

Board, an independent agency, will oversee the PRAs. Investment companies that manage it would have to have an insurance plan to have survivors benefits, disability benefits, and also a floor that says you would never get less than 2.5 percent of your investment that year. By the way, you choose the company with which you want to put your money. If it is better somewhere else, you can move your money.

Chile has 16 companies that do this with a population of under 20 million people. In our country, we would probably have 100 firms. Just look at the numbers of mutual funds you can choose from today.

You also decide when to retire. This is an important part. Under the current system, the Government tells you how much you are going to pay into the system; the Government tells you when you are going to retire; you have no choice, and the Government tells you what you are going to get as a benefit. They determine everything. You have nothing to say about it. You are being led along like sheep into this system.

Ours says when you reach this 150 percent of poverty, if you can buy an annuity that will pay you the rest of your life at that, you can stop paying into the system. You can retire at that time. I don't care if you are 40 years old. Once you have met that requirement, you can get out of this system. You will no longer be considered a ward of the State; you will have enough to provide for your retirement. Some choices: In divorce cases, PRAs are treated as community property. Upon death, a PRA benefit will go to the heirs without estate taxes.

Think, if you had that \$1.4 million in your account when you die—not like my father who got \$253, but whatever you had accumulated in your account, up to \$1.4 million or more, that would be your money that would go to your heirs without estate taxes, without capital gains. Workers could arrange PRAs for nonworking children. They could put \$1,000 in their account, and when they reached the age of 65, it would be \$250,000.

There will be no new taxes for this system. Retirement income would be there for everybody, whether you stayed within Social Security or chose to build a personal retirement account. In Minnesota, workers can decide when to retire and which options work best for them. With PRA, average returns would be at least three to five times better.

This is the system. I hope when we continue these debates, and when people hear these scare tactics, remember, that is all they are, rhetoric and scare tactics. We can develop a system that will be safe, sound, and will preserve better retirement benefits than we have today.

We should have that chance for our children, just as other countries. When hearing this debate, set aside the rhet-

oric and scare tactics and look at the numbers. I hope we can continue this debate because this is a very important part of America's future.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The time of the Senator has expired. The Senator from Maine.

Ms. COLLINS. Mr. President, I ask unanimous consent that I be permitted to proceed under the time reserved for the Senator from Wyoming, Mr. THOMAS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. I thank the Chair.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 2605 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Ms. COLLINS. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mrs. BOXER. Point of order: Is the Democratic side supposed to take over at 10:30?

The PRESIDING OFFICER. At 10:30, that is correct. There remains about 3 minutes.

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#### PERSONAL RETIREMENT ACCOUNTS

Mr. SANTORUM. Mr. President, I wish to briefly continue the discussion started by Senator GRAMS from Minnesota. I commend him for his fine work on the issue of Social Security and moving forward on personal retirement accounts.

I also commend Gov. George W. Bush for his bold and, I think, prescient decision to move forward on the issue of personal retirement accounts for Social Security. This is the kind of leadership this country is looking for, someone who is going to tell the truth to the country, let them know what the decisions to be made are with the most important social program in this country, Social Security.

The Governor laid out very clearly the options before us: We can either raise taxes, we can cut benefits, or one can invest some of the current Social Security revenue stream into stocks and bonds. He came out and said: I am for investment. That is the way we are going to solve this problem and create opportunities for every working American, with every working American sharing a piece of the American dream, the free spirit of America.

I commend him for that, thank him for his leadership, and look forward to talking about this issue over the next several months to move this issue forward for America.

The PRESIDING OFFICER. The Senator's time has expired.

All the time of the Senator from Wyoming has expired.

The Senator from California.

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#### SOCIAL SECURITY

Mrs. BOXER. Mr. President, it is interesting that Senator GRAMS and Sen-

ator SANTORUM came to the floor to praise Governor Bush's Social Security plan. I come here to express my deep alarm over this plan and to place into the RECORD the reasons I believe it is very dangerous to the future of this country, to our senior citizens, and to those who really depend on Social Security for themselves or for their aging parents.

I think the first question to ask is, What is Social Security? Why is it called security?

I used to be a stockbroker. I can tell you that I have seen the smiles when the market goes up, and I have seen the tears when the market goes down. At the time I was a broker, there was a very traumatic period in our history. It was the tragic assassination of our great President John Kennedy. I will never forget, the market was just crashing that day. It went down so much that there was a halt in the trading. Anyone who retired that day, and had an annuity plan, would have been in the deepest trouble.

I believe in investments in the stock market. I believe in investments in the bond market. I think it is very important that we let our people know Social Security is not meant to be your full retirement. What it is meant to be—and what it has worked so well as—is a basic foundation, a safety net, not guesswork but a basic return you can expect every month with a check you will get which will meet your basic needs.

