

NATIONALISM

However, I continue to have serious reservations regarding the ECU's long-term success, believing that the renewed nationalism within Europe will not permit the monetary unification of countries that have generally not trusted each other over the centuries. In Germany, 70 percent of the people oppose entering into this new monetary agreement. If economic problems worsen in Europe—currently the unemployment rate in Germany and France is 12 percent—the European union may well get blamed.

The issue of nationalism is something that cannot be ignored. Immediately after the collapse in East Asia, Malaysia began shipping out hundreds of immigrants from Indonesia as a reaction to their economic problems. Resentment in Germany, France, and England is growing toward workers from other countries.

The same sentiment exists here in the United States, but it's not quiet as bad at this particular time because our economy is doing better. But in the midst of a deep recession, the scapegoats will be found and alien workers will always be a target.

The greatest danger in a collapsing financial bubble is that the economic disruptions that follow might lead to political turmoil. Once serious economic problems develop, willingness to sacrifice political liberty is more likely, and the need for a more militant government is too often accepted by the majority.

No one has firmly assessed the Y2K problem, but it cannot bode well if a financial crisis comes near that time. Certainly a giant company like Citicorp and Travelers, who have recently merged, could really be hurt if the Y2K problem is real. Since the markets seem to be discounting this, I have yet to make up my own mind on how serious this problem is going to be.

WASHINGTON MENTALITY

Every politician I know in Washington is awestruck by Greenspan. The article in *The New Republic* reflects the way many Members of Congress feel about the "success" of Greenspan over the last ten years. Add to this the fact that there is no significant understanding of the Austrian business cycle in Washington, and the likelihood of adopting a solution to the pending crisis, based on such an understanding, is remote.

Liberals are heedless of the significance of monetary policy and its ill effects on the poor. They have no idea that the transfer of wealth from the poor to the rich occurs as a result of monetary policy and serves to hurt the very people they claim to represent. Liberals stick to the old cliché that all that's needed are more welfare benefits. They are, I'm sure, influenced by the fact that if more welfare benefits are handed out, they can count on the Federal Reserve to accommodate them. Unfortunately this will continue to motivate them to argue for a loose monetary policy.

The debate so often seems only to be who should get the expanded credit, the business-banking community or the welfare recipients who will receive it indirectly through the monetization of an ever-expanding government deficit. In Washington there is a craving for power and influence, and this motivates some a lot more than their public display of concern for helping the poor.

Whether it's Japan that tries to inflate their currency to get out of an economic problem, or the East Asian countries facing their crisis,

or our willingness to bail out the IMF, resorting to monetary inflation is the only option being considered. We can rest assured that inflation is here to stay.

With daily pronouncements that inflation is dead, the stage is set for unlimited credit expansion whenever it becomes necessary. Just as deficit spending and massive budgets will continue, we can expect the falling value of the dollar, long term, to further undermine the economic and political stability of this country and the world.

Until we accept the free market principle that governments cannot create money out of thin air and that money must represent something of real value, we can anticipate a lot more confiscation of wealth through inflation.

INTRODUCTION OF THE INTERNATIONAL TOBACCO RESPONSIBILITY ACT OF 1998

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

Mr. DOGGETT. Mr. Speaker, today I am introducing the International Tobacco Responsibility Act of 1998, a bill to adopt a truly responsible policy on nicotine addiction.

With the recent forced disclosure of documents, we have learned, in the words of the tobacco companies themselves, the treachery they have engaged in in targeting America's children. Less well-known is the activity they have had around the world to addict the children of other countries.

Since 1990, while Philip Morris sales have risen by a little less than 5 percent here in the United States, they have grown by more than 80 percent abroad. Only last Thursday RJR Nabisco posted some bad news: They had about an 11 percent drop in their tobacco earnings. But the news was not all bleak. As the *New York Times* reported, the analysts said that the company's tobacco sales grew impressively in some areas like Romania, where they more than doubled. The analysts noted there was extremely good volume in market share growth in Eastern Europe and Russia.

