is elimination of the penalty for being married. As I said earlier, how can we possibly justify marriage as a taxable event? This President does. It is his policy.

The third thing I hope we have when we have a new President in January is the elimination of that death tax. Like with the marriage tax, how can we justify taxing somebody simply based on the fact that they died? What kind of government is this? Is this a socialistic type of government?

What does it do to the local communities? What does it do to the family farms and ranches? What does it do to the small contractor. Remember, a backhoe, a dump truck, and a bulldozer and you are in that bracket.

Mr. Speaker, I am in hopes in January we have a President that will do those three things: guide us with Social Security, give us some bold strong leadership, as the governor of Texas has suggested; number two, get rid of that marriage penalty. Let us do what we say we are doing. Let us really encourage our young people to get married. Let us encourage our young people to have a foundation of family without worrying about being taxed for it. Third of all, let us give the next generation on the family farm or the family ranch and the local farming community, let us give them an opportunity to keep those resources in the family, in the community, instead of penalizing the family, penalizing the community, in spending that money right out of there straight to Washington, D.C.

I am confident, colleagues, that we have a very positive future ahead of this country. I could not be more excited about the future of the United States of America. I could not be more excited about our young people, and that is why we have to keep education as a priority; that is why we have to look at these factors that I have discussed tonight.

We cannot continue on a positive course and improve it if we do not put a lot of effort into it. It is not going to come free, and it is not going to happen when we penalize marriage. It is not going to happen when we penalize death, when we call it a taxable event. It is not going to happen when we look at this next generation and say to them, well, to Social Security, here is your bankrupt system that you helped pay for. We can change all of that.

I hope my colleagues join with myself and our new President in January to make those kinds of changes, because that is what this country is all about, making a difference. And we, colleagues, can make that difference, and the people of our country deserve it.

INVESTING IN OUR FUTURE

The SPEAKER pro tempore (Mr. KUYKENDALL). Under the Speaker's announced policy of January 6, 1999, the gentleman from North Carolina (Mr. ETHERIDGE) is recognized for 60 minutes as the designee of the minority leader.

Mr. ETHERIDGE. Mr. Speaker, I trust I will be joined by some of my colleagues before the evening is over with to talk on the issue, but as my colleague, the gentleman from Colorado (Mr. MCINNIS) was talking about a moment ago on Social Security, I would remind our colleagues and those who are listening this evening that Social Security has been with us now since the 1930s.

There have been those who have talked about its demise ever since and some who have tried to make sure it was not here, but I would remind them as we talk about all of the gimmicks, anytime we take money out of the system, if it is 2 percent or 3 percent or whatever the percent we take out, that is less money we have for those who are drawing. It means that we will meet that date of finality he was talking about, and it will run out of money sooner.

Mr. Speaker, I was home this weekend and had an occasion to see a movie. The gentleman from Colorado (Mr. MCINNIS) talked about the turmoil and all the tough times as if it were a turmoil, and that reminds me of a movie I saw called the Perfect Storm. When these fishermen went out to catch their final catch and they made the fatal decision to head into a storm without really having all the facts, if you have not seen the movie, the Perfect Storm, I will not give away all the plot.

I would say to my colleagues, just like dealing with Social Security, anything else, we better know where we are headed because the Perfect Storm was a total disaster, one of the worst in our history.

Mr. Speaker, this evening I want to talk about investing in our future. As the former chief of my State schools, I want to talk this evening about a critical issue facing our Nation, and that is the education of our children, and the buildings in which we put them as well, because it is about investing these dollars that Congress is talking about now that we have or we may have over the next 10 years.

Before we get too far along this road of making some decisions on tax relief, at a time when we better be investing in the next generation, there is no question that we can have targeted relief; but we better be making the investment in our young people.

Mr. Speaker, all too often in this town we hear politicians making speeches about how the schools are supposedly no good, how they ought to have competition, how it is really in the private sector that things are really happening, it is really not in the public sector.

I am here this evening to tell my colleagues that I am one of those who will defend the public schools as the best opportunity for excellence in education for all children, and we need to stand up and be counted and spread the good news about those quiet successes, those stories that are happening in communities all across this country that are not being told.

Too many times we like to talk about problems. It is easy to talk about negatives; people will listen. This morning I had the opportunity in my district to visit one of those success stories, and I would say that any Member serving in this body can find a success story in their district any time they want to find it. We can always find the glass half empty. The question is, do we really want to find it half full?