

Idaho. In the meantime, while they are coming, let me say I have briefly listened to my friends on the other side of the aisle, interestingly enough, complaining about not getting anywhere. Let me talk a little bit about that.

We have been here on the floor now for some time talking about the kinds of things people want to do in this country; for instance, education—elementary and secondary education. We had to pull that after a whole week of discussion and debate because our friends on the other side of the aisle didn't want to move forward. They wanted to bring up the same things they have brought up every time we have come into this Chamber, and they have done it over and over and over again.

If you want to talk about getting something done, we ought to talk a little bit about education, a little bit about Social Security, a little bit about the military and doing some things for security that we ought to do for this country. Frankly, I think some of us get weary of the same litany every day and going back and forth on the same thing. We have already talked about gun control; we have gun control pending. We have talked about Patients' Bill of Rights; it is pending. It is out there in conference committee. What we need to do is address ourselves to some of the issues that are here.

You can see that I get just a little bit excited about this. But we have an opportunity to do some things. We have to do some things on this floor, and we need to move forward and stop this business of holding up everything so we can talk about trying to make issues for the election instead of trying to find solutions.

I yield to my friend, the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

I thank my colleague from Wyoming for all his good work in trying to keep us focused on the issues about which we are concerned.

#### ORDER OF PROCEDURE

Mr. GRAMS. Mr. President, I ask unanimous consent that following the official Senate photo, the Senate begin consideration of S. 2549, the Department of Defense authorization bill.

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

Mr. GRAMS. I thank the Chair.

#### THE FUTURE OF SOCIAL SECURITY

Mr. GRAMS. Mr. President, I want to take time today to again talk about what I think is one of the most important issues facing Americans this year, and probably in the next few years;

that is, what is the future of Social Security? How are we going to make sure we have a safe and sound retirement system not only for those on retirement today and those about to retire, but also for our children and our grandchildren?

I have held around the State of Minnesota more than 50 townhall meetings trying to outline the problems facing Social Security today, and a plan I have introduced called the Personal Security and Wealth in Retirement Act, which would move from a pay-as-you-go system to a fully-funded, market-based personal retirement accounts.

When you look back at the last 65 years of Social Security, it has basically done the job we have asked it to do; that is, to provide retirement benefits for millions of Americans. But if you look ahead to the next 30 years, the system has problems. It is facing some real problems. It is being strained to the limit. In fact, there will not be enough dollars collected in the system to pay the benefits the Government has promised. If the Congress does nothing, Social Security benefits will have to be reduced as much as one-third or more over the next 25 years.

The biggest risk to Social Security is to do nothing. And there are those who are willing to stick their heads in the sand maybe to get by another election and to ignore the problems facing Social Security.

Let me go through some of these things very quickly.

When Franklin Delano Roosevelt introduced Social Security in 1935, he had concerns that it would only be run by the Government. He wanted part of it to be private accounts. In fact, there was many Americans who were allowed to stay outside of Social Security. In fact, there have been a number of state and local governments over the years—as late as 1981—that saw this loophole, opted out of Social Security, and created their own personal retirement accounts. None of them, by the way, has failed; all have been successful. By that I mean they are paying better benefits to their retirees than Social Security is paying to our retirees today.

President Roosevelt also said that there should be a three-legged stool for Americans' retirement: personal savings, pension, and Social Security. Social Security is just one of the legs. It was never meant to be the sole source of retirement benefits. But for millions of Americans today—when they are paying an average tax bill of nearly 40 percent of their wages in taxes, then they try to raise their family; buy food, clothing, shelter; put a little money away for vacations, and for education for their kids, et cetera—they do not have money left to save for their retirement. If you work for an employer that doesn't have a pension or 401(k), your only source of retire-

ment is Social Security. Clearly, Social Security has stretched to its limit.

Right now, 78 million baby boomers are ready to hit the system by the year 2008. The majority of Americans—nearly 90 percent—retire at the age of 62, not at 65. We are going to see baby boomers bumping into the system beginning as early as 2008. Social Security spending will exceed tax revenues by 2015.

We hear about all of these surpluses in Social Security and the trust fund.

But the truth is there is nothing in the trust fund but IOUs. Senator FRITZ HOLLINGS of South Carolina says there is no trust, and there are no funds in the Social Security trust funds. He is right.

By 2015 there will be no more surpluses. In other words, if we are collecting \$100 today and only spending \$90, the other \$10 is put into this trust fund. Of course, the Government borrows the surplus and spends it. By the year 2015, we will be bringing in \$90 and paying out \$100 or more. Where do we get the extra money? We are going to have to get it from the taxpayers. By 2015, taxes are going to have to be raised to cash in these IOUs in order to pay the benefits at that time.

