

Still, Snow said, "I challenge all of our critics to say, if you think you've got a better idea, what is it?"

He added, echoing Perot without the irony of anatomy, "We're all ears."

Well there is a better idea—but sadly, the administration is all fists in fighting it back. That's because private accounts are not on the list of features the Bush folks are willing to do without.

The idea behind the private accounts is that workers could choose to invest their money in stocks, not just the long-term bonds the trust fund uses today. Over time, on average, company shares earn higher returns than bonds. Social Security could meet its obligations without raising payroll taxes, and poof! We wipe out much of our \$11 trillion deficit.

If tapping into the stock markets would work in private accounts, why can't it work for the trust fund as a whole? Why can't the fund simply set a target of stockownership—say, 25 percent—and gradually ramp up to that target, without giving Aunt Martha fits over the state of her personal account?

The financial results would be identical to Bush's plan.

The start-up cost would be lower because it could be done over a period of years.

Aunt Martha, who may already have plenty of worries about her 401(k) and other private savings, could rely on a predictable stream of retirement income, no matter what—just like uncle Chester had back in the day.

The fund could achieve returns based on decisions by the best and brightest financial minds—not the twitches of a nervous household, multiplied by 100 million.

Last week, a ranking Treasury official told me the problem is that Social Security would end up meddling in the stock markets—a dangerous thing if, say, someone in power wanted to help or hurt General Electric Co.

But that worry is easy to wave off with a pair of laws even this Congress would pass without much debate: All stocks must be part of broad index funds, and never could the Social Security Administration vote in company proxies.

On Monday, Snow produced another answer: Allowing the fund to invest as a whole in stocks produces a short-term surplus, "and short-term surpluses become subject to the spending proclivities of Congress."

"This," Snow said of the private accounts, now echoing Al Gore, "is a lock-box."

It's true that Congress—and our free-spending president, by the way—have borrowed heavily from today's Social Security surpluses. But it's hard to believe that federal spending rises just because the surplus is there. It rises because we have rising needs, and because the political system we have causes it to rise.

Anyway, there are better ways to rein in federal spending than to needlessly take trillions of dollars out of the system and put them in a place—your hands and mine—where they will cause new grief. The administration's real goal here is not to advance Social Security, but to push its social agenda, the so-called "ownership society."

Funny, median family income adjusted for inflation—the most important measure of how typical Americans are doing—has fallen three straight years and is headed for a fourth as Bush showers tax breaks on companies that aren't hiring. Whose ownership society is this?

Democrats and their allies at AARP in the Social Security debate have offered little in the way of real solutions. John Rother, director of policy and strategy for AARP—defending his hilariously exaggerated, slam-dunk anti-personal account TV ad cam-

paign—told me the idea of allowing the trust fund to invest more broadly makes sense.

But he said the public isn't ready for that discussion.

Despite the lack of a cohesive public debate, the trust fund investment idea may emerge as a dark horse. On Monday, the Yale School of Management announced a working paper by finance professor Will Goetzmann that shows exactly how such a system might work.

Goetzmann envisioned an independent agency, similar to Fannie Mae, that would manage the Social Security fund. It could issue its own bonds and sell contracts, like annuities. It could invest in all sorts of sophisticated instruments that individual accounts couldn't touch, such as commercial real estate, commodity indexes and short-term Treasury notes.

Goetzmann calculated a portfolio mix that would most closely mirror the rise in U.S. wages. That's the measure Social Security uses to set payouts to retirees.

"It's a fairly broadly diversified portfolio," Goetzmann said Monday.

Setting the right investment mix, he said, "is a very sophisticated question that is not going to be answered with a few oversimplified choices on a menu."

And getting to that point in the debate will not happen as long as we have officials on both sides who give us an oversimplified menu of political arguments, and nothing more.

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#### ISRAEL INDEPENDENCE DAY

#### HON. CHRIS VAN HOLLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 2005

Mr. VAN HOLLEN. Mr. Speaker, I rise today in honor of Israel Independence Day. This young country, now 57 years old and surrounded by hostile neighbors on each of its borders, has stood as a bulwark of democracy throughout its history.

On this day we honor the people of Israel, who struggle daily to maintain freedom and independence. Throughout the country's short history, Israelis have fought against unfathomable odds to reestablish the birthplace of the Jewish People. Today, Israel stands strong and prosperous, longing to live in peace and security. Today we also remember and pay tribute to the strong bond of friendship and support between the United States and the State of Israel.

I am proud to have visited Israel and to have seen firsthand the courage and steadfast resolve of its people. I look forward to a time when we will be able to join Israel in the celebration of a more peaceful and secure Middle East.

Mr. Speaker, it is my hope that all Americans will join me in congratulating the citizens of Israel and the entire Jewish community on the 57th anniversary of the birth of the State of Israel.

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#### IN HONOR OF ISRAELI INDEPENDENCE DAY

#### HON. ALLYSON Y. SCHWARTZ

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 2005

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, I rise today on Yom Ha'atzmaut to

congratulate the Israeli people for a remarkable history and to celebrate the strength of the U.S.-Israel relationship.

In just 57 years, a land mainly comprised of desert has been transformed into fertile farmland, thriving communities and world-class cities. Industry and technology have boomed and most significantly, millions of Jews have returned to live in their ancestral homeland.

A robust democracy has developed around the ideals of freedom of speech, freedom of religion, fair elections and an independent justice system. In fact, it is the only nation in the region to accomplish this.

Brave soldiers have fought to defend their brethren and innocent civilians have courageously endured the constant threat of attack—all to live freely in their homeland. And, despite this constant threat, the Israeli people remain committed to a peaceful coexistence with their neighbors—a testament to their resolute and compassionate spirit.

As remarkable as Israel's short history is, we must not take its existence for granted. While recent events have sparked new optimism in the peace process, radical terrorist organizations, such as Hamas, Hezbollah and Islamic Jihad, emboldened by Iranian and Syrian support, are as committed as ever to their core goal: the eradication of Israel. And by now, we are all too familiar with the daunting task of protecting innocent people from suicide bombers.

Despite this reality, Prime Minister Sharon and the Israeli people plan to move forward with an historic and courageous plan to withdraw from Gaza and parts of the West Bank this summer.

As Israel moves forward with efforts to live with its neighbors in peace and security, it is crucial that we continue to stand by her.

We must defend Israel's right to engage in legitimate acts of self-defense to prevent terrorist attacks in Israel;

We must stand up for Israel when our international allies and other members of the international community unfairly criticize her;

We must hold Syria, Iran, and any other country that aid and harbor terrorists, accountable; and

We must push President Abbas and the Palestinian leadership to match Prime Minister Sharon's courage by taking steps to end corruption, crack down on terrorist organizations and end the media incitement that encourages hatred and violence.

Support for Israel has been one issue consistently agreed upon by both Republicans and Democrats, through many different administrations and many different times. I am proud that this support remains so strong today.

Mr. Speaker, it is truly an honor to stand by Israel and I know my colleagues join me in expressing Mazel Tov for a remarkable 57 years.

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#### ISRAEL INDEPENDENCE DAY

#### HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 2005

Mr. MENENDEZ. Mr. Speaker, today, I am proud to join my colleagues in the United States Congress and world leaders in celebrating the creation of the State of Israel on this 57th anniversary of Israel's Independence