chooses to submit one to meet that requirement.

SEC. 2007. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency to impose or enforce any requirement that a state implement trip reduction measures to reduce vehicular emissions.

SEC. 2008. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency for listing or to list any additional facilities on the National Priorities List established by section 105 of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 U.S.C. 9605, unless the Administrator receives a written request to propose for listing or to list a facility from the governor of the state in which the facility is located, or unless legislation to reauthorize CERCLA is enacted.

SEC. 2009. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the ''Second Supplemental Appropriations and Rescissions Act, 1995''.

**SEC. 2010. PROHIBITION ON USE OF FUNDS TO DELINEATE NEW AGRICULTURAL WETLANDS.**

(a) IN GENERAL.—Except as provided in subsection (b), during the period beginning on the date of enactment of this Act and ending on December 31, 1995, none of the funds made available by this or any other Act may be used by the Secretary of Agriculture to delineate wetlands for the purpose of certification under sections 1222(a) of the Food Security Act of 1985 (16 U.S.C. 3822(a)).

(b) EXCEPTION.—Subsection (a) shall not apply to land if the owner or operator of the land requests a determination as to whether the land is considered a wetland under subtitle C of title XII of the Food Security Act of 1985 (16 U.S.C. 3821 et seq.) or any other provision of law.

**SEC. 2011. FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES**

(RESCISSION)

Of the funds available to the agencies of the Federal Government, $104,000,000 are hereby rescinded: *Provided*, That rescissions pursuant to this paragraph shall be taken only from administrative and travel accounts: *Provided further*, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office, including the Office of the President.

**TITLE III—IMPACT OF LEGISLATION ON CHILDREN**

**SEC. 3001. SENSE OF CONGRESS.**

It is the sense of Congress that Congress should not enact or adopt any legislation that will increase the number of children who are hungry or homeless.

**TITLE IV—DEFICIT REDUCTION**

DOWNWARD ADJUSTMENTS IN DISCRETIONARY SPENDING LIMITS

SEC. 4001. Upon the enactment of this Act, the Director of the Office of Management and Budget shall make downward adjustments in the discretionary spending limits (new budget authority and outlays) specified in section 601(a)(2) of the Congressional Budget Act of 1974 for each of the fiscal years 1995 through 1998 by the aggregate amount of estimated reductions in new budget authority and outlays for discretionary programs resulting from the provisions this Act (other than emergency appropriations) for such fiscal year, as calculated by the Director.

PROHIBITION ON USE OF SAVINGS TO OFFSET DEFICIT INCREASES RESULTING FROM DIRECT SPENDING OR RECEIPTS LEGISLATION

SEC. 4002. Reductions in outlays, and reductions in the discretionary spending limits specified in section 601(a)(2) of the Congressional Budget Act of 1974, resulting from the enactment of this Act shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Friday, March 31, at 9:30 a.m., in SR–332, to discuss agricultural credit in the new century.

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

## ADDITIONAL STATEMENTS

## INDEPENDENCE DAY FOR SOCIAL SECURITY

• Mr. MOYNIHAN. Mr. President, today is a day of independence. Today, the Social Security Administration becomes an independent agency of the U.S. Government. This is an event of historic importance for Social Security and for the Nation.

We have increased the stature of the Social Security Administration, strengthened its leadership, and established a bipartisan advisory board. I am proud to have sponsored the legislation, the Social Security Administration Reform Act of 1994, that brought about these changes, for they were sorely needed. Public confidence in the Social Security system has declined to the point where a recent survey of 18- to 34-year-olds revealed that 46 percent of respondents believed in UFO's, while only 28 percent believed their Social Security will be there when they retire.

Mr. President, there is no greater authority on Social Security in the Nation's Capital, or indeed anywhere in the United States, than my distinguished friend Robert J. Myers. Bob Myers came to Washington in 1934 and was quite literally present at the creation of Social Security. He served as Chief Actuary of the Social Security Administration from 1947 to 1970, and as Deputy Commissioner from 1981 to 1982, after which he became Executive Director of the National Commission on Social Security Reform. Bob Myers is a familiar figure to members of the Committee on Finance, where he is a frequent witness on Social Security matters, and he is well known to many other Members of the Senate and House of Representatives. When it comes to Social Security, he is an institution unto himself. And so when an expert of Bob Myers' vast knowledge and experience speaks out on this subject, we had all better listen closely.

I invoke Robert Myers on this day—Social Security independence day—because he has just written an outstanding commentary in response to a recent Time magazine article entitled ''The Case for Killing Social Security.'' The cover of the March 20 issue of Time depicts a Social Security card torn into pieces. The lengthy Time article argues that in the next two decades, Social Security will ''be lurching into its final crisis.''

Well, Mr. President, the ''case for killing Social Security'' is weak indeed, and Bob Myers has demonstrated this as only he can. His paper makes clear that, far from being close to demise, the Social Security system will remain solvent with only minor adjustments. Yes, reasonable, measured changes will need to be made in order to assure solvency over the long term. But Congress and various administrations have never shirked from this bipartisan responsibility in the past, and we will not do so in the future. Social Security is not at risk, and we need to say so—as Bob Myers has done with great clarity.

Mr. President, I ask that the text of the commentary by Robert J. Myers be printed in the RECORD.

The commentary follows:

COMMENTARY ON TIME MAGAZINE'S COVER STORY ON THE SOCIAL SECURITY PROGRAM

(By Robert J. Myers)

The cover of Time, the Weekly Newsmagazine, for March 20 was captioned ''The Case for Killing Social Security.'' The contents featured a nine-page article going into detail as to why the program should be drastically changed, even eliminated, by moving to an entirely different system based on individual savings accounts. Unfortunately, the article involves many half truths, errors, and omissions of pertinent facts and is not well balanced.

The general thrust of this article is well shown by its introductory sentence—''You know a government program is in trouble when it's less credible than a flying saucer.'' The basis of this remark is from the results of an opinion survey of persons aged 18–34 made by the Third Millennium. This showed that 46% of the respondents believed that UFO's exist, while only 28% thought that Social Security will still exist by the time that they retire.

A very knowledgeable senator has made the comment about this so-called analysis of the financial solvelvency of the Social Security program that those who believe in the existence of UFO's are ''dopey''. Accordingly, their views on such a complex matter as the long-range viability of the Social Security program cannot be taken too seriously. Or their views as to UFO's may be considered as an attempt to be funny—under the theory ''ask a silly question, expect a silly answer.''

The article then states that, in about 20 years, Social Security ''will be lurching into its final crisis'' and will ''collapse altogether''. It immediately contradicts this ''certainty'' by saying that this can be avoided by benefit reductions or tax increases, although asserting that these would have to be ''stunning'' and ''huge''. The article fails to recognize that the program is not—and has not, in the past, been—unchangeable. Further, such changes (which, admittedly, are very likely needed) do not involve great shifts at one time, but rather deferred and gradual small ones. The Social Security program is not—and was never intended to be—one that is of an unchangeable, contractual nature. Rather, it can be—and has been—adjusted from time to time to reflect changing demographic, economic, and social conditions.

Next, the article asserts that, beginning now, some retirees are getting a ''bad deal'', because the value of their benefits (taking into account interest) will be less than ''the sum of their lifetime contributions, plus interest.'' And, further, it is stated that this deplorable situation will get much worse as time goes by.

Unfairly, it is not pointed out that by ''contributions'' is meant both the employer and employee contributions. Economists will generally say that employees really pay the employer contribution, because it is part of total remuneration. I assert that, while this may be true in the aggregate, it is not necessarily the case on an individual-by-individual basis. Many private employee benefit plans (such as defined-benefit pension plans and health benefits plans) do not give each employee benefit protection financed by the employer that has a cost as a percentage of salary which is the same for all employees. For example, health benefits plans have a higher value relative to salary for low earners than for high earners, because for persons of a given age and family composition, the value of the benefits in the dollars is the same.

Even more importantly, Social Security is not—and never was intended to be—a system involving complete individual equity, under which each participant would get exactly his or her money's-worth in benefit protection, no more and no less. Rather, it is intended to contain elements of both social adequacy and individual equity.

Under the social adequacy principle, relatively large benefits in relation to contributions are paid to several categories: participants who were beyond the normal entry age into the labor market when they were first covered (a common practice in private pension plans); lower-paid workers; and workers with dependents. The individual-equity principle is present in that, for a particular category of workers, the larger the earnings on which contributions are paid, the larger will be the benefit amount, even though not proportionately so.

The money's-worth situation under Social Security is far less extreme than is the situation for school taxes. Such taxes are paid, directly or indirectly, without regard to whether the payer has children currently, or has had children, or will have children. Moreover, the amount of the taxes bears no relationship to the possible ''benefit'' protection.

Following this incomplete, even inaccurate, money's-worth discussion, the article goes on to state that, ''almost unanimously'', scholars and policy analysts believe that the Social Security program is doomed and is ''ripe for retirement'' now. This unsupported statement is outrageous! Scores of scholars and policy analysts (including those persons who have a good knowledge of the structure and history of the Social Security program) do not hold this view, and only a handful of persons who are qualified by their knowledge and experience would support it. I am confident that, if a survey on this matter were made among actuaries (who are the ''social engineers'' in the general pension area), no such ''doomsday view'' would be overwhelmingly held, or even supported by many.

These ''experts'' whom the article has found proclaim that the present Social Security program should be replaced by a two-tier system—a public-assistance needs-tested safety net under a mandatory private savings plan involving complete individual equity. Ignored in this proposal are several important matters. One is the huge general-revenues cost of the safety net, whose costs would have to be met indirectly by the higher-paid persons, who would think only that they are getting their money's-worth from the mandatory savings plan. Further, there would be great disincentives for saving by lower-income (and even middle-income) persons, because they would get little more by doing so than they would by utilizing the safety net only. And, still further, fraud and abuse would abound as persons would be tempted to hide income or transfer assets to their children and receive the income back ''under the table.''

Moreover, the proposed ''simple solution'' fails to recognize the problem of providing adequate disability and survivor benefits for persons who have such an event occur at the young or middle ages. In such cases, the mandatory savings will not have built up to a high level and thus will not ''purchase'' adequate benefits.

Next, the article proclaims that the Social Security trust fund (another display of ignorance because there are two trust funds—one for retirement and survivor benefits and the other for disability benefits) is an ''empty cookie jar,'' because ''the Treasury has already raided it for hundreds of billions.'' This is patently false! The bonds and notes held by the trust funds are just as valid as any government securities held by banks, insurance companies, mutual funds, you, and me. They pay an equitable rate of interest and are part of the recorded National Debt. Certainly, the money that went for them (the excess of income over outgo of the trust funds) was spent. But the same thing is done by the Treasury with the proceeds of any bonds which it sells to the public—or, for that matter the same as a corporation does when it sells its bonds, or a savings bank does with your deposit (it ''spends'' the money by lending it to somebody else).

The article then bemoans the problem, some 20–25 years hence, when under present law, the bonds will begin to have to be redeemed in mass. To do so, such action as raising income taxes or floating new loans from the public will be necessary. But this is no different than what has to be done when government obligations held by the general public come due. And it is most important to note that, if the trust funds had not had the money to purchase the bonds in the beginning, the general public would have had to have done so, and there would still be the same problem of redeeming the bonds at some time.

Further, if changes in the Social Security program are made in the next few years—as I believe that they should be—this situation of a dismantling of huge trust-fund balances would not occur. In fact, if Senator Moynihan's proposal, made about five years ago, to slightly lower contribution rates now and slightly raise ones many years hence—thus returning to pay-as-you-go financing—were adopted, this problem would not occur. And further, the true magnitude of our horrendous general-budget deficits would be apparent.

A minor error, and yet one that clearly displays the ineptitude of the article, is the statement that maximum Social Security payroll taxes ''have already multiplied 10 times since 1950.'' Such tax in 1950 was $90 (3% of $3,000) and is $7,588.80 in 1995 (12.4% of $61,200). The correct ''multiplying factor'' is thus 84.3, not a mere 10!

The next cry of ''doom and gloom'' in the article is that, some 35 years from now, if nothing is done in the meanwhile, the trust funds will be exhausted, and the Social Security tax rate will have to be increased to 17%. This is reasonably correct (although I would have said 16% initially and 17% some years later) under the conditions stated. However, such conditions are most unreasonable! Congress, which almost always acts reasonably and responsibly (although not always promptly enough!), will undoubtedly act well in advance of such a cataclysmic event. True, an increase of about 4% in the combined employer-employee tax rate in a single year might ''devastate the economy'', as the article claims.

But what should be done—and likely will be done—is to transition in some benefit cost reductions (like an increase in the Normal Retirement Age, so as to recognize increased longevity) and some contribution rate increases (like 1% each on employers and employees, in steps over a period of years). This would have little, if any, adverse effect on the economy.

Next, the writers of the article had the temerity to wander into the actuarial field by quoting figures as to the probability of a new-born baby reaching age 65 (better would have been the higher probability for a person entering the labor force at age 20) and the expectation of life at age 65, for both 1940 and 1990. Not surprisingly, most of their figures are in error, as shown below:

| Sex and year | Percent surviving to age 65 | | Expectation of life at age 65 (years) | |
|---|---|---|---|---|
| | Time figure | Correct value | Time figure | Correct value |
| Male, 1940 | 54 | 55.8 | 13 | 12.1 |
| Female, 1940 | 61 | 65.5 | 15 | 13.6 |
| Male, 1990 | 72 | 74.1 | 15 | 15.1 |
| Female, 1990 | 84 | 85.1 | 20 | 18.9 |

Out of eight figures, the article had only one which was even nearly correct.

Then, the article re-writes history by asserting that, in the early years of the Social Security program, Congress could increase benefits easily every few years (and thus garner votes), because there were few beneficiaries relative to the number of contributors. Not so! Most of the benefit increases were made to reflect changes in the cost of living, and they were financed by the accompanying increases in the level of wages that were taxes. At all times, Congress was very conscientious about the cost implications of the changes, not merely as to the next year or two, but also as to the long range (75 years).

Further, the article asserts that the 1983 Amendments were based on ''rather minor cutbacks in benefits and very major increases in taxes, the last of which took effect only in 1990.'' In the first place, the 1983 Amendments did not increase the tax rate in 1990 over what it was in previous law. Further, reductions in benefits played a major role in saving the program by the 1983 Amendments. If the income taxation of benefits is considered as a ''benefit cut'' (because, in effect, the money remained in the trust funds), then 48% of the solution in the short range (10 years) was due to tax increases and 52% to benefit cuts, while for the solution over the long (75 years) only 23% was due to tax increases, with 77% due to benefit cuts. On the other hand, if the income taxation of benefits is considered as a ''tax increase'' item, then 70% of the solution in the short range was due to tax increases and 30% to benefit cuts, while for the long range, 54% was due to tax increases and 46% to benefit cuts. In any event, the benefit cuts were by no means ''minor''.

The article next describes several ways to modify the Social Security program without ''killing'' it. Just before this, the article quite properly (and in contrast to the slogan on Time's cover) points out the disastrous weakness of the Heritage Foundation's proposal to let people opt out at will; this would set up a vicious circle of actuarial anti-selection, because the low-cost persons (young and high-paid) would drop out, and the high-cost ones would remain in, with resultant financial collapse.

The proposals for change include the following:

(1) Raise the Normal Retirement Age (which solution is my choice).

(2) Raise the Early Retirement Age (which may be desirable, but does not lower overall costs, because the reductions are on an ''actuarial'' basis).

(3) Reduce Cost-of-Living Adjustments, presumably by giving less than the CPI increase (which is undesirable, because it most adversely affects the oldest beneficiaries, who are least able to do anything about their situation—because of the compounding effect).

(4) Means-test the benefits (which is a bad idea, because it would discourage low- and middle-income persons from saving, and it would encourage fraud and abuse by beneficiaries).

Next, the article seems to look favorably at a proposal by Senators Danforth and Kerrey to reduce the employee Social Security tax rate (but not the employer rate) from 6.2% to 4.7% and then require that the 1.5% reduction be put into a private investment fund, with future Social Security benefits being ''reduced to reflect the drop in taxes.'' Certainly, IRAs and so-called 401(k) plans are very desirable and should be encouraged, but they should be kept separate and built on top of a uniformly applicable Social Security program. The actual mechanics of the foregoing proposal, however, are faulty (and really cannot be perfected). It would work out reasonably well administratively for high-paid workers, but would be a disaster for low-paid, intermittently-employed workers. The proceeds from a 1.5% contribution, coming in dribbles over the year, would be ''eaten up'' by the administrative expenses of handling, recording, and reporting them. Mutual funds generally require fairly sizable deposits—not anything like the roughly $20 quarterly payments (varying each time) for a $5,000 worker.

The article mentions that the estimated long-range financial status of the Social Security program has worsened over the years since the 1983 Amendments. However, it fails to point out that the actual short-range experience has been more favorable than estimated in 1983 (the current fund balance being more than $100 billion higher than estimated).

In summary, it is really outrageous that, by incomplete and erroneous reporting, the article casts so much doubt on the long-range financial viability of the Social Security program. This is despite the fact that, by very careful reading of the end of the article, it could be concluded that reasonable small, gradual changes could be made—without changing the basic nature of the program—that would very likely ensure its viability.

Finally, the article is supplemented by a note, ''How Chile Got It Right.'' This describes the new Chilean social security plan instituted in the early 1980s. It replaced a traditional social insurance system that was some 60 years old, but that was in great financial and administrative difficulties due to inflation (which raised benefits greatly and, at the same time, made the accumulated assets worthless) and extensive coverage noncompliance.

The Chilean article is quite correct that the new plan reasonably well solved the problem, although this was not the only way in which that could have been accomplished. However, this article, too, contained many errors and omissions that glossed over some of the weaknesses in the new plan and other elements of it that make it not necessarily a desirable course to follow for other countries, let alone the United States.

A number of factual errors occur in describing the current Chilean plan. These cast doubt upon the credibility of the analysis. First, the contribution rate for retirement pensions is not 12%, but rather it is 10% (with an additional approximately 3.5% for the build-up of disability and survivor pensions).