You hear a lot of Senators and others saying the system is solvent until 2037. That is only if we can raise taxes on workers to pay those benefits. That is the only way it can remain solvent. Congress is going to have to take action. The Social Security trust fund is going to be broke in 2037 unless we have the dollars to cash in those IOUs. The reason is our pay-as-you-go retirement system cannot meet the challenge of the demographic change.

In 1940, there were about 100 working for every retiree. Today, there are a little over 2.5. By the year 2025, there will be fewer than 2. In 1940, with 100 people working, you only had to pay \$10 a month to pay for a \$1,000 benefit. Today, it is over \$400. And we are going to ask our grandchildren to pay \$500 or more in order to meet this obligation of retirement benefits.

If you look over the next 75 years, it is going down like a rock. There is \$21.6 trillion in unfunded liabilities. In other words, the benefits the Government has promised to pay—\$21.6 trillion—are short of revenues we need to pay those benefits.

How are we going to make them up? There are a couple of choices. We can raise taxes and tinker a little bit with the system. But you cannot tinker with \$21.6 trillion deficit. They can cut benefits by a third of what retirees can expect to get. Or they can raise the retirement age. But that will not be enough to make up the \$21.6 trillion in deficits over the next 75 years if we don't do make hard choice to save the system.

My plan, the Personal Security and Wealth in Retirement Act, has a transitional cost as well. But it is the cost

we have to pay anyway. It would cost about \$13 trillion for us to make the transition to go from the Social Security system we know today to total personal retirement accounts. In other words, we are moving to a system where you have control over your retirement—not Washington—you decide when to retire, how much you want save and where you want to invest and how you want to control over your account.

In reality, we have signed our name to a long-term contract that says we are going to guarantee retirement benefits for Americans forever. There is a cost because we have dug ourselves into a hole. Somehow we have to dig ourselves out. There is no free lunch. People around here can ignore it, but there is no free lunch. We are going to have to find a way to finance ourselves to reach our goals to have a safe, solid, and solvent Social Security system. The biggest risk is doing nothing at all.

Social Security has a total unfunded liability of \$21 trillion-plus. The trust fund has nothing but IOUs. Vice President Gore said let's pay down the debt and let's put the interest we save into the trust fund. But all he is talking about is adding more IOUs, not building assets in the Social Security trust funds. Instead, today, we have over \$800 billion of IOUs, but in 15 years, he wants to have \$3.5 trillion worth of IOUs—no real assets, but IOUs.

Again, the only way you can get those IOUs cashed in is to go to the taxpayers and get more taxes from them.

To keep paying Social Security benefits, we are going to probably have to look at least at doubling the FICA tax—the withholding tax—within the near future; not 15.3 percent. By the year of 2025 or 2030, we could see our payroll tax rates increase to 25 percent to 30 percent of wages—nearly doubling the FICA tax in order to maintain the current benefits we promised.

I ask many of our senior citizens at our town meetings to raise their hands if they think they have good retirement benefits from Social Security. If you talk about a \$700 check a month, or a \$680 check a month, or \$1,100 a month, this is not good retirement. This is not the retirement I want. I don't think this is the retirement we want to leave to our children. But in order to maintain even that system, we are going to impose taxes on the next generation. If you have 25 percent in FICA taxes, then you add on the average Federal Government tax of 28 percent or 53 percent, and then add in Minnesota sales tax of 8.5 percent, you are at 62 percent. Then add in sales taxes, property and excise taxes—I mean every tax you can think of—our kids are going to be paying taxes that approach 70 percent of their income. Mr. President, is this the kind of future

we want to leave our kids because we stick our head in the sand and do not want to face our problems?

Why is Social Security a bad investment today? If a taxpayer retired in 1960, they probably got back all the money they paid in in 18 months. It was a tremendous return for the early retirees. Today, an average person retiring will get less than 2 percent return on his or her money paid into the system. Our minority population is actually getting a negative rate of return today. They are in fact subsidizing the rest of us. The markets have paid back nearly 11 percent, but when we filter out inflation, it is better than a 7 percent annual return in the market.

What would any person rather have? If an investment counselor said: I can up a plan, but it will not pay very good, less than 2 percent, so anyone 50 or younger, by the time they retire, it will be a negative; or we can put taxpayers in a new plan paying 7, 8, 11, 12 percent, what will you do? There will not be many at the desk signing up for a plan paying zero or giving a negative return on the money.