Let me describe it this way: You have a house. It is very modest, but it is good. It has a roof. It protects you. It is a place where you can be comfortable, warm. It works for you.

Maybe you want to add a room to that house. That is wonderful. That is an amenity. That is something additional you could use—a family room, an extra bedroom. But you do not mess with the foundation of the house. You keep that a solid house—that Social Security. Anyone who challenges this idea is making a huge mistake. I will explain why.

You do not have to go that far to look at the ultimate result if we just said: People can just have individual accounts and forget Social Security. Because we know that happened in Texas. I will show you what happened in Texas when three counties left Social Security and went into the market and said to their people: We will allow you to deal with your accounts. This isn't theoretical; it has actually happened in Texas. Let me tell you about the Texas example where every single family lost out.

It was the same idea Governor Bush has. He started off talking about 2 percent of your Social Security being diverted. As I understand it, last week he said he could foresee a time when everybody has private accounts—100 percent. We know what happened in this experiment. The source here is the U.S. General Accounting Office, February 1999.

They did a study of the Texas experiment. This is what happened. Those counties went off Social Security, instead of saying: We will have a supplemental plan, like a 401(k). Keep your Social Security. Let's do a supplemental plan.

By the way, around here, a lot of us have a supplemental plan. We have our basic Social Security, and then we have what we call thrift savings, which is added on. That is fine. But we do not mess with Social Security.

These counties messed with Social Security. They walked away. This is what happened: The bottom 10 percent of earners, had they stayed in Social Security, would be getting a monthly benefit of \$1,125. But in their retirement plan—where they just said forget Social Security, we will have an individual account—they are getting \$542 a month. That is utter poverty. If they are in the median, the moderate income, instead of getting \$1,488 a month from Social Security, they are getting \$810 a month. If they are in the highest income, instead of getting \$1,984 a month, they are getting \$1,621 a month.

So when Senator SANTORUM and Senator GRAMS come to the floor—I say to my friend from Illinois, they have been lauding the Bush plan—I think we have to note that if you took the Bush plan to its ultimate, which he in fact said he could foresee, abandoning Social Security for individual accounts, every family lost, regardless of their income bracket.

I do not want to see this for America's families. I do not want to see it. I ask the next question: What happens if we go this route, and people are living in poverty instead of having a social safety net because of this? Do you think Congress would turn its back on the families of America? You know we would not. What would we do? We would say: Oh, my God, we had better bail them out. We have done it before for the savings and loans. We do not want to see people go destitute.

Then you have to ask yourself a question: If George Bush is President and he gets this huge tax cut for the wealthy but has used up all the money for that tax cut, where is he going to find the money to do this bailout? Are we going to go back to the days of printing money? We just finally got out of that situation—thank God—where we were running these deficits; we finally got it under control.

Let me tell you, this election is a watershed election. This is a risky plan.

The women Democratic Senators held a press conference just a few days ago. We decided to look at what this plan would do to women in our Nation. We went to the experts and asked them how they felt about it. This is what one of them said. I want to put his credentials into the mix. This is John Mueller, of Lehrman Bell Mueller Cannon, Inc., a former adviser not to AL GORE, not to BARBARA BOXER, not to DICK DURBIN, but an adviser to Representative Jack Kemp, an adviser to

Republican Jack Kemp. This is what John Mueller said:

... the largest group of losers from "privatizing" Social Security would be women. This is true for women in all birth-years, all kinds of marital status, all kinds of labor-market behavior, and all income levels.

Why does he say this? We went into this in the press conference we women Senators held. I want to try to find that clip so I can share with you why it is a fact that women will suffer.

First of all, there is no question that private accounts will lead to the reduction of benefits. Why do I say that? I want to make sure people understand that, because when you divert money away from Social Security into private accounts, what happens? The Social Security fund drops, and we do not have enough money to keep paying those benefits. So benefits would have to be cut. Women live longer, and they count on those benefits, so they would lose more; they would suffer more.

Now, here is an irrefutable fact, and the group that analyzed this was the Center on Budget and Policy Priorities. With just a 2-percent privatization—in other words, taking 2 percent of your taxes and putting it into an individual account—the trust fund will go broke in the year 2023. That may sound like a long way off, but trust me when I tell you it is not; 20 years is not a lot of time. I remember back to 1980, and it doesn't seem that long ago. Twenty years from now, with the 2-percent privatization that George Bush is calling for, assuming he does nothing to cut the benefits—and he won't admit to that—the trust fund goes broke.