The big tobacco companies that disavowed the settlement now, originally, when they entered that settlement, they knew they could pay any penalties they owed for what they did to our children by going and addicting children in someone else's backyard. I think that is wrong. If America is to be called a world leader, it must also lead in the battle to save the lives of young people around this planet.

Last year, this Congress took some constructive action when it adopted an amendment that I authored to an appropriations bill to stop the American taxpayer from having to be an unwilling accomplice in promoting the activities of these tobacco companies abroad by involving improperly, I think, and now it is against the law, the Trade Representative's office and our various consulates around the world.

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Now we need to address this problem in a much more comprehensive way. And that is what this legislation does, recognizing that every year tobacco-related diseases kill 3 million people in this world, and if the trends continue, it is estimated that in the next 25 years we will be up to a level of 10 million deaths a year as a result of tobacco.

This legislation that I have introduced for myself and for a number of our colleagues in a bipartisan effort addresses five major areas. First, we seek to establish a worldwide code of conduct for U.S. tobacco companies. We basically are saying, do not market tobacco to children anywhere, and alert consumers to the dangers of your product everywhere. The Marlboro man has hardly vanished. He has just taken a trip around the world to a school or a youth-oriented magazine in someone else's country.

Last August, at the very time these high-paid, high-powered tobacco lobbyists were trooping around the Capitol asking us to endorse the settlement, one of these tobacco companies provided all-expense-paid vacations to Miami Beach for Latin-American reporters so that they could hear company representatives announce that restrictions on smoking and advertising were scientifically unsound. That is the kind of hypocrisy that we are dealing with. Two decades ago, the United States set a higher ethical standard with regard to bribery. We can do the same thing with regard to tobacco.

The second part of this bill is to strengthen last year's prohibition on our Government promoting tobacco abroad.

The third is to recognize that public health advocates around the world lack the resources to combat the very seductive practices perfected in addicting our children of these United States tobacco companies. And so it sets aside some revenues from any settlement to help establish an American Center on Global Health and Tobacco and to help fund efforts through the Department of Health and Human Services to discourage tobacco use worldwide.

A fourth issue is to address the matter of cigarette smuggling which is already going on and actually helps some of these companies open up new markets.

And finally, we encourage the involvement of the United States in an International Framework Convention on Tobacco Control. This convention would be similar to the international campaign to ban land mines, because we have a real mine here threatening the future of the children of this world. For our Government to allow companies to pay their debts at home by hooking children abroad to nicotine addiction and pushing them down the path to cancer, heart disease and emphysema would be an unprecedented act of hypocrisy.

After so much talk about a global tobacco settlement, it is time to pass

truly global legislation that will establish a responsible United States policy for addressing our country's long complicity in the export of death and disease.

EXCHANGE OF SPECIAL ORDER TIME

Mr. JONES. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Texas (Mr. PAUL).

The SPEAKER pro tempore (Mr. DEAL). Is there objection to the request of the gentleman from North Carolina? There was no objection.

NATIONAL DEFENSE AND STATE OF U.S. MILITARY

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

Mr. JONES. Mr. Speaker, I rise tonight to talk about national defense and the state of our military. It is a very important subject that does not seem to have received adequate attention lately.

In fact, the President this year devoted only one sentence in his entire State of the Union Address to the need to maintain a ready and modern force. Additionally, the President's 1999 budget proposes more than \$100 billion in new domestic spending, but it fails to provide one dime in increased defense spending.

The administration's budget request for defense in 1999, therefore, represents the 14th consecutive year of real decline in defense spending. I personally do not believe this is the right policy for our Nation, and I know from talking to citizens in eastern North Carolina that they do not think so either.

My constituents, like so many people throughout America, realize that having a strong national defense has played a critical role in the history of our country and that now is no time to have a weakened military. Maintaining a ready and modern force is like insurance for our Nation. None of us would want to drive our cars without having car insurance in the event of an accident, but we seem to be denied that same protection to our national safety and freedom.

There is clear evidence that we no longer have the military to fight in two regions at the same time. Considering the real likelihood of this situation, I think it is past time that we take a serious look at protection we are denying ourselves. Once diminished, our forces cannot rebuild quickly, and they are, unfortunately, already 32 percent smaller than they were just 10 years ago.

We have such fine men and women in our military today, but they are constantly faced with budget cuts and shortages despite so many base closings. Our pilots are not receiving the flying time they need to be thoroughly

prepared, and many are leaving the military at an alarming rate. All too often our troops do not have adequate equipment, and their morale is suffering.

I, for one, find this situation unacceptable. So many of our fellow countrymen have fought and sacrificed and even died so that we may have the freedoms we enjoy today. Yet we are, in effect, taking their bravery and sacrifices for granted by failing to adequately protect the safety and freedom they fought for.

The President has deployed over 25 times our forces during his tenure at a monetary cost that exceeds \$13 billion, and yet he continues to cut their budget.

The 1999 defense budget request, when measured in constant dollars, represents the smallest defense budget since the beginning of the Korean War in 1950. I hope that, as we proceed with this year's appropriation process, my colleagues in this Congress would join me in the fight to stop this reckless depletion of our military.

In the name of freedom, let us once again provide our Armed Forces with the resources they need to fulfill their mission of protecting this Nation.

Mr. Speaker, may God bless America.

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

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

SAVING SOCIAL SECURITY

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

Mr. SMITH of Michigan. Mr. Speaker, there has been a lot of talk recently about what we are going to do to save Social Security. I would report to my colleagues this evening, Mr. Speaker, that today the Social Security trustees presented their new analysis of when Social Security is going broke; in other words, when there is going to be less money coming in from tax revenues than is required to pay current benefits.

That projection indicated that we have maybe a year, maybe 2 years' additional time before less is coming in than is needed to pay benefits. I think today is a day that we should all remind ourselves of the real problem of Social Security.

The estimate continues that the unfunded liability or the actuarial debt of Social Security is over \$3 trillion. In other words, we would have to take \$3 trillion today and put it in some kind of an investment fund to keep Social Security going for the next 75 years.

The problem that we are running into, Mr. Speaker, is the demographics of Social Security. Social Security is a

pay-as-you-go program where existing workers pay in their taxes, and immediately those taxes are sent out to existing beneficiaries. Because of that and because demographics have changed in the last several years, there are fewer and fewer workers paying in taxes to support an increasing number of retirees.

Let me give my colleagues some examples of that changing demographics. In 1942 there were about 40 people working, paying in their Social Security tax for each retiree. By 1950 it got down to 17 workers working, paying in their Social Security tax for each retiree. Guess what it is today? Today, there are three people working, paying in their Social Security tax for each retiree. And the estimate is that by 2027 we will be down to two workers.

What has happened is there has been a decline in the birth rate after the so-called baby boomers. Then additionally, there has been an increase in the longevity or the length of time people are expected to live.

When we started Social Security in 1935, the average life span was 62 years old. So, therefore, since the retirement age was 65, that meant most people never lived long enough to collect anything from Social Security. Today the average life span at birth is 74 years old for a male and 76 years old for a female, but if one is I will use the word "fortunate" enough to reach retirement age 65, on the average, he or she will live another 20 years.

So what do we do about this pay-as-you-go system? How do we change it? The estimates are that there is going to be less money coming in as taxes than is needed for benefits as early as 2007 to 2013. Sometime in that time period, there is going to be less money coming in than is required to pay out benefits. The longer we delay in solving and coming up with a solution for Social Security, the more drastic that solution has to be.

I have the only bill that has been introduced in the United States House of Representatives that has been scored to keep Social Security solvent for the next hundred years. That is House bill H.R. 3082. But I also put in a companion bill a couple months ago, that is H.R. 3560, that says—in addition to keeping Social Security solvent for the young people and allowing them to own a private retirement investment account that bears money that if they die before age of retirement goes into their estate—this proposal says, "let us start using some of the surplus money that is coming into the Federal Government."

And we now expect the surplus this year, as we now define "surplus", to be upwards of \$40- to \$50 billion. So I say, let us start using some of that money to set up private investment retirement savings accounts for people that pay a FICA tax, for people that are working.