Mr. President, there is no Social Security account with your name on it. A lot of people don't realize that. After a lifetime of working, taxpayers think there is an account in Washington that has their name on it. There is not. You don't have one dollar set aside for your retirement today. The only thing you can hope, in our pay-as-you-go system, is that when you retire there are people working so we can deduct money from their check to pay your benefit. It is a pay-as-you-go system. The money we bring in the first of June will be paid out in benefits by the end of June. It is a pay-as-you-go system, with no accumulation of wealth, no real assets, no compounding of interest.

By the way, we talk about these IOUs in the trust fund that will make the system solvent. In the President's own budget, he included this paragraph: These balances are available to finance future benefit payments and other trust fund expenditures.

The IOUs are there to pay for the funds or payments to other expenditures, "but only in a bookkeeping sense."

In other words, they are not real. Members on the floor will say: We have the IOUs. That is great, "but only in a bookkeeping sense." There is nothing there.

You can place a million-dollar IOU in your checking account and see how many checks your banker allows to be written against the IOU. None, until you put money in the account.

"They are claims on the Treasury, that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures."

Do we want to reduce Social Security benefits or cut education, transpor-

tation, or health care? If we don't make some hard choices now we will be faced with tougher decisions later.

We have these IOUs because the government spent all the surplus in the Social Security Trust Funds. The first step to save Social Security is to stop the government spending Americans' retirement dollars for nothing but their retirement, to keep the dollars outside the hands of the big spenders in Washington and to make sure we set aside the surplus funds today. We have not done it in the past. It needs to be done. I have introduced a second lockbox that says if our estimates are wrong—best faith estimates on what we spend and what we bring in—if we are honest and do not want to spend a dime of Social Security, if the estimates are wrong and we overspend, we need to go back and lower everybody's budget across the board. Perhaps take a .003-percent reduction so we don't have to go into the trust fund, and we will not spend a dime of Social Security.

Mr. President, I have six principles for saving Social Security. I began working on this 7 years ago. I introduced this plan 3 years ago. I said then it would be a major issue in this Presidential debate. It is. I am glad governor George W. Bush has announced his plan to allow at least some privatization for improving and saving the system. And Vice President AL GORE has made a statement—he doesn't want to do anything. He wants status quo, he wants to tinker with the system. That means, again, raise your taxes even more.

We need to make sure we protect current and future beneficiaries. Anyone on Social Security, about to retire, or who wants to stay with it, should be able to do so. It is your option; we will guarantee those benefits. Don't be concerned about it. We will hear scare tactics that somehow this plan is not going to work, we are only going to rob the elderly, and we will not have a safe Social Security. That is hogwash. We will always guarantee those benefits.

Allow freedom of choice. If you want to have a personal retirement account, you should have that option as well. The Government should not stand in your way and say, no, we are going to keep you locked up in a system that will pay you little or nothing on your return.

Preserve the safety net. Again, I have heard the scare tactics that there are no safety nets in the PRAs. That is a lie. Under our plan we have the same safety nets as Social Security. We have survivors benefits, disability benefits, built into the program. It is the same thing, but our plan pays dividends and higher returns than Social Security. The bottom line is we have the same safety nets.

Make Americans better off, not worse off. Today, nearly 20 percent of Americans, when they retire, retire into poverty, because Social Security is all they have—or very little else—and it is not enough to keep them off the poverty. Our system says when you retire you will have a minimum of 150 percent of poverty. Right now, the poverty for single individuals is about \$8,400 a year. Our plan says you have to have at least \$12,800 a year to retire. We make sure you don't retire into poverty. The people most affected are elderly women and widows. The Social Security system today discriminates against women. Again, we will hear stories that PRAs discriminate against women. That is not true. The current system is the culprit. Changing the system will improve retirement for millions of Americans today, including our elderly ladies.

Create a fully funded system. Make sure if you have an option for private retirement accounts, you can do that. Most importantly, no tax increases, no tinkering with the system.

I introduced my plan, the Personal Security and Wealth in Retirement Act, in the last Congress and the 106th. I will keep introducing this plan until we do something on it.

How does the plan work for retirement options? Workers may divert 10 percent of their income into a personal retirement account to be managed by Government-approved but private investment companies, similar to 401(k)'s and IRAs and FDIC accounts. We make sure they are safe and sound.

Somebody making \$30,000 a year now pays \$3,720 into Social Security. Our plan says \$3,000 goes into a personal retirement account. At the end of the year, you don't just have a promise, you actually have a savings book that has \$3,000 cash, plus interest. The other 2.4 percent, \$720, goes into the SSA, Social Security Administration, to help fund part of the financing plan for those who want to stay on Social Security, to guarantee their benefits.

