

GUT PUNCH TO THE MIDDLE CLASS

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

Mr. PALLONE. Mr. Speaker, I wanted to talk tonight for 5 minutes about the President's latest proposal on Social Security, which I refer to as means testing.

I have to say that from the very beginning, when I heard the President's privatization plan and the other statements he has been making about Social Security, I have very much opposed to what he has put forth, but this latest effort at means testing I think is, in many ways, the worst of all, the worst of his proposals.

I just want to review some of the concerns that I have about his privatization plan, about his means testing in a few minutes here tonight. First of all, from the very beginning, I think, the President gave essentially misinformation because he kept talking about how Social Security was essentially going insolvent and yet we know that it is very solid, if you will, for the next 30 or 40 years. In fact, we have heard different figures from maybe 2030 or 2035, may be the date when we would begin to see less money available for Social Security. But until that time, the Social Security trust fund is very solvent and benefits would continue to be paid on a guaranteed basis the way they have for the last 60 or 70 years.

So from the very beginning, he talked about Social Security in an inaccurate way because he talked about insolvency that does not exist for at least another generation or two. Worst of all, he never indicated that any proposal he had put forth would effectively deal with the eventual insolvency of Social Security.

In other words, Democrats historically back in the early 1980s, for example, when there was a threat of insolvency or that money would not be there in the trust fund, basically sat down with Republicans on a bipartisan basis, back in the days when Speaker O'Neill was the Speaker of the House, a Democrat, and President Reagan, a Republican, was President. And they put forward a commission and they came up with a way of dealing the payroll tax, essentially, so that money would be available to keep Social Security solvent and so that benefits would continue to be guaranteed.

But what the President proposed from the beginning was a very risky privatization plan that essentially would not do anything to help with the potential insolvency. In fact, it would make the situation even worse because we knew that he would be taking money out of the trust fund with his privatization plan and putting money in private accounts. And the consequence of that would be that there would be less money in the trust fund and the solvency problem would be aggravated all the more.

At the same time, the people who put their money in these private accounts, if they made a bad investment, ran the risk of gambling with their Social Security money and not having any money when the time came for them to retire.

The bottom line is we could have gone back, if you adopted this, to the days before Social Security when people were on the street or were in an old age home because they did not have any retirement security. That is what Democrats are afraid of with the President's risky privatization plan.

It gambles with your Social Security. It may essentially leave you broke with nothing, and even beyond that because you are taking money out of the trust fund, the solvency problem is aggravated and the potential looms for severe benefits because if you take the money out and you do not replace it with anything, the only thing you can do ultimately is cut benefits.

Now, what we hear from the President, he was on the road for about 60 days talking about that. At the end of the 60 days period he realized, as did his Republican colleagues, that this was not working. People did not want to hear it. They did not like his risky privatization plan.

So what does he come up with last week in this proposal that he made on nationwide TV? He talks about means testing. What that essentially means is that people, as their income gets higher, would get less and less Social Security benefits. And he made it sound, once again, like this was a great thing because poor people would still get their money and rich people did not need it. But what he fails to point out is reality is who is really being targeted here is the middle class.

It is the middle class person who will have their benefits cut and it is the middle class person who relies the most on that Social Security, much more so than the wealthy person.

I want to point out, I saw an editorial yesterday, Mr. Speaker, by Paul Krugman in The New York Times, and he vividly points this out. He talks about the Center on Budget and Policy Priorities and a Jason Furman, who he asked about what the President had in mind.

What he said is that the average worker now pays about \$37,000 and retiring in 2075 would face a cut equal to 10 percent preretirement income. Workers earning 60 percent more than average, the equivalent of \$58,000 today would see benefit cuts equal to almost 13 percent of their income before retirement.

But above that level, the cuts would become less and less significant. Workers earning three times the average wage would face cuts equal to only 9 percent of their income before retirement. Someone earning the equivalent of \$1 million today would see benefit cuts equal to only 1 percent of preretirement income. So in short, this would be a gut punch to the middle

class. It is the middle class that would suffer and is targeted in the President's proposal.

It is a terrible proposal. It is no better than the previous one.

HONORING CRAIG WASHINGTON

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

Mr. POE. Mr. Speaker, I rise today to honor a man who spoke on this floor and wandered these historic hallowed hallways over a decade ago.

Craig Washington, a former Democratic Congressman from Texas, made a name for himself in this place of Washington and in the Lone Star State of Texas.

At home in the great State of Texas, he is best known for his courtroom mesmerizing oratory, his remarkable victories as a criminal defense lawyer and his persistent passion for helping out the little guy.

Eleven years ago, he left Congress and headed back to Texas. Now Washington is back in the spotlight again defending one of Texas' high profile clients and doing what he does best, arguing for constitutional rights, helping the downtrodden. Those are the people who need him the most.

He is gracing the front pages of the Houston Chronicle yet again, but if you ask his daughter, Chival, she claims that her dad is just a regular guy and that is one of the reasons she admires him so much.

Craig Washington was born in deep east Texas, a town called Longview. He grew up in Houston and after high school he enrolled in Prairie View A&M University at the age of 16 with the hopes of becoming a dentist. Eight years later he finally graduated with a grade point average too low to complete his plans of dentistry. He was tremendously intelligent but could not be bothered with attending classes.

In 1966 Craig Washington was introduced to the Dean of the Texas Southern University Law School. Washington had charisma and determination even at a young age, and he managed to talk the dean into accepting him into the law school program and then transferring to dentistry. But instead he was hooked on the law and looked on it for the rest of his life.

Four years later, he would graduate with honors and become the assistant dean and assistant professor of law at his alma mater.

Then in 1970, he left the university to enter private law practice, and in 1972, he was elected to the Texas State Legislature. In 1982, he was elected to the Texas States Senate. It was there he made a name for himself as the second African American to serve in the Texas State Senate since reconstruction. It seems, Mr. Speaker, the war between the States died real hard in Texas.

In 1989, his good friend, Congressman Mickey Leland, was killed in a tragic