

and job losses. In my State of Idaho, mills are closing or anticipating closure because of this flood of Canadian timber now hitting our market.

Last September, Congress confirmed its intention that drilled lumber be considered "lumber." But while Customs promised a quick reassessment of the February 1997 ruling, our report was ignored. Customs finally requested formal comments on the ruling by late October, but then gave a 60-day comment period rather than its normal 30-day comment period. You almost have to say, "U.S. Customs, whose side are you on?"

Customs delayed its response until April 15—that is from a February ruling of the year before—when it acknowledged its mistake, but again failed to take action. Instead, even though it had thoroughly reviewed extensive public comment, it asked for more comment, but this time referenced a statute with a deadline for formal action by June 15. Now we are almost a year and a half into the process. After 17½ months of review, the agency failed to meet that statutory deadline. Highly subsidized drilled lumber continues to pour over the border, damaging the agreement and destroying jobs in my State and in every other timber-producing State in the Nation.

Now, some are arguing that even if Customs finally corrects the error, it will take another 60 days for implementation, at the cost of more than \$70 million in U.S. sales. I have to say—and I use this word, but I would like to find a stronger word—"Customs, how ridiculous can you get?" Importers were warned by Customs in the October 27, 1997 Federal Register notice that they could not rely on the old ruling. Once Customs decides that this product is properly covered by the United States-Canadian Lumber Agreement, further invasion should be stopped. By its terms, the international agreement will cover this lumber.

What is particularly shocking about this loophole is that before the Agreement was signed, the administration expressly committed to the U.S. lumber industry that USTR, Commerce, and Customs would work aggressively at full and effective enforcement.

Now, I do not know if you call stumbling through the darkness of statutes for 17 months an aggressive effort. Mr. President, this "ain't" aggressive.

Mr. President, the Customs Service handled this issue in what I would have to say is the most outrageous of ways. U.S. mills and workers should be able to expect their Government, their President, to work for them by enforcing trade agreements. Heaven knows, they should be able to expect their Government not to affirmatively undermine trade agreements and cause them to be defenseless against unfair imports. That Customs would continue to do so in violation of a direct statutory requirement and blithely ignoring this Congress' report is beyond the pale. Of course, now with the Asian flu,

we have Indonesian dimensional lumber beginning to hit the west coast at even well below our cost of production.

In the strongest terms, I urge Customs to begin doing the job that it is commanded to do by U.S. law and for which U.S. taxpayers are paying. Customs must immediately issue a definitive, corrected ruling on drilled lumber and implement the ruling at once—not 30 days, not 60 days, not 17 months—but at once. It must also correct related miscalculations regarding notched lumber that are also undermining the lumber agreement. Reported efforts by the administration to clarify with Canada the Agreement's treatment of drilled and notched lumber do not affect Customs' obligation to act in accordance with U.S. law and policy. In fact, if Customs fails to act properly and reclassify this product, we can only expect more delay and more efforts at evasion in the future. More broadly, the agency must vigorously enforce the agreement and help the U.S. lumber industry realize that full subsidy offset is exactly what they deserve.

Failure by Customs to proceed in conformity with U.S. law and policy could have grave implications for other trade agreement programs. Just at a time when this country must awaken to not only the fairness of trade, but the importance of trade, and the balance of it, the administration is apparently moving in the other direction by ignoring it and allowing the flow of subsidized imports. The administration promised full and vigorous enforcement. With this loophole, it is not living up to that commitment.

Trade agreements serve U.S. interests only if they are effective. If the American people cannot trust the administration to maintain the integrity or much less enforce such agreements, the administration cannot expect a continued mandate to pursue trade agreements. Here we are trying to, struggling to, get this administration the ability to deal in trade, and they are simply doing the slow waltz at a time when it is costing this country hundreds of jobs, if not thousands.

Customs' mishandling of this important issue could also have budgetary implications. The taxpayers should not be expected to fund activities that actually worsen their position. Moreover, Congress should reconsider who has authority to make and implement classification decisions which can undermine our international trade agreements. In the context of countervailing duty and antidumping duty cases, the Commerce Department has direct authority to prevent these types of evasion. Perhaps we need to give USTR direct authority—and a mandate—to stop Customs from the twiddling of their fingers and their willy-nilly attitude toward obeying and enforcing the law. "Customs, I'm sorry, 17 months doesn't cut it."