Right now, without doing anything, the trust fund is solvent until 2037, so we make this trust fund go broke by many years. That is 14 years sooner that the trust fund is broke. AL GORE has a plan to take the interest payments on the debt he is going to save because he is much more conservative than George Bush in paying down the private debt, which is the bonds. He is going to absolutely make sure we don't have to keep issuing more bonds and we will pay down that debt. His plan keeps the funds solvent until 2050.

So let's take a look at the three scenarios. If you do nothing, the fund is solvent until 2037. If you follow the Gore plan, the fund is solvent until 2050. If you do the Bush plan and you don't cut benefits or raise taxes—which he will not tell us what he is going to do—you go bust in 2023. This is from a conservative. We know if you carry this plan to the ultimate extreme and go beyond 2 percent, you essentially know, from looking at what has happened before, people will suffer. You set up a real problem and you may have to do an S&L-type bailout. That is not good.

So the women Democratic Members are very clear on all of this. Let me say, in closing—and I know my friend, Senator DURBIN, is anxious to address this issue—I think a robust debate over

Social Security is right on target. I think encouraging people to save and put money into the stock market and have a nest egg there is good because I believe that is a good idea. But don't mess with Social Security. If you want to have a supplemental plan, your basic Social Security plus a 401(k), a thrift savings plan, and IRA, added on to the basic safety net, that is just fine. I believe in that. I think it is smart and good. But if you mess with the foundation, you are in a lot of trouble.

Senator SCHUMER was talking about this earlier today. He made the point that he is saving for his kids' college education. He decided he needed to have that money, no ifs, ands, or buts. He took that money and put it into the safest Government bond-type of investment because he can't gamble. What happens if on the day he has to start paying those bills the market goes down? We have seen the volatility of these markets. He says: My kids have to go to college. I am not going to tell them they can't go. So, yes, for other types of savings; it is a good idea to invest in markets; but for your basic retirement, don't gamble as they did in Texas. Don't gamble as the candidate for President, George Bush, wants to do. There are a number of us who are sending a letter—and I hope Senator DURBIN will describe it—to Governor Bush asking him to come clean on the details of his plan.

I ask unanimous consent to have this document on solvency printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRIVATIZING SOCIAL SECURITY: A RIVERBOAT GAMBLE

Social Security Trust Fund Solvent Until: 2037.

With 2% Privatization, Trust Fund Solvent Until: 2023.

(Source: Center on Budget and Policy Priorities.)

Mrs. BOXER. Mr. President, his plan will take us into the red. Combined with his risky tax scheme, he won't be able to bail out the people. So it is a dangerous idea. Stock market investments are good, but not as a foundation of an insurance plan, which is what Social Security is.

You will be hearing a lot more from the women Senators on our side of the aisle on this question because, under the leadership of Senator MIKULSKI, we have set up a checklist where we are going to judge every plan against this checklist that women should be able to count on. We should be able to count on several things: Preserving the Social Security guaranteed lifetime inflation and protecting the benefit; preserving Social Security protections to workers when they are disabled, as well as when they retire, and for workers, spouses, and children, and when workers are disabled, retired or die; three, protect against impoverishment of women by maintaining Social Security's progressive benefit structure;

four, strengthen the financing of the Social Security system while ensuring that women and other economically disadvantaged groups are protected to the greatest degree possible.

Look at that plan. Does it further reduce poverty among older women? I told you that his plan does not. We certainly want to see if it includes retirement savings options. Are these options something that will work for women? That is where we are.

I will close by repeating a quote from an expert, John Mueller, a former adviser to Representative Jack Kemp, who said:

The largest group of losers from "privatizing" Social Security would be women. This is true for women in all birth-years, all kinds of marital status, all kinds of labor-market behavior, and all income levels.

If you look at this experiment in Texas, everyone lost—all families, women, everyone. Let's not go down this path. We can't afford to do that.

#### TRIBUTE TO FRANK AUKOFER

Mr. KOHL. Mr. President, I rise today in recognition of 40 years of outstanding reporting by my friend, Frank Aukofer, who is retiring from the Milwaukee Journal Sentinel next week. With his retirement, the Capitol loses one of its finest journalists and Wisconsin loses one of its keenest eyes on Washington. I lose a reporter I admire and trust.

Frank is regarded as among the best in his profession, by both his peers and by those he covers. He is respected as a straight-shooter, valued for his integrity and admired as an honorable man. As a journalist, he has reported on virtually every event of consequence in our country over more than three decades. He has an impressive working knowledge of Congress, of policy, and of politics. Frank is usually three steps ahead of the story.

He is a journalist who didn't lose sight of the responsibilities of reporting, a professional who is a credit to his occupation.

Frank's love of his profession is evident in his long reach beyond the newspaper. He will be honored later this month by the Freedom Forum, a foundation dedicated to free press and free speech throughout the world. He is recognized as a national expert on the media, and has testified before Congress to promote access to government information. He was a visiting professor at Vanderbilt University. He was an early and strong supporter of the Newseum, our country's premier news museum.

Frank is also an active member and former President of the National Press Club, and an enthusiastic, if not particularly gifted, performer for the Gridiron Club. Earning the envy of his colleagues and sports car enthusiasts everywhere, Frank has even managed to peddle a legitimate weekly auto column to newspapers around the country.

As Frank closes this chapter of his career, I know he looks forward to new adventures and more time to spend with his grandkids. Frank has many more years of ideas and ambitions ahead of him. While I am saddened by his departure from the Capitol, I'm convinced that no one will enjoy a busier retirement than Frank Aukofer. I wish him well, I wish him continued good health, and I will miss him.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I ask the Chair to advise me of the time remaining on the Democratic side?

The PRESIDING OFFICER. The Democratic side has until 11:30 a.m.

#### SOCIAL SECURITY

Mr. DURBIN. Thank you. I come to the floor this morning to talk about an issue which is dominating the Presidential race across the United States. It is the issue about the future of Social Security.

It is interesting when you ask Americans how important it is. As an issue in this Presidential campaign, 71 percent of Americans say it is very important. It is understandable, because, at least since the era of the New Deal and Franklin Roosevelt, Social Security has really been there as an insurance policy against the devastating impact of age and retirement of people before its creation.

There was a time in America before Social Security when, if you were lucky enough to have saved some money, or if you were among the fortunate few with a pension, retirement was kind of an easy experience. But for the vast majority of Americans who didn't have that good fortune, retirement was a very troubling and dangerous experience.

It is no surprise that before Franklin Roosevelt conceived of the notion of creating Social Security, one of the highest ranking groups of poor people in America was parents and grandparents who were elderly. In his era, President Franklin Roosevelt changed the thinking in America to say: we are going to create, basically, a safety net to say to everyone, if you will give the Social Security fund some money as you work during the course of your employment, we will put that aside and guarantee to you that there will be a safety net waiting for you; that you will have a nest egg; that the Federal Government will be watching; and it will be there.

Over the years, of course, because of medical science and other things, we have gotten to the point where we live longer and more and more people are taking advantage of Social Security. Over the years, the amount of payroll tax for Social Security went up so you could take care of those senior citizens. But Social Security in America, for 70 years, has been that basic insurance policy.

When political leaders of either political party—Democrats or Repub-

licans—start talking about changing Social Security, a lot of American families start listening—not only those who are receiving it but many who are near retirement. Certainly, a lot of younger workers ask very important questions, such as: Will it ever be there when I need it? I think for the last three or four decades in America that question from younger workers has been very common. It is natural to be skeptical—when you are 20 years old or 25 years old—that the money you are putting into the payroll tax for Social Security will ever help you.

Yet if you take a look at the record in America, Social Security has always been there. Payments have always been made. We have kept up with the cost-of-living adjustments to try to improve and increase those payments over the years. But we have kept our promise. A program created almost 70 years ago has been an insurance policy for every American family.

There are warnings, of course, for people: Do not count on Social Security for a living because it is a very spartan existence. It doesn't provide a lavish lifestyle once you have retired. But you are not going to starve. You are going to have some basic health and necessities of life. Americans have built this into their thinking about their future. What will happen to us at the age of 65? We would like to think we are prepared with savings and retirement, but we always know that we have worked for a sufficient number of quarters for our lives so that we will qualify for Social Security.

It is interesting. In the year 2000, in this Presidential campaign, there is a brand new debate, and the debate suggests that we ought to take a brand new look at Social Security. On one side, George Bush has suggested we ought to change it rather dramatically; that we ought to take at least 2 percent of the payroll savings taxes that are taken out for Social Security and put that into a private account in which individuals can invest.

There is some appeal to that because a lot of people say maybe that will be a better idea—maybe I can make more money by investing it personally and directing my investments than if the Federal Government buys a very conservative investment plan with the whole Social Security trust fund. It is not uncommon to think that people across America are feeling good about directing their own future.

I say at the outset that—I think I speak for everyone in the Senate, both Democrat and Republican—we believe in encouraging people to save for their future. We believe in giving them options for investment. That is why we have created IRAs and 401(k)s, and all sorts of vehicles under the Tax Code so people can make plans for their future. But George Bush raises a more important question, and one that I would like to address for a few minutes.

What would happen if George Bush had his way? If we took 2 percent of the