Second, the plan is not a ''two-tier'' one, consisting of a small flat stipend funded from general revenues for only the poorest pensioners and the accumulation of employee contributions in private investment funds. Rather, it involves the accumulation of employee contributions in such funds, plus the provision of sizable prior service credits financed from general revenues, plus a guarantee of a relatively sizable minimum pension being produced for persons with at least 20 years of coverage, financed from general revenues. Such minimum pension is 85–90% of the legal minimum wage, which in turn is about 30–40% of the average wage in the country. Thus, the minimum pension is a quite large amount, so that many people will be affected.

Third, the article states that retirement benefits under the new plan at present are 40% higher than under the old one. Actually, they are about at the same level (as was intended), although disability and survivor pensions are much higher (because they are financed currently and are not as much affected by past inflation).

Several serious errors of omission are present, so that elements are not brought out that would argue against the Chilean approach being applicable in all other countries. First, there are the mammoth general-revenues costs to be met for prior service credits and for all time to come for the large minimum pensions. Few countries—and especially the United States—have large surplus amounts of general revenues readily available.

Second, the fact the employees contribute, and employers do not do so any more, is not what it seems. When the new plan was established, the government required all employers to give a more-than-offsetting 17% pay increase to all employees.

Third, the administrative expenses of the new Chilean plan are about 13% of contributions for the retirement portion—as against 1% in the U.S. system.

Fourth, coverage compliance is poor under the Chilean system. Only about 80% of those who should be contributing actually do so. Further, many low earners contribute on much less of their wages than the actual amount, because they will get the minimum pension in any event.

Fifth, by no means is all the money piling up in the investment funds being used to promote the economy. Much of the money is ''laundered back'' to the government to pay the huge costs of prior service credits and minimum pensions.●

## RHODODENDRON PRINCESSES RECOGNIZED

● Mr. HATFIELD. Mr. President, it is always a pleasure to recognize excellent students from the State of Oregon. However, I am especially honored to praise five young people who have distinguished themselves in the areas of scholarship and service, thus reflecting a sincere interest and involvement in their schools and communities.

Emily Anthony, Tracy Holman, Brandi Kekua, Lelia Lowe, and Rovina Murti are all winners in the Rhododendron Scholarship Program. This program is part of the Florence Rhododendron Festival held annually in Oregon and second in size only to Portland's Rose Festival. By receiving scholarships, these five young women form the 1995 rhododendron royalty court.

The Rhododendron Scholarship Program's goal is to raise over $10,000 for academic and vocational scholarships. This royalty court works with local businesses, individuals, colleges, schools, fraternal organizations, and other groups to raise these scholarship funds.

I commend these young women for their earnest work, heartfelt generosity, and outstanding success. Furthermore, I applaud the perennial work of the Rhododendron Scholarship Program for the importance it places on higher education and for the intense, local effort it makes to support the education of its students. It is a model program worthy of duplication.

Mr. President, I ask that brief descriptions of each 1995 rhododendron princess be printed in the RECORD.

The material follows:

### RHODODENDRON SCHOLARSHIP PROGRAM—1995

#### PRINCESS EMILY ANTHONY

Emily Anthony, 17, plans a career in the field of health care.

A student at Siuslaw High School, she has also been a student of ballet for ten years. Her training includes Ballet West (University of Utah), North Carolina School of the Arts and Joffery Ballet School (New York). She has toured with the Eugene Ballet Company's ''Nutcracker'' for two years, and now is in her third year of teaching ballet to young children.

A member of Siuslaw High School's Jazz and Symphonic bands for four years, Emily also has won numerous academic awards including the Honors Global Studies Award and Biology Awards. She is a three year member of the National Honor Society. A student leader, Emily was Freshman Class President and Student Body Treasurer and serves on numerous school committees.

Emily maintains her academic ranking and schedule in addition to her ballot activities while working part-time.

#### PRINCESS TRACY HOLMAN

Tracy Holman, 17, plans a career in television broadcasting after completing her education.

Tracy's accomplishments and activities include: Oregon Girls State Delegate, National Honor Society (3 years), Key Club Community Service Award and the Rotary Youth Merit Award. She has also received numerous academic awards and has been in Who's Who Among American High School Students for three years.

Her community involvement includes being Cadet Girl Scout Assistant as well as activity in the Church Youth Group. She served as Delegate to World Youth Day in 1993. She is also involved with the high school T.V. News show. Tracy's other interests and activities encompass Forensics, Cheerleading, Junior Varsity Golf, Band and Key Club.