Mr. President, this is truly one of those situations that makes most Americans outside the beltway just

shake their heads in disbelief at our Government. I, and I know others in Congress, will demand drastic actions if this problem is not rectified in a prompt manner. I am sending a copy of this to Secretary Rubin, and I am going to ask other senior Treasury officials to report to Congress immediately about the agency's intentions on this matter.

At a time when trade is of utmost importance to the producers in our country, we must recognize that balance is what really counts, and not allow industry or certain industries to die simply by arbitrary decision or inaction on the part of Customs and other agencies of our Federal Government.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

Mr. GRAMS. I ask unanimous consent to be able to speak for up to half an hour in morning business.

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

WHAT CAN WE LEARN FROM THE PAST? A HISTORY OF SOCIAL SECURITY

Mr. GRAMS. Mr. President, on July 1st, concerned Americans will gather in Cranston, Rhode Island, for the second in what will be a series of public meetings called the "Great Social Security Debate."

I want to thank the Concord Coalition, the American Association of Retired Persons, and Americans Discuss Social Security for sponsoring this event.

The first forum, which took place last April 7th in Kansas City, Missouri, was a great success. The discussions in Rhode Island will no doubt be equally compelling, especially given the focus of the debate: "Retirement in the 21st Century."

It is with one eye to the 21st Century that I rise today to speak about Social Security's past—to offer some perspective on its history and what we can learn from our attempts at social policy making.

In recent years, as more and more Americans become aware of its looming financial and demographic crisis, Social Security is no longer the "third rail" of American politics.

Both Democrats and Republicans have offered reform plans, including ones that would set up individual retirement accounts—a suddenly mainstream idea that would have been considered heresy just a couple of years ago.

Long before President Clinton's "Save Social Security" State of the

Union address, a national dialogue was already underway.

Summits, conferences, forums, and town hall meetings were organized to allow all Americans, old and young, to discuss Social Security and how to reform it to benefit our nation and make retirement more secure for current and future generations.

This democratic process will help us build a national consensus and eventually find workable solutions to preserve and strengthen Social Security while providing freedom of choice for all Americans.

As we move forward, it is important to remember that history is a mirror—by looking through it we gain perspective and the wisdom it provides, giving us the opportunity to avoid repeating mistakes. Nobel Laureate Friedrich Hayek says:

Political opinion and views about historical events ever have been and always must be closely connected. Past experience is the foundation on which our beliefs about the desirability of different policies and institutions are mainly based. . .

Yet we can hardly profit from past experience unless the facts from which we draw our conclusions are correct.

A review of its history will provide a better understanding of the origin and evolution of our Social Security system. It will facilitate the national debate on its reform and point us in the right direction.

For a time I would like to travel back in time. For hundreds, perhaps thousands of years, human society relied on families, relatives, or friends to care for their elders.

For the unfortunate individuals who could not support themselves, or did not have families to support them, the community provided assistance, in many cases through what were called the "poor laws."

The first compulsory social insurance programs on a national scale, including the programs that we call "Social Security" today, were established in Germany under Bismarck during the 1880s. Soon after, Austria and Hungary followed Germany by passing similar legislation.

England adopted national compulsory social insurance in 1911 and greatly expanded it in 1948. After 1920, social insurance on a compulsory basis was rapidly adopted throughout Europe and into the American hemisphere.

The United States did not have a national social insurance program until 1935.

Today, more than 140 countries in the world have one form or another of a social security program.

Unfortunately, a recent World Bank study shows that most of these programs are not sustainable in their present form. I will discuss this issue on another occasion.

It has been said that the industrial and agricultural revolution that began in the late 18th Century triggered social reform that shifted elderly-care from individuals and families to the state.

But empirical evidence is insufficient to support this statement, particularly in the case of the United States.

Prior to 1929, the economic condition of the elderly in America was fairly secure: most owned their own homes and lived off labor income, which was supplemented by emerging private pension plans as well as life insurance, savings, and family support.

The intellectual origin of social insurance, or as we call it, Social Security, comes in effect from an obscure group of scholars known as the German historical school of economics.

Driven by their dislike of laissez-faire capitalism and fear for a Marxist-led revolution, a group of German-government employed professors desperately sought a middle ground to make peace with Marxists.

They pushed for large-scale welfare legislation that could, in their view, ease the social tension, keep social order and justice, and avoid proletariat revolutions.

One of the leading figures was Gustav Schmoller. Schmoller was sympathetic to the industrial proletariat, and hated what he called the "unethical" striving for wealth by the property-owning classes.

He believed that the lower classes had a right to derive benefits from increased production through welfare legislation. He argued that unequal distribution of income was evil, and that government, not the individual or the community, had the moral duty to help the proletariat maintain equity and social harmony.

In the early 1870s, Schmoller set up the Congress for Social Reform. The purpose was to draft, propose, and promote social legislation. Later, he and others created the Association of Socialpolitiks as a forum to advocate social reform.

As a result of his effort, the Bismarck government passed the first welfare laws in 1883 and old age insurance laws in 1889 in Germany.

Very few in this country have ever heard about the German Historical School of Economics, but it was this small group of intellectual elite had a tremendous impact on American economic thought as well as public policy making.

As thousands of young Americans went to Germany to study in the late 19th century and early this century, many became disciples of the German Historical School of Economics and were indoctrinated by German welfare capitalism.

The American students were urged by their German teachers to influence the course of politics in the U.S. and change American attitudes towards social legislation.

Now, these German-trained and educated economists—Adams, Clark, Patten, Seligman, and Ely—founded the American Economic Association in 1885. That is the American counterpart of the German Association of Socialpolitiks.

Edwin Gay, one of Schmoller's students, was a founder of the National Bureau of Economic Research and created the journal, *Foreign Affairs*.

Recford Tugwell, a well-known American disciple of the German Historical School of Economics, favored social legislation along the lines of the German welfare economists. Tugwell became influential under President Roosevelt in the 1930s and exerted considerable legislative influence under the New Deal.

Richard Ely, another important disciple of the German Historical School, established the American Association for Labor Legislation, later named the American Association for Old-age Security. That launched the first American social insurance movement. He was even put on trial by Wisconsin's superintendent of public instruction for propagating socialism in Wisconsin schools in 1894. Ely and John Commons succeeded in passing the old-age insurance legislation in Wisconsin in 1925. That was among the first in this country.

Later, the Wisconsin model was used in drafting the federal Social Security legislation.

Now, despite their enthusiasm for social legislation, these German-trained intellectuals were initially not successful in achieving their goals in America.

Before 1929, there were no significant, broad-based demands for compulsory, federal old-age insurance. In most states, elderly assistance was locally provided and administered through poor laws.

Private charity and town/county-controlled almshouses were the primary sources for elderly assistance. In 1929, the New York Commission on Old-Age Security found that 90 percent of the elderly population were either self-supporting or were being supported by their families and relatives.

Less than four percent depended on private charity or public assistance. Private pensions existed although they were not widespread in America before the era of the Great Depression.

During the Great Depression, when the stock market plunged 80 percent, 15 percent of the population began receiving some form of public relief. This event gave tremendous momentum to social legislation.

On June 8, 1934, President Franklin D. Roosevelt announced his intention to provide a program for Social Security.

Subsequently, FDR created the Committee on Economic Security, which was chaired by Frances Perkins, Secretary of Labor, with four other members of the cabinet.

The committee was instructed to study the entire problem of economic insecurity and to make recommendations that would serve as the basis for legislation consideration by the Congress.

A number of university professors were called to staff the CES. According to the recollections of Professor Douglas Brown, a staff member in the small,

old-age security section of the CES, the major attention of the CES and its staff was focused on unemployment insurance, not old age insurance.

FDR, Perkins, and the CES director clearly had doubts about a national old-age system. On a number of occasions it appeared unlikely that the Committee would approve the old-age insurance system.

Because it was on the back burner, the old-age security section had a very small staff and was left alone to work out a plan at its will.

Basically, two individuals, Barbara Armstrong of the University of California and Douglas Brown of Princeton, who pushed old-age insurance in the CES. The two actually drafted the U.S. Social Security plan in only a month.

Their compulsory old-age insurance plan raised serious concerns about its constitutionality within the CES.

Even President Roosevelt, Labor Secretary Perkins, who was also the chairman of the CES, and Edwin Witte, the Executive Director of the CES, did not think this was the right time for a Social Security system.

But the intellectual elite within the CES pushed on. In November, 1934, Armstrong asked her friend, Max Stern, who was in the Scripps-Howard newspaper chain to launch a sharply written editorial criticizing Roosevelt's failure to give his wholehearted support to old-age insurance.

