our Nation's covered bridges. Moneys provided by the measure give the States the ability to fully restore their covered bridges ensuring the safety of travelers without compromising the bridges' historical integrity.

This amendment calls for proper research, construction and maintenance techniques. The proposal will provide funds for fire, arson and vandalism prevention. These grants to States will prove vital to ensuring the covered bridges survive into the next century, into the next millennium.

These covered bridges stand as a reminder of our heritage and contribute immensely to making our Nation the beautiful place it is today. I urge my colleagues to adopt this amendment.

I commend the authors of this legislation, Senators CHAFEE, WARNER, and BAUCUS, for completing action on this measure.

Mr. GRASSLEY. Madam President, I am pleased to join with my friend and colleague Senator JEFFORDS, to help spotlight and preserve an important part of America's and Iowa's heritage—covered bridges. This amendment will help our states to do the rehabilitation and preservation work necessary to maintain these icons of the open road. I urge the adoption of this amendment.

There is a romance concerning our Nation's covered bridges. They bring forth pictures of a different time in American history. It was a time when life moved more slowly, both on and off the road. It was time when travelers could take the time to enjoy the scenery as they unhurriedly passed by. Now it seems that most of us are in a hurry to get to our next destination, with little or no time to observe and enjoy the passing scene.

Today, I am happy to say, these bridges are drawing tourists. In Iowa this is in no small part due to a very popular book which was made into a movie. ''The Bridges of Madison County'' has greatly helped to focus attention on covered bridges. For Iowa, the book and movie have helped to increase our tourism industry. For our Nation, the book and movie have helped to bring into full view of the public a unique part of our transportation and cultural heritage. This attention for the covered bridges is well deserved.

Maintenace and protection of these bridges is expensive. It is well that we take steps at the federal level to help the states preserve and protect these structures of beauty and grace. They are truly a national enhancement, a vital part of our history, and deserving of our special attention.

Mr. SPECTER. Madam President, I have sought recognition to speak in support of the Jeffords-Specter amendment, which establishes a federal grant program to preserve our Nation's historic wood-covered bridges for future generations.

There are 526 covered bridges nationwide, and almost 90 percent are in a critical state of disrepair. Pennsylvania enjoys the most covered bridges of any state, with 167. Unfortunately, the vast majority are either closed, or have weight limitations placed upon them to forestall further deterioration. Aside from the aesthetic reasons for repairing these bridges, there are safety implications as well for those who travel across them each day.

The wood-covered bridges which dot the landscape across rural America serve as more than simply a tourist attraction. They are in essence a bridge to our past which allows us to better understand how previous generations worked to expand this Nation's transportation infrastructure and link communities together. It would indeed be a tragedy to allow them to simply waste away.

It is estimated that approximately $344 million will be needed to bring all of our Nation's covered bridges up to standard. Our amendment would authorize $25 million each year over a period of seven years to restore and maintain these bridges, which are over 50 years of age. This would provide states with a much-needed dedicated source of funding to be used strictly for covered bridge preservation.

As a member of the Senate Transportation Appropriations Subcommittee, I will work with my colleagues to ensure a steady funding stream once this program is authorized by passage of this amendment.

If we do not act now, these national treasures will be lost forever. I urge my colleagues to adopt this amendment and thank Senator JEFFORDS for his leadership on this issue.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I commend the Senator from Vermont for his amendment. I think he is dealing with a very, very important subject. Having traveled a good deal in Vermont, I am familiar with these lovely covered bridges, but his amendment does not restrict the protection for the covered bridges to only his State. I think some 16 different States are involved with this amendment, and others beyond that, perhaps.

As the pictures show, these are magnificent structures and really very unique engineering feats. We want to do everything we can to preserve them, and this is a modest step in that direction. I think it is a very worthwhile amendment to take.

Mr. FORD. Madam President, Senator BAUCUS, who is the floor manager from our side, was called away from the floor, and I am attempting to assist his staff and to help our distinguished chairman. I am advised this side has no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 1716), as modified, was agreed to.

Mr. FORD. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT—COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Madam President, I ask unanimous consent that the statements of Senators BINGAMAN, HUTCHINSON, MURRAY, COLLINS, REED and WARNER be considered as a part of the proceedings in this morning's executive session of the Committee on Labor and Human Resources.

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

Mr. JEFFORDS. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. CHAFEE. Madam President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 5 minutes each.