Right now in personal retirement accounts, someone earning \$36,000 a year pays in the maximum to Social Security, and receives \$1,280 a month as a maximum benefit. Take just 10 percent of that income, put it into an average market account, you will have a benefit of \$6,514 a month. That is a big difference, five times better under the private retirement account than what Social Security would pay. In addition, the safety nets are there for survivor and disability benefits. Don't let anybody say that somehow this isn't as good or better.

Looking at the returns, people are talking about maybe 2 percent of your Social Security. After 40 years at 2 percent, you will have \$171,000 in the account, plus reduced benefits from Social Security. So at least with partial reform plan, a citizen is better off and

would have a little bit of reduced benefit from Social Security but will have \$171,000 in the bank. Under my plan, you would have \$855,000 based on a \$36,000 income; \$855,000 would have been put away for your retirement.

The family with median income of \$58,000, putting away 2 percent has \$278,000 in the bank, and a reduced Social Security benefit. Again, better than what we have now. But you could have \$1.4 million in a savings account in your name, cash, estate money, if you could put aside 10 percent of your salary.

It is being done across the country. I discussed people in Galveston, TX, with private retirement accounts who got the OK from Social Security to have their own retirement accounts in 1981. Social Security death benefits? My dad died at 61, we got \$253. That is what Social Security offers.

Galveston County that has their own private retirement accounts, receive an average \$75,000 death benefit.

Disability benefits for Social Security is \$1,280; and Galveston, TX, is \$2,749.

What about retirement benefits? Social Security, a maximum on this average income is \$1,280; Galveston County, nearly \$4,800.

By the way, Galveston has a conservative retirement plan, they invest very conservatively and they still pay those much better returns.

One lady, by the way, named Wendy Cohill, her husband died at 44 of a heart attack. She was 42. She received \$126,000 in death benefits plus what was in the account plus the survivors benefit that she used to pay to finish a college education. She was able to care for her family in her own home. If she would have had Social Security, she would have been under the poverty level. She said: Thank God, some wise men privatized Social Security here. If I had regular Social Security, I would be broke.

The city of San Diego also has PRAs, a government employee, 35 years old, contributes 6 percent into the PRAs. After 35 years, they would receive a \$3,000-per-month retirement benefit.

Under Social Security, he would receive only \$1,077 a month in benefits.

I know the Senator from California said on the floor recently that personal retirement accounts are too risky and we cannot damage the foundation of Social Security. But last year, and I want to read this, the Senator from California—this is Senator BARBARA BOXER along with Senator DIANNE FEINSTEIN and Senator TED KENNEDY, sent a letter to the President saying:

"Millions of our constituents will receive higher retirement benefits"—They are talking about the city of San Diego—"higher benefits from their current public pensions than they would under Social Security."

In other words, they were telling the President to leave San Diego alone be-

cause the President's plan for saving Social Security included taking 1 percent, pooling the investments, but he also would take all these with private accounts off the table and put them all into Social Security. She did not like that. She says:

Mr. President, millions of our constituents who will receive higher retirement benefits from their current public pensions than they would under Social Security, are appealing to their elected Representatives in Washington and we respectfully urge you to honor the original legislative intent underpinning the Social Security system—

That was to exclude these people from Social Security, exclude this provision from your reform and leave San Diego alone, they were saying.

My question is, if the retirement accounts in San Diego are better than Social Security, why can't you and I enjoy a similar system? But if Social Security is better, as Senator BOXER, Senator FEINSTEIN, and Senator KENNEDY will support, then why don't they want the citizens who work for the city of San Diego to have that same benefit? A good question.

I know I do not have much time left. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The time until the hour of 12 noon is under the control of the Senator from Wyoming. He yielded you the time you needed.

Mr. GRAMS. I will go through this quickly. I know we have others wanting to speak.

As I said, this is not an experiment. This is being done around the world. Eleven countries now have privatized their retirement; 30 others are considering it. We like to think we are in the forefront of this. But when it comes to retirement benefits, we are behind the curve.

Chile, 18 years ago, privatized their system because their system was much like ours. Franklin Delano Roosevelt and the brains in Washington did not create Social Security. It was modeled and copied from something that Otto Von Bismark put out in 1880. We adopted it almost exactly. So did Chile and just about every other country around the world. Chile, had the same problems or worse than what we are facing today. It went to bankrupt. They had to privatize their plan.

By the way, 95 percent of the Chilean workers have opted into the personal retirement accounts. Their return last year was 11.3 percent. Ours, again, were less than 2 percent.