Roosevelt finally caved. From then on, old-age insurance moved to the front burner at the CES.

The original proposals for the old-age insurance program drafted by the CES staff allowed the states or private insurance companies to administer the program.

But this was removed in later drafts. Douglas Brown later admitted that the CES staff deliberately exaggerated the difficulties of establishing separate state old-age insurance systems as an alternative to a federal system.

It is generally believed that the Great Depression made Social Security necessary for the American people.

The CES argued that the Great Depression had greatly exacerbated the plight of the elderly, that the elderly were among the first to lose their jobs, and that the effects of the Depression would be felt for a long time to come since many families had seen their lifetime savings wiped out.

However, the Social Security proposal submitted to Congress fell far short of dealing with this. The Social Security system started to collect payroll taxes in 1937 but no benefits were distributed until 1942. It took more than seven years for this elderly relief measure to be effective—long after the Great Depression ended.

More recent studies have suggested the Depressions may not have dictated the establishment of a Social Security system.

For example, economists now believe that by examining the welfare of the elderly outside the family context, re-

formers such as those staffing the CES drew an exaggerated picture of the elderly's plight.

The 1935-36 data shows that per-capita household income peaked at \$627 for persons aged 60 to 64, while for people aged 65 and over, average per-capita income was only slightly lower, at \$601.

In any event, the CES made its report to the President in early January 1935, and on January 17, the President introduced the report in both Houses of Congress for simultaneous consideration.

In less than seven months following its introduction, Congress passed and the President signed the Social Security Act into law.

The history of Congress' debates and consideration of this legislation is of particular interest.

When drafting the compulsory old-age legislation, the CES felt that the House Ways and Means Committee and the Senate Finance Committee, which had jurisdiction over the issue, might not be sympathetic toward FDR's plan, so they created a special committee that would be headed by the labor committees' chairmen.

Without showing much interest in the substance of social security, the tax committees were concerned nonetheless with who should have jurisdiction over it.

When it appeared he might be bypassed, Ways and Means Chairman Robert Doughton of North Carolina went to see FDR, whereupon the President told Frances Perkins that bypassing the Ways and Means Committee would never do.

He did not want to alienate Doughton and his Senate counterpart, Pat Harrison. Without especially liking the old-age insurance program, both committee chairmen stood loyally by it, perhaps in return for having been left in charge.

Instead of being put into a new committee, the chairmen of these committees, the Senate Finance and House Ways and Means, did not want to feel that they were being bypassed, so they pledged their loyalty in order to keep jurisdiction in their committees over these plans.

Once the Economic Security bill was introduced, both chambers began hearings immediately, and it took less than a month for the committees to complete its work on the bill. Nearly 100 people testified—but most of them were either government officials or friends of the CES. The general public and opponents of the bill, particularly employer groups, were not well represented. Again, according to CES Director Edwin Witte, the employer groups "simply knew too little to take any active role." So did the public.

In other words, the employers and the public knew too little, so they only invited certain people to testify before their committees in support of the new Social Security program.

The Economic Security Legislation contained many titles. In an "all-or-

none" strategy, FDR smartly tied old-age insurance with the old-age assistance program.

If not for the needed program to aid the elderly poor, the old-age insurance would have never gone through the Congress, according Edwin Witte.

Nevertheless, there was no shortage of opposition to the bill in the House.

In fact, the old-age insurance title was nearly stricken from the bill in the House Ways and Means Committee and again on the House floor, where an amendment to strike the program mustered a third of the votes cast.

Congressman Allen Treadway, the ranking Republican member of the House Ways and Means Committee, called old-age insurance the "worst title in the bill. . . a burdensome tax on industry."

Congressman Daniel Reed pointed out that neither old-age insurance nor unemployment compensation were "relief provisions and they are not going to bring any relief to the destitute or needy now nor for many years to come."

When the Senate began debate on the legislation, the old-age insurance program became even more controversial. Many senators from both sides of the aisle seriously questioned how un-American this compulsory old-age insurance plan was. So there were a lot of questions and concerns at that time in Congress over these proposals.

Some worried about the extremely high cost of the program and the heavy tax burden it would impose on the American people.

Some doubted the finance mechanism, and predicted the funding could not be sustained. Some pointed out how unwise it was to have the federal government, instead of states and private companies, run the plan.