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

A BRIGHT FUTURE FOR SOCIAL SECURITY

Mr. ROTH. Madam President, we live in an era of great events—a moment when opportunity seized in a thoughtful and timely manner will allow us to make history. Today I want to show how conditions that have been created by our efforts to strengthen the economy and bring down the deficit can not only save Social Security in the short term, but begin today to strengthen it for our children and for generations yet to come.

Saving Social Security is a promise we have made to Americans—both young and old. It's a promise that President Clinton reiterated in his most recent State of the Union Address. And it's a promise that we can keep, despite the challenging demographics and declining trend lines that currently point to a bleak future for a program that many would say is the most important contract our government has ever entered into with the American people.

Social Security has saved countless men, women and children from poverty. It protects our elderly, our disabled, their families, and dependents of workers who have died. In its 63-year history—and despite pressing challenges—Social Security has been a success. More than 40 percent of our seniors are kept out of poverty because of

Social Security. In fact, our seniors today have the lowest rate of poverty among all age groups. Forty years ago, more than one of every three elderly Americans lived in poverty. Today it's one in ten.

But Social Security is much more than protection in retirement. Because of congressional efforts to expand the program, one out of every six Americans—or some 44 million people—receive a monthly Social Security check.

But today, Social Security faces insolvency. It is a pay-as-you-go, intergenerational transfer of money. Money received by Social Security beneficiaries is paid by taxes coming from today's workers. And the benefits today's workers will receive will be paid by their children. And this, Madam President, is the root of the problem, because those who are supporting the system are declining in relation to those who depend on Social Security. In the early days of the program, there were as many as 42 workers per beneficiary. Today, there are 3.2. And in 2030, just 2 workers will support each individual receiving Social Security.

Given current trends, tax revenues to the Social Security trust funds will no longer cover benefit payments beginning in 2012. Social Security will need to call upon assets that are just now accumulating in the trust funds and invested in U.S. Treasury bonds. Cashing in those bonds will put major pressure on the Federal budget—crowding out other important spending. Even so, by 2029 the bonds will be gone. Social Security will then be able to cover only 75 percent of benefit payments directly from revenues.

This, Madam President, does not need to happen. We can save Social Security, and we can strengthen it well into the future. A part of the solution is as simple as it is powerful.

Dr. Martin Feldstein, a professor of economics at Harvard University and the President of the prestigious National Economic Research Bureau, has proposed using budget surpluses to fund personal retirement accounts for working Americans. In November of 1997, and then again last month, Dr. Feldstein published two op-eds outlining his proposal in the Wall Street Journal. I ask unanimous consent that the February op-ed be entered into the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LET'S REALLY SAVE SOCIAL SECURITY

(By Martin Feldstein)

''Despite Mr. Clinton's rhetoric, all his budget 'reserves' for Social Security is what's left after other spending and tax cuts chew up the projected budget surpluses.''

President Clinton highlighted Social Security in the resounding rhetoric of his State of the Union address—and again in a speech yesterday—but completely ignored it in the budget proposals he then presented to Congress. Despite the president's calls to use the projected budget surpluses to ''save Social Security first'', there is nothing in his budget to improve Social Security's finances or to enhance future retirement incomes.

Mr. Clinton's inaction notwithstanding, the projected budget surpluses do provide an unprecedented opportunity to improve the financial outlook for Social Security and, at the same time, to supplement future Social Security benefits with investment-based pension income. Before I describe that possibility in more detail, let's look more closely at what Mr. Clinton said and what his words might have meant.

CAREFUL WORDS

In the State of the Union address; the president said: ''If we balance the budget for next year, it is projected that we will have a sizable surplus in the years immediately afterward. I propose that we reserve 100% of the surplus—that's every penny of any surplus—until we have taken all the measures necessary to strengthen the Social Security system for the 21st century.'' What does that mean? Mr. Clinton often chooses his words very carefully, so we must read those words with equal care.

Lets begin with the ''surplus'' itself. The Congressional Budget Office now projects that the overall federal budget will be essentially in balance for the next two years (annual budget deficits of $2 billion and $3 billion) and will then shift to a decade of surpluses that by 2006 will exceed $100 billion a year, equal to more than 1% of projected gross domestic product.

Contrary to the impression of his language, Mr. Clinton does not propose to devote these projected surpluses to Social Security. He only suggests that ''any surplus'' that remains after whatever new spending and tax cutting occurs should be ''reserved''. In short, he makes no commitment to do anything for Social Security. Despite his rhetoric, all that Social Security gets is what's left after other spending and tax cuts chew up the projected budget surpluses. In reality, saving Social Security comes last.