British workers have chosen to go into PRAs. They have what they call their second tier Social Security, where they can opt from the Social Security System, like we have, into personal retirement accounts. In Britain, so far two-thirds of all British workers have opted into personal retirement accounts. They have enjoyed, over the past 5 years, a better than 10 percent return on their money. By the way, the

pool of retirement in their retirement accounts in Britain exceeds \$1.4 trillion. That is how much now they have put away in their accounts. That is more than the total GDP of Britain, and it is more than all other private investments in all the other European countries combined. So it shows you the power of private retirement accounts, and the accumulation of wealth.

Many people say: I have worked for 30 years. I can't give up what I have paid into Social Security.

We have a recognition bond. The Government knows exactly how much you have paid in. If you have paid in \$20,000, if you paid in \$40,000, if you paid in \$90,000, we know. We would give you a recognition bond, plus interest upon retirement.

Mr. President, we must take care of today's Social Security recipients. If an individual chooses to remain in the current system, we must guarantee their benefits. There is no increase in age of retirement, no cuts in benefits, no ifs, ands, or buts, and no raising of taxes.

The plan preserves the safety net, as I said, for survivors benefits and disability benefits. Poverty, as I said, recognized that \$8,240 a year—you have to have \$12,400, so you would not retire into poverty, again, as nearly 20 percent of our Americans do. Funds that manage PRAs are required to buy the life and disability insurance to provide the safety nets I have talked about.

For those who would come up short—and those would be very few—if you could not get \$12,400 a year, we would come in and say we will fill your glass full so when you retire, you would retire with less than that. This is the only entitlement portion of our bill. Again, this is an important safety net of this system.

Rules similar to those that apply to IRAs today would apply to PRAs. Also, a Federal personal retirement investment board would oversee it for safety and soundness to make sure your retirement funds are there, and are safe. Investment companies that manage PRAs would be required to have an insurance plan to pay at least a minimum of 2.5 percent. That would be a floor. Again, that is much better than Social Security, but at least it is a guarantee if something would go wrong you would at least have that as your investment.

In addition, you decide when you want to retire. As I said, right now the Government controls your retirement. They tell you exactly how much they are going to take out of your check, they tell you exactly the day you can retire, and then they tell you what they are going to give you in benefits.

In our plan, you have those controls. You make your retirement decisions. As soon as you can buy an annuity that will keep you 150 percent over poverty,

you have met your requirement. You are not going to be a ward of the state. You ensured your future. You can stop. You can do what you want. You can arrange regular withdrawals, for the amounts that are above that requirement. To buy this minimum benefit, you would need about \$125,000 in your account. If you are an average worker with earnings of \$30,000, you would have \$855,000 in your account, so you can use that other \$750,000 any way you want.

If you have a family, you could have \$1.4 million. What are you going to do with the other \$1.2 million. You can do whatever you want with that money; that is yours. You decide how you withdraw it. If you want to go to Europe? Write a check. Buy a new car? You can do it. Give it to your kid. You can do it.

In divorce cases, PRAs are treated as common property. Upon death, PRAs go to heirs without estate taxes; no capital gains, so that at least you have created an estate, and this \$1.2 million or \$700,000 or whatever you had in your account is your money.

Going back to Social Security, when you die, you get a \$253 death benefit. Under this, you get a death benefit in our plan, a minimum, plus you would get what is left in your estate, whatever it might be. You can pass it on to your heirs, your spouse, your kids, your church—wealth that you cannot pass on today because the Government takes all those benefits.

Again, the bottom line is, no new taxes for this system. We do have a responsibility to bail ourselves out, but we are not taxing the system. Retirement income is going to be there whether you stay with Social Security, or if you choose to build a personal retirement account. You can decide the options, you decide how you want to invest it, and you decide when you want to retire. Let's make sure we give you choices.

Just in concluding, despite our colleagues, our Democratic colleagues bashing Governor Bush's reform plan, its popularity is increasing among workers.

I heard one say: I don't come out here and bash it. I want to study everything and I want to look over all of these plans.

He hasn't even seen the Governor's plan. He doesn't really know what Vice President AL GORE has got. But yet he favors AL GORE over Governor Bush.

Recent polls show most Americans support the idea of personal retirement accounts. In fact, if you are under 40 years old, more young people believe in UFOs than that they are going to get Social Security; 90-some percent of young people under 30 would opt into personal retirement accounts.

I believe a national consensus can be reached on ways to save and strengthen Social Security. There will always

be a retirement system in this country. What kind of system are we going to leave for our children and grandchildren? For many of us, if we are 50 years old, 55 years old, or older, we might have been condemned to the current system without time left in our working lives to change or take the option in the personal retirement accounts. We can tell our children and grandchildren we want to leave a 70-percent tax system for them, we want to leave them a plan that might guarantee they will get less benefits, pay more into it, and will have to wait longer to retire, or we can leave them an option for them to invest in their own retirement and have personal retirement accounts.

The numbers show Americans overwhelmingly say: I am smart enough to handle my future.

There are many in Washington who believe you are not smart enough; you may be smart enough to earn your money, but you are not smart enough to put it aside for your retirement and only Washington can step in and help you out. That's wrong. Our plan empower working Americans and offers better options and gives you control over your retirement.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from Texas.

Mrs. HUTCHISON. Mr. President, is there any procedural motion I need to make to move forward?

The PRESIDING OFFICER. The time is under the control of the Senator from Wyoming until the hour of 12 noon.

Mrs. HUTCHISON. I thank the Chair.

Mr. President, 56 years ago today, 176,000 allied soldiers landed on the beaches of Normandy in what was the largest invasion in history. The operation was officially known as Operation Overlord, but I have never heard anyone refer to it by that name. It is now known as D-Day.

While there have been hundreds of other D-days in other historic locations such as Okinawa, Iwo Jima, and Inchon, the forces that landed on Normandy Beach 56 years ago today truly changed the course of history. When we hear the term "D-Day," we reflect on that awful and incredible day on Normandy Beach with reverence for what was accomplished and for all that was lost, and with respect the people who were there—those who did not survive and those who did.

Thousands of young Americans died that day establishing that small beachhead on the continent of Europe. Within a year, the Allied forces went on to crush the Nazi war regime and brought forth on the European Continent an unprecedented period of peace.

Today, we look back on that time and we remember and respect what was done.

When the cold war ended, the Wall came down and the Warsaw Pact disbanded. The United States began to draw down forces from Europe for the first time since we had gone in on D-Day and established a presence, and set up the plan to help our vanquished enemy.

Military strategists began to talk of new missions for NATO. They spoke of the need for NATO to go "out of area or out of business," implying that unless NATO could find a new reason to exist after the end of the Cold War, there may be no reason for it to exist at all.

That new mission began to come into focus in the Balkans five years ago when the United States committed peacekeeping forces to Bosnia to enforce the provisions of the Dayton Peace Accords.

What was conceived by the administration as a one-year mission to accomplish specific military objectives is now in its fifth year—with greatly expanded civilian nation-building objectives and no end in sight to the deployment.

Today we are on the eve of another anniversary in the search for new NATO missions. One year ago, on June 10, NATO halted the bombing in Serbia and Kosovo. As in Bosnia, we again have deployed thousands of American forces to yet another Balkan quagmire with unclear objectives—and there is no end in sight to the Kosovo mission, either. This time the ethnic groups we seek to reconcile have not tired of the killing, apparently, and it continues as our soldiers stand by helpless to deter murder.

The General Accounting Office estimates that the cost of our Balkan peacekeeping missions in Bosnia and Kosovo now tops \$23 billion. We have become mired in the problem, unable to stand back and assess where we are. Nor are we able to look at the situation and say we must have a strategy.

We know what this has cost our country: For the past five years, recruiting and retention problems in the U.S. military services have been exacerbated by endless peacekeeping missions. Our armed services today are not up to their congressionally mandated troop strength; they are at least 6,000 short.

As the world's only superpower, we have a responsibility to lead. America led when the parties first came together in Dayton, but the Dayton Peace Accords simply stopped the fighting. We did not create conditions that could actually solve the problem without the presence of thousands of outside forces. We ended the hostilities—and we should be respectful of that achievement—but we did not create effective economic and political structures.

That must be our goal for a lasting peace. As one American military

peacekeeper said to me on a recent visit, "Everyone's job in Bosnia is to work on the problems we face, but no one seems to have the responsibility for actually solving those problems."

We need to search for ways to solve these problems. Today I am introducing legislation to authorize funds to reconvene the parties to the Dayton Peace Accords that ended the Bosnia conflict, those who were involved in the Rambouillet talks that failed to avert the conflict in Kosovo and other regional entities. We must review our progress to date. If we cannot do that, how can we call ourselves leaders?

We must look for a long-term settlement based on greater self-determination for the governed and less by outside powers. That may involve tailoring current borders to fit the facts on the ground. It will create conditions of genuine stability, reconstruction and prosperity. It will allow us, in a responsible way, to set some timetables, some measurements for success, and, hopefully, to begin turning over these peacekeeping responsibilities to our European allies within a reasonable time frame.

We must have self-determination that works. The current policy wagers America's reputation, prestige and will on a mirage of multicultural democracy in the Balkans. We are trying to create governments that ignore history, nationality and ethnicity. Elections have been held in which refugees were bused into disputed regions to vote for elected officials who cannot serve because they are unable to return to their prewar homes.

American officers spend their days deciding which vehicles can travel down which roads, and escorting Serb families in hostile Albanian territory to the dentist and back or to the library and back.

This effort is diverting the United States from its global responsibilities. We occupy a unique place in the world today, standing astride history's path as the most powerful nation that ever may have existed. Our supercharged economic engine certainly reflects the best that mankind has to offer. However, a superpower's core responsibility is not to right every wrong, but to preserve its strength for those challenges that only a superpower can address.

The United States must know when to encourage capable allies and proxies to address contingencies that fall short of that standard. Instead, time and again, our military readiness to address potential threats—such as North Korea, mainland China, Iraq—has been diverted to contingency provisions on the periphery of our nation's security concerns.

America's peacekeeping burden in the 1990s has resulted in two of our Army divisions reporting themselves unfit for combat.

We can achieve more in the Balkans than a peace enforced at bayonet tip.

We ought to tie our continued financial support to a comprehensive regional settlement, to substantial military withdrawal from the region and to a firm policy of encouraging the Europeans to do more—with our support, which will always be there.

Any NATO member can patrol the Balkans, but only the United States can defend NATO. That is the role of a superpower, and that is the role of a strong and reliable ally.

As we take up the armed services budget this week, I hope we can take on the role that is the responsibility of the Senate and try to put some long-term potential peace into play. I am not saying I know what the outcome of any kind of conference should be. But I do know it is our responsibility to call such a conference and begin to assess where we are; to look with vision to the future and set the standard that must be set for the lasting peace that we want and hope for and will work for and support in the Balkans.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CRAIG. Mr. President, the unanimous consent agreement that we are operating under takes us through 12 noon, does it not?

The PRESIDING OFFICER. It takes us through 12:30.

Mr. CRAIG. Through 12:30?

The PRESIDING OFFICER. There is a unanimous consent agreement that Senator GREGG be given the time from 12 to 12:15, and Senator REID the time from 12:15 to 12:30.

Mr. CRAIG. I yield the floor to my colleague, the chairman of the Armed Services Committee, Senator WARNER, for a statement before I resume my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. WARNER. I thank my distinguished colleague.

(The remarks of Mr. WARNER and Mr. CRAIG pertaining to the introduction of S. 2669 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

Mr. CRAIG. Mr. President, I ask unanimous consent that I be allowed to proceed for 15 minutes.

Mr. GREGG. Reserving the right to object, what was the Senator's request?

Mr. CRAIG. I asked to proceed for 15 minutes. I had yielded some time to the chairman of the Armed Services Committee.

Mr. GREGG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceed to call the roll.

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

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

Mr. GREGG. Mr. President, I thank the Senator from Idaho for his courtesy. I ask unanimous consent that he be allowed to proceed after I have completed my statement.

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

#### SIERRA LEONE

Mr. GREGG. Mr. President, I want to speak about the issue of what is happening in Africa, specifically in Sierra Leone. Recently, I have become involved in this issue because, as chairman of the Commerce, Justice, State, and the Judiciary Subcommittee, we have jurisdiction over the funds that flow to the U.N. for peacekeeping activity. In order to adequately do the job as chairman of that subcommittee, our job involves oversight of those funds, to make sure they are being used effectively. After all, they are American tax dollars; Congress has control of the purse strings; and we have a major role in how those dollars are spent.

I recognize fully, as all Members of Congress do, that the key individual who sets foreign policy is our President. Even though we may disagree with our President, he does have that priority position. But there are, obviously, issues on which the Congress has a role in foreign policy—very significant issues. One of them happens to be the funding of peacekeeping activities and the role the United States should play in that. So I have had very serious concerns about our policies in Sierra Leone specifically—on a number of peacekeeping activities, but specifically our policies in Sierra Leone. This is because of a number of issues that have been raised there.

Last year, the United States, regrettably, played a key role in imposing the Lome Accord on a brutalized Sierra Leone. The accord granted a total amnesty to the Revolutionary United Front, RUF, which is basically a gang of thugs that murders, rapes, and mutilates people. Just about everybody in their path has come under their severe act of violence. In fact, they actually empower their soldiers—and they are not really soldiers; many are very young boys—to cut off the arms of women and children in order to make a point. This is a very common practice with this alleged military group called RUF, this gang of thugs. They have been terrorizing the country of Sierra Leone. There is no question about that. Their leader, Foday Sankoh, and his lieutenants, as part of the Lome agreement, as part of the understanding of the Lome agreement—and this is why it was such a horrendous agreement—were given top spots in the “transition” government and guaranteed RUF control over the Sierra Leone diamond

mines, which is basically the core of the element of how they generate their revenues.

It is inexcusable that we were party to the Lome agreement and that we therefore empowered these war criminals to take office and to have control over basically the only significant economic resource of the country of Sierra Leone. So I was more than upset about this. I believed it was essentially a surrender in the face of criminal violence. As a result, I did put a hold—not technically a hold, but I actually refused to approve a transfer of peacekeeping funds for the Sierra Leone initiative. I began exploring alternatives to this, what I believed was an extraordinarily unjust accord. In response to my concerns, U.S. Ambassador to the U.N. Holbrooke and his staff took on the difficult task of crafting a better approach to this issue.

Since my “hold” became news, I have been sharply criticized by some, including some in the U.N. and the State Department, and even—not even, but not surprisingly, really—the Washington Post, which recently accused me of “playing at foreign policy,” implying that serious students of world affairs would not question U.S. support for the Lome Accord. I simply point out that I think a lot of serious students of foreign policy question the decision to support that accord.

Meanwhile, in Sierra Leone itself, the RUF, as a result of Lome in large part, continued to terrorize civilians and even challenge the U.N. peacekeepers. By last month, the RUF was marching on Freetown in complete violation of the Lome Accord. In fact, of course, they have humiliated the U.N. mission in Sierra Leone, which was supposed to disarm them. It actually ended up being disarmed by them, and much of the military equipment that is being used there by the RUF is U.N. equipment taken from U.N. advisers. Thus, the mission of the U.N., as a result of being an outgrowth of the Lome Accords, which were so disgraceful, is in disarray. Today, all that stands between the RUF and total control of Sierra Leone is the British and Nigerian troops who have come in to try to stabilize the situation.

And what of the U.S. policy? Following our most recent meeting 2 weeks ago, Ambassador Holbrooke has sent me a letter laying out a new strategy for a more just and lasting approach to peace in Sierra Leone that gives me some reason for hope. I would like to read from what his letter says because I think it is an important adjustment in American policy in Sierra Leone. I congratulate him for it.

First, he notes in his opening paragraph that he has taken this issue and walked it through the administration and that he has support for his letter from Secretary Albright, National Security Adviser Berger, and the head of

the OMB, Jack Lew. Reading paragraphs from his letter:

You asked for a letter encapsulating our discussion on Sierra Leone and Congo. After close consultation with Secretary Albright, let me review where we stand on each issue:

First, Sierra Leone. Let me posit five principles that we will use to govern our policy. First, the United States does not believe that Foday Sankoh should play any role whatsoever in the future political process in Sierra Leone, and we will continue to press this point. He must be held accountable for his actions.

This is a significant change in policy, in my opinion, and it is a positive one.

Second, we strongly support the British military presence in Sierra Leone, which has played a key role in restoring a measure of stability to Freetown. We are discussing with the British their continuing role, and on May 23 London announced an important training program for Sierra Leone army, something that they will undertake at their own expense outside the U.N. system.

This, again, is positive news that the British will be a stabilizing force there, which will be armed and know how to defend itself.

Third, the objective should be to ensure that regional and international forces in Sierra Leone, together with the armed forces of the government of Sierra Leone, have the capacity to disrupt RUF control of Sierra Leone’s diamond producing areas, the main source of RUF income. Completely eliminating them as a military force is not likely to be possible as an acceptable cost, but sharply reducing their sources of financial support and restricting their capability to threaten the people or government of Sierra Leone is within reach of sufficient numbers of properly trained, equipped, and well-led troops and is vitally important.

That is to paraphrase a much more robust mission directive and portfolio and is exactly what needs to be done.

The most likely nations to carry the burden would be Nigeria and Ghana, with the backing of other ECOWAS states. Other nations who are already rushing troops to Sierra Leone include India, Jordan and Bangladesh. Most potential troop contributors from the region are likely to require better equipment and training if they are to contribute meaningfully. Pentagon and EUCCOM assessment teams are studying the issue urgently. If our objectives are to be accomplished, the U.S. will need to be ready, with congressional support and funding, to provide our share of international effort to provide equipment and training to those who are willing to do the military job—including the government of Sierra Leone and other countries in the region. Any direct training of contributing country troops by U.S. military personnel would be done outside Sierra Leone and no U.S. combat troops would be deployed to Sierra Leone. We will have to work out the relationships between such an operation and the UN, recognizing that for many countries a UN role is preferable—but we must ensure that the mandate is robust. Fourth, since there is virtually no real government structure left in Sierra Leone, if the security situation can be stabilized a longer term international effort will be needed to help build viable institutions in Sierra Leone. It will take time, but in the long run, the rest of the effort will be unsuccessful if it is not accompanied by this component.