Some were concerned that, as an emergency measure to respond to the difficult days of the Great Depression, the plan would turn into a permanent program over which the Congress had no control.

Some criticized the discriminative nature of the legislation against the young and higher-wage earners. Some questioned the morality of the current generation passing the burden to future generations.

Unfortunately, many of their prophecies have become reality today.

The major battle on the Economic Security Legislation was fought over the Clark amendment.

Senator Bennett Clark, a Democrat from Missouri, recognized the income-redistribution and non-competitive nature of the old-age insurance program and decided to amend it by allowing companies with private pensions to opt out of the public program.

Any employer could stay out of the Social Security program if they had a pension plan that offered benefits comparable to the federal program. Workers would be given the freedom to choose either the federal Social Security program or a private pension plan offered by their companies.

Clark argued that if the purpose of the old-age insurance program was to provide pensions based on earnings and contributions, not to redistribute income, the private sector was perfectly capable of performing this function. Unearned benefits, not competition, were the source of the problem.

The proponents of the Economic Security Bill feared that if the Clark amendment passed, it would encourage private competition and put the federal-run program at a disadvantage.

That is the market at work. Again, those who were proponents of the Social Security plan did not like the Clark amendment because they thought it would encourage private competition and it would put the Federal run program at a disadvantage.

Competition would eventually undermine and destroy the Social Security program, they argued.

The Clark amendment was narrowly defeated in the Senate Finance Committee by a tied vote, but was adopted on the Senate floor by a wide margin of 51 to 35. Considering FDR's veto threat and the two-to-one ratio of Democrats/Republicans in the Senate, this was indeed a very significant vote.

Subsequently, the Senate passed the Economic Security bill, including the Clark amendment, by a vote of 77-6. However, the amendment became a sticking point once the bill reached conference.

House conferees strongly opposed the amendment on the grounds that it would ruin the federal program, but Senate conferees refused to concede on this matter.

The conference dragged on for weeks. At the end, FDR ordered the Senate Democrat conferees to agree to the House position, and because many conferees feared that the much-needed old-age assistance might be delayed by the Clark amendment, they agreed to drop the amendment.

The concession was that the Administration promised to further study the idea of contracting out of Social Security.

There would be a special joint legislative committee to work on legislation based on the Clark amendment and submit it to Congress for consideration during the next session. With that understanding, the Congress approved the conference report. FDR signed it into law on August 14, 1935. The promised special committee and the Clark legislation, of course, never happened.

In her book, "The Roosevelt I Knew", Frances Perkins recorded an interesting conversation she had with Senator Al Gore, Sr., of Tennessee:

"I remember that when I appeared before the Senate Committee old Senator Gore raised a sarcastic objection. 'Isn't this Socialism?'"

"My reply was, 'Oh, no.' Then, smiling, leaning forward and talking to me as though I were a child, he said, 'Isn't this a teeny-weeny bit of Socialism?'"

Despite her denial, Senator Gore may have made a point. Professor Theresa McMahon, a member of the Social Security Council, put it more bluntly by

saying at that time: "I don't mind taxing the bachelors. . . I think they ought to take on the responsibility of sharing their income with somebody else."

On January 31, 1940, the Social Security system started to distribute the payroll taxes the government had collected in the past three years to those who never paid any tax into the system. The first monthly retirement check was issued to Ida May Fuller of Ludlow, Vermont, in the amount of \$22.54. Miss Fuller died in January of 1975 at the age of 100. During her 35 years as a beneficiary, she received over \$20,000 in benefits and paid in nothing.

In the 60 years following its creation, and despite continued criticism, the Social Security program has grown dramatically in size and scope. As more beneficiaries and programs are added, the payroll tax has been raised 51 times.

Congress 51 different times has gone back either to raise the tax on Social Security, or to expand the income on which that was to be taxed.

As an example, in 1940, an American worker earning the maximum taxable wage paid \$70 in payroll tax. That is \$675 in inflation-adjusted dollars. Today, that same worker would pay a Social Security payroll tax of \$8,481.

So the maximum in 1940 in today's dollars would have been \$675. The maximum today is nearly \$8,500. Meanwhile, the number of workers per retiree has dropped from 100 in 1942 to two today, and the unfunded liabilities of the program have become unbearable for future generations.

Since the enactment of the 1935 Social Security Act, many changes have taken place to expand the program.

Major changes include the 1939 amendment, which was initiated by Social Security officials and greatly expanded the program. It required the payment of benefits to the spouse and minor children of a retired worker, and survivor benefits to the family in the event of the premature death of a covered worker.

It also increased benefit amounts and accelerated the start of monthly benefit payments from 1942 to 1940. The 1939 amendment officially set up the pay-as-you-go scheme which uses today's tax to pay today's benefits, leaving unfunded liabilities to future generations.

A 1950 amendment accelerated the benefits schedules and extended Social Security coverage to the self-employed. In 1952, all Social Security beneficiaries received a general "cost-of-living" increase.

The Social Security Amendments of 1954 expanded the old-age insurance to a disability insurance program.

Another major change was made in 1956.

The 1956 amendment expanded Social Security coverage to more classes of workers, increased the wage base substantially, and increased benefits by 77 percent.

In 1965, Medicare, a new social insurance program that extended health coverage to retirees, was added to the

Social Security system. In the 1970s, another new program, Supplemental Security Income, was added.

The 1950s and 1960s were the golden age for Social Security because the fund revenue was greatly increased by growing employment and rising wage rates. Social Security officials repeatedly assured the Congress that Social Security would maintain long-term actuarial balances.

Ronald Reagan saw the defects of the system and was the first to suggest investing Social Security funds in the market. As early as 1964, Reagan asked: "Can we introduce voluntary features that would permit a citizen to do better on his own, to be excused upon presentation of evidence that he had made provisions for the non-earning years?"

Reagan's advice was cast aside. But in 1975, Social Security first began running larger long-term deficits. Its expenditures exceeded income by \$1.5 billion. The pay-as-you-go finance mechanism started cracking and was unable to produce large windfall gains to retirees.

In 1977 and 1983, Congress had no choice but to pass Social Security rescue packages by significantly increasing taxes. Again Washington claimed the fix would make Social Security solvent for at least 75 years. Again, that was a lie.

Today, Social Security faces the severest crisis yet. When 74 million baby boomers begin retiring in 2008, Social Security will run a cash shortage in 2013 and go broke in 2031, according to official projections. Knowing the "reliability" of these official forecasts, the shortage could arrive much earlier.

Without a policy change, the Congressional Budget Office estimates the debt held by the public will balloon to nearly \$80 trillion, from today about \$5.6 trillion in debt. But without a policy change, beginning with Social Security, the Congressional Budget Office estimates that the debt held by the public could balloon to as much as \$80 trillion. And General Accounting Office estimates that it could be even worse. The General Accounting Office says it could be a \$158 trillion debt. This is very, very serious.

Mr. President, that covers the history of Social Security. Now, what can we learn from our past policy making experiences?

First, the Social Security system was put together in just a few weeks without thorough debate and time to consider such a major policy change.

It was imposed on the American people following a time of economic crisis and despair by a few individuals who had a personal agenda of redistributing private income.

At the time it passed, few people understood the long-term impact of the program on the citizens. It was hardly a democratic process.

Second, a retirement program that mixes insurance with welfare does not work, because these two functions are fundamentally incompatible.

As a result, we have a bad welfare plan and a bad old-age insurance plan which make the system much more inefficient for those who need welfare assistance as well as those who need retirement security.

It does not work because it is based on the false assumption that people no longer have to work to achieve the American dream—the government will take care of them.

Third, when we consider Social Security, policy—not politics—should be our guide. Changes made for short term gain will come back to haunt us.

Fourth, the federal government does not have a good record of running social insurance programs. We should look for ways to improve and streamline the program.

Fifth, we should begin to look to the ingenuity and competitive spirit of the private sector to improve and rejuvenate the program.

The American people should have some freedom of choice. Each individual has different abilities and different needs at different times; they should be free to choose either the current compulsory insurance plan or their own individual retirement accounts.

The individual retirement account is not a new idea. A majority in Congress supported this idea 60 years ago. Sixty years ago the Clark amendment, the individual retirement account, was supported by the vast majority in Congress—60 years ago. Had we adopted the Clark amendment then, our Social Security system would be in much better shape today.

And it is not too late, because Congress should take Senator Clark's advice by allowing people to opt out of the Social Security system and giving individual workers the right to fund and control the investment of their own retirement accounts.

With today's mature and well-regulated financial markets, every American, rich or poor, can greatly improve their retirement security. We must provide the options to ensure that Americans can provide for their retirement, not just pass an increasing liability on to their children and grandchildren. If we don't make this change, we are going to pass to our children a national debt somewhere between \$80- and \$160 trillion. We need to pass on the ability for our children and grandchildren to make those decisions for themselves.

Finally, we need to educate and inform the public about Social Security. We should encourage more people to participate in the policymaking process. We need to encourage them to understand how options can actually help them enjoy their retirement. A well-informed general public will not be deceived by political rhetoric and will be able to decide what is the best option for them. They can make that decision best for themselves.

So, Mr. President, with the perspective offered by the past, I urge my colleagues to join me in the months to come in my efforts to improve retirement security for all Americans.

I thank the Chair. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent that I may consume as much time as I require.

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

THE PRESIDENT'S TRIP TO CHINA

Mr. BYRD. Mr. President, 11 months ago, this body resoundingly passed S. Res. 98, a sense-of-the-Senate resolution, cosponsored by the distinguished Senator who presently presides over the Senate, the Senator from Nebraska, Mr. HAGEL, and myself. The Byrd-Hagel Resolution sent a strong message to the Administration regarding the then-impending Kyoto Protocol. The Resolution directed the Administration not to submit the Kyoto Protocol to the Senate for its advice and consent until developing countries, especially the largest emitters, make "new specific scheduled commitments to limit or reduce greenhouse gas emissions" similar to those to which developed nations would be bound if the Protocol were implemented. The resolution also called on the Administration to show that such a Protocol "would not result in serious harm to the economy of the United States."

In anticipation of the President's trip to China, I recently sent a letter to him urging him to use his influence to persuade the Chinese to take "a progressive leadership role among the developing world" so that we can begin to fully address this complex and serious issue. I noted that, "after 2015, China is expected to surpass the United States as the world's largest emitter of greenhouse gases. While the Chinese contribution to global emissions in 1995 was 11 percent, it is expected to reach 17 percent by percent by 2035. In that same time period, the U.S. emissions will shrink from 22 percent to 15 percent."

While the international effort to bring China on board may seem like a difficult task, it is still possible if we seek win-win opportunities. While China has taken a number of steps to clean up its own environment, China's domestic efforts must increase given the serious nature of their environmental problems. I urged the President to encourage China to support the market mechanisms that were successfully incorporated in the Protocol by the Administration's negotiators.

Through flexible, market-based mechanisms, we have a tremendous op-

portunity to work with the developing world, allowing for economic growth and also reducing world, allowing for economic growth and also reducing global greenhouse gas emissions. As I have previously said, the United States and the rest of the developed world is not attempting to limit the economic growth of China or any other developing nation. China has the right to develop economically. But, based on the growing body of evidence and the potential consequences of increasing greenhouse gas concentrations, all economic development should be done in a responsible manner. The Chinese must recognize the importance of their role, and they should not ignore their responsibilities in addressing this shared problem. Global warming is a global problem. It is not just an American problem. It is not just a European problem. It is a global problem. And as such, it requires not just an American solution, not just a European solution, but a global solution.

I wrote the President stating that, "the combination of these efforts would be the right course of action and underscores how the Chinese could accept binding commitments to reduce their greenhouse gas emissions. Taken together, these steps would lead to a real reduction in emissions as well as global participation in the Kyoto Protocol."

Mr. President, I believe we should challenge the Administration to recognize the concerns of the Senate and the American people with regard to the Kyoto Protocol and its possible impact on the U.S. economy, but in saying this, I am also willing to seek a constructive dialogue focusing on addressing this important issue. Of all the significant concerns that the President will discuss with the Chinese during his visit, I believe that this is one of the most critical for the long-term relationship of both our nations. We have to begin to work together because our shared environmental futures are at stake, and the well-being of our people's futures—these are at stake.

SENATOR COATS AND THE LINE-ITEM VETO

Mr. BYRD. Mr. President, on another item, I take this opportunity to speak about him during his absence, and I am referring to the distinguished Senator from Indiana, Mr. COATS.

Mr. COATS will be leaving the Senate after this year. He is voluntarily doing so. He is a very able member of the Senate Armed Services Committee. I serve on that committee with Senator COATS. He is very knowledgeable about national defense, about military matters. He takes his responsibilities seriously. He is extremely articulate in his exposition of the problems and the defense needs of our country, and he is quite influential among the other members of the committee and of the