The president's budget calls for a wide range of new spending programs in health, education, child care, the environment and transportation that would cause total spending to exceed, by $40 billion over the next four years, the budget caps that were the essence of the 1990 budget agreement and that are the basis of the CBO's forecast of the future budget surpluses. That $40 billion would be half of the CBO's total projected surplus for the next four years. In addition to these explicit new spending plans, the president has several spending initiatives dressed up as targeted tax reductions (e.g., ''a school construction tax cut to help communities'').

By an amazing feat of inside-the-Beltway logic, Mr. Clinton claims that this jump in spending would be consistent with his proposal to ''reserve 100% of the surplus'' for Social Security. The trick is his plan to introduce new taxes on cigarette smokers, high-income individuals and corporations. Since those taxes have not yet been enacted, they are not reflected in the projected budget surpluses. Mr. Clinton can therefore propose to spend those future tax dollars while technically claiming that he is not spending any of ''the surplus''! Of course, those who are as concerned about the future of Social Security as Mr. Clinton claims to be might wonder why he wouldn't ''reserve'' the additional tax revenues as well as the existing projected surpluses.

It also takes a highly nuanced construction of language to reconcile Mr. Clinton's big new spending plans with his call in the State of the Union to ''approve only those priorities that can actually be accomplished without adding a dime to the deficit''. In truth, every one of his new spending proposals would add to the deficit. But combined with enough new taxes, there need be no increase in the deficit. That is the nature of tax-and-spending budgeting. But if the Republican-controlled Congress rejects Mr. Clinton's tax increases, the popular spending plans that he proposes would cut into the projected surpluses.

Yet if there are some surpluses left, what might Mr. Clinton mean by his proposal to ''reserve 100% of the surplus''? The word ''reserve'' has no particular meaning in the budget process. Money can be appropriated, spent or added to trust funds, but it cannot be ''reserved''. And Mr. Clinton doesn't even say that it should be reserved ''for Social Security'' or for anything else in particular. Just ''reserved''. Senior administration officials have subsequently testified that it doesn't mean putting the money in the Social Security Trust Fund. It turns out that ''reserving'' this money has nothing at all to do with Social Security.

In short, Mr. Clinton talked eloquently about the Social Security problem but offered no proposal to do anything about it. The projected budget surpluses are clearly vulnerable to a combination of special-interest spending programs and populist tax cuts. And the Social Security program continues to head toward a deficit that will require a massive tax increase or drastic cuts in benefits.

There is a simple and direct solution: a legislated commitment now to use the projected surpluses to finance Personal Retirement Accounts for every working person. The projected surpluses are large enough to permit the government to put 2% of each individual's wages (on earnings up to the $68,400 Social Security maximum) each year in such an account to be invested in stocks and bonds. There are a variety of ways in which such accounts could be established and financed; I offered one way, based on personal income-tax credits, on this page in November.

If the budget surpluses projected for the next decade are used in this way, funding such accounts would not reduce the money going into the Social Security Trust Fund and would not cause a budget deficit. Committing future budget surpluses now to individual investments in stocks and bonds would guarantee that they add to national saving instead of being dissipated in new government spending.

A system of accounts based on 2% of earnings would accumulate some very significant totals, providing the only way in which many low- and middle-income households might ever accumulate some personal wealth. Based on the historical average return on a portfolio of stocks and bonds (5.5% a year before personal taxes), a couple that earns $60,000 a year (in 1998 dollars) and contributes 2% of that each year from age 30 to 65 would accumulate $125,000 at age 65, enough to finance a $10,000-a-year annuity for 20 years. In the aggregate, such annuity payments would equal 17% of the Social Security benefits implied for the year 2030 in current law and 40% of the benefits implied for 2050.

That has important implications for the long-term solvency of the Social Security system. Following a suggestion of Sen. Phil Gramm (R., Texas), the Personal Retirement Account-funded annuities could be ''integrated'' explicitly with Social Security benefits so that traditional Social Security benefits are reduced by a dollar for every two dollars that individuals receive from their Personal Retirement Accounts. That would leave individuals with more retirement income while reducing the payroll-tax increases that would otherwise be needed to finance future benefits.

CLEAR OPPORTUNITY

There are many changes that can be made to help Social Security weather the surge in benefit outlays when the baby boomers begin to retire, about a decade from now. The four regional forums on overhauling Social Security that Mr. Clinton announced yesterday, as well as the bipartisan summit he says he plans to call a year from now, can grapple with those tough choices.

But the projected budget surpluses now provide the clear opportunity for a simple legislative action that would help all working people, raise national saving and contain the rise in future payroