

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

Mr. GRAMS. I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. The Senator is recognized pursuant to a previous order.

SOCIAL SECURITY INVESTMENTS

Mr. GRAMS. Mr. President, for over six decades people have come to rely, expect, and depend on investments made into the Social Security system. However, the very financial structure created with the program in 1935 is about to face some very significant strains placed on it by changes in demographics and also by poor fiscal management by Washington. Basically, we are at a crossroads. Do we let the system wither on the vine or do we work to save Social Security?

At the crux of this discussion is how best to serve our Nation's retirees. How can we offer them the most financial security in their retirement? I have some ideas I have shared with Minnesotans and also with the Senate. They are aimed at saving the Social Security system. It is a package of proposals, the Grams Plan for Retirement Security, that encompasses what we expect to do to protect and preserve the existing system, as well as what other steps we might take to offer retirees more security in their elder years.

There are several main elements in my package. On Monday, I introduced the Social Security and Medicare Surplus Protection Act which would trigger an automatic across-the-board cut if the Government would happen to spend any of the surpluses, either Social Security or Medicare.

In effect, this creates a retroactive lockbox to protect Social Security and Medicare surpluses. Even those in Washington who are fiscally conscious of the commitments made to our Nation's retirees were surprised that last year was the first in over 60 to not dip into the Social Security trust fund to pay for other Washington programs.

This all-too-common practice necessitates a retroactive lockbox. My legislation contains the lockbox enforcement mechanism that triggers an automatic reduction in Government discretionary spending, including congressional Members' pay, if any of the Social Security or Medicare surplus is spent on other Government programs, thereby restoring the Social Security and Medicare trust funds. This would lock up the trust funds in case budget forecasts were inaccurate—and surpluses were spent.

The Grams lockbox saves Social Security and Medicare from Washington's big spenders and reaffirms our commitment to our Nation's retirees.

I have also introduced the Personal Security and Wealth in Retirement Act. It creates personal retirement accounts and offers every American the

opportunity to achieve personal wealth, and also the dignity, freedom, and security that it affords in their retirement years. It also protects seniors by guaranteeing that their benefits won't be cut. The retirement age and taxes will not be raised if they decide to stay within the Social Security system as we know it today.

At the heart of the Personal Security Wealth in Retirement Act is the personal retirement account, or a PRA. A PRA allows the option to invest dollars into the market that taxpayers are now forced to surrender to the Federal Government in their withholding for the FICA taxes. Workers would now have the freedom to design their own retirement plans, investing in stocks, in equities, bonds or T-bills, or any combination of these, or any other financial instruments with approved investment firms and approved financial institutions. Taxpayers can invest funds into traditional savings accounts if that is what they want. The result would be maximum freedom to control their resources for their own retirement security.

There is no doubt that a market-based retirement system and the power of compounded interest would generate much better returns than under the traditional Social Security system we have to date. Under today's Social Security program, the average annual retirement benefit for a family with two working spouses is about \$33,000 a year. Under the Personal Security and Wealth in Retirement Act, families could receive an annual benefit of more than \$200,000 a year by investing the same dollars in a PRA rather than in the current system. Low-income families also would do better under this plan. Where Social Security now provides an annual benefit of about \$18,000 a year, my proposal would produce benefits as high as \$100,000 a year.

Despite the obvious benefits of a PRA, if one chooses to stay within the traditional Social Security system, that is their right, and the Government would guarantee the promised benefits that would not be cut and that Washington could not increase the retirement age and Washington could not increase taxes.

Special protections have been built in to keep the PRA safe. Government-approved private investment companies would manage those PRAs to ensure, to guarantee a return higher than what Social Security pays today. Social Security, by the way, today pays them less than a 2-percent return, and in the near future it will be less than 1 percent. That is not the kind of investment most people would make if they could walk up to a window. I don't think they would invest in an account that pays less than 1 percent. That is what happens. Many taxpayers in the future will have a negative rate of return, meaning it is better to put money under your mattress or bury it in a tin can in the backyard than invest in Social Security.

Rules similar to those applying to individual retirement accounts would apply to the new personal retirement accounts. If a worker happened to fall short of accumulating the minimum retirement benefits, this is where the Federal Government would step in to make up that difference—in other words, to fill the glass full; to assure a minimum retirement benefit so no one will retire into poverty, so you will not lose if you choose a PRA.

The Personal Security and Wealth in Retirement Act also offers features not found in Social Security because you can choose when you want to retire. Right now the Government tells you how much you pay into Social Security, when you can retire, and what your benefits are going to be. But under our Personal Retirement Account plans, you make those decisions, you choose when you want to retire. As long as you have accumulated the minimum benefits necessary for your lifetime, you are free to retire whenever you want. PRAs could be established early on in life, even before a child is out of diapers. The idea is, when a child was born and given a Social Security number, his or her parents or grandparents will be able to begin putting money into that child's retirement account.

As an example, if you put \$1,000 into an account for a newborn baby, that account would grow to nearly \$250,000 by the time that child would be ready to retire. From \$1,000 seed money to \$250,000 by the time that child would retire—not a bad start.

The Personal Security and Wealth in Retirement Act ensures that your PRA remains your private property and that you have a right to pass it on. When you die, the remaining funds that are in your account will be transferred, under your estate, to your heirs free of taxes. Right now, as you know, when you die there is no residual Social Security. That is it. So all the money you have paid in you do not get back. The Personal Security and Wealth in Retirement Act confidently answers the question of whether prosperity in retirement can best be achieved by the Government or by you, the individual. Given the tools and the freedom to put them to work, every American will discover that a successful and secure future is just a PRA away.

These proposals are at the heart of the Grams Plan for Retirement Security. In addition to these bills, there are several others in the Grams Plan for Retirement Security. I have introduced the Social Security Benefit Guarantee Act which would create a legal right to Social Security benefits, including an accurate cost-of-living increase. I have also introduced the Fair COLA for Seniors Act, legislation to ensure that older Americans receive accurate cost-of-living adjustments based on their consumption patterns so

they can better achieve retirement security, and the Social Security Information Act, to ensure that hard-working Americans receive adequate information on which they can begin to plan for their retirement, such as the rate of return on their Social Security investment. As I have mentioned, I think if people today would get information on what the return was going to be on their investment, it would play a big part in their decision to have that or turn to a private retirement account.

I have introduced the Medicare Ensuring Prescription Drugs Act—that is legislation to ensure seniors do not have to choose between their medicines and their food—and the Tax Relief for Seniors Act, legislation to repeal taxes on our seniors' Social Security incomes. That is unfair, again—that tax on our seniors.

These are all components of the Grams Plan for Retirement Security, legislation aimed at helping hard-working Americans receive retirement security. As I close, and as we enter this new session of the 106th Congress, we need to have an honest discussion, not about how best to extend the life of a Government program or how to alter numbers so we might technically fit within spending limits at the expense of our Nation's retirees; instead, we should debate and discuss how to offer hard-working Americans the retirement security they deserve.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to be recognized to speak as in morning business.

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

ELIAN GONZALEZ

Mrs. FEINSTEIN. Mr. President, as a grandmother, and as a member of the Senate Immigration Subcommittee, I want to say a few words about the case of Elian Gonzalez, and particularly to indicate my strong support for the concurrent resolution Congressman RANGEL has introduced in the House. Senator DODD has just submitted a similar resolution in the Senate this afternoon, of which I am a cosponsor.

As you know, this resolution expresses the sense of the Senate that Elian Gonzalez should be reunited with his father, Juan Gonzalez of Cuba. I have been in California, but nonetheless I have been following, as closely as anyone could over the television, the events surrounding this youngster—the very tragic events.

Based on my understanding of the situation, Elian has enjoyed a very

close and loving relationship with his father and his grandparents in Cuba. As a grandmother, this has a lot of meaning to me. Those who know Juan Gonzalez have described him as an "ideal father" who spent as much time as he could with his son.

Elian has been living in his father's home, where his grandparents also play a role in raising him. Although Elian's mother and father shared joint custody of the child, he actually spent 5 out of every 7 days of the week in his father's home. It is my understanding that his father can support him, that he can provide a good home for him, and, above all, he is a good and loving father. Both he and Elian's mother had joint custody of the youngster.

To the best of my knowledge, there is no evidence that Juan Gonzalez was either neglectful or abusive in his relationship with his son. After all, a strong parental bond should be the overwhelming test for reunification—that and the fact that the touchstone of U.S. immigration policy has been to protect and reunite the family.

Elian's maternal grandparents also took part in raising their grandchild, often keeping him when either parent was working. Despite the divorce of Elian's mother and father, both parents and their respective families maintained, warm relations and continued to play an active role in the youngster's life.

We cannot know of the mother's true motivations or intentions when she and Elian left Cuba. Elian's father has maintained, however, that Elian's mother, Elizabeth Broton, took their son without his knowledge or consent.

Elian's fate should not be subject, I believe, to the politics of any one party or political ideology. I urge all of us—in Florida, in Cuba, and in the Halls of Congress—to cool the rhetoric, to set aside any political views, and commit ourselves to seeing this process to a rightful conclusion.

The central issue in this case should not be America's policy toward Cuba but, rather, the sanctity of the family bond between a parent and his child. Without evidence of abuse or neglect on the father's part, no government has the authority to disrupt that bond, no matter if the bond is in the United States or Cuba, or any other place. The father is the father and should have lawful custody.

In addition to my concerns about the negative impact of legislation to grant citizenship to Elian on him and his family, and what that does to the pending court case, I also have deep concerns about the impact this would have on our own immigration policy. It would certainly, at the very least, reflect an uneven application of immigration policy by the United States. It would be, I believe, a case of major political first impression and set a precedent all across this land in virtually every case from anywhere. It could also create a precarious situation for an American child abroad.

The INS continues, to this day, to send back children to their home countries, even those with repressive regimes. Several months ago, two Haitian children were sent back to Haiti while their mother remained in the United States to file for asylum. Here you have a mother in the United States filing for asylum, and during that period the children were sent back to Haiti. It is true that, after protests and several weeks of separation from their mother, Federal authorities did permit the children to reenter the United States. Or you can look at the case of a 15-year-old Chinese girl who today is being held in juvenile detention and has been held in juvenile detention for 7 months. At her asylum hearing, the young girl could not wipe away her tears because her hands were chained to her waist. According to her lawyer, her only crime was that her parents had put her on a boat so she could get a better life over here. She remains in detention to this day.

I think that is a terrible wrong. Here is a youngster who was put on a boat by her parents, who is now in a jail on the west coast of the United States and goes to a hearing chained like a common criminal. In cases such as these, I believe we should review and perhaps even change immigration laws as they relate to minors in certain situations.

I am in the process of writing a letter to the chairman of my subcommittee, the Senator from Michigan, asking that he hold hearings on some of these cases as well as on whether immigration law with respect to children should, in fact, be changed in certain circumstances.

I believe our immigration policy must be consistent and fair. In any given year, the INS handles more than 4,000 unaccompanied minors, and the vast majority are sent back to their families. Others are detained.

I have received scores of phone calls from citizens in California who say, if this child were Salvadoran, if he were a Mexican child, if he were a child from China, the child would be sent back to his country. Why is this child different? Because political organizations in a couple of States want to make a point with this child's situation?

I think the point is, granting American citizenship in this manner will affect every other situation. We might as well know what we are doing when we do this. I think the only way to look at it is to take a look at all of our immigration laws, as they affect children, in an orderly way over a period of time. But in the meantime, current law should be followed with respect to this youngster.

I think granting U.S. citizenship in this manner, which is really without any precedent, would be a very far-reaching action. It would also play out negatively for U.S. children who might be taken to foreign countries without the consent of the U.S. citizen parent. I have actually tried to help in a case involving a child in Saudi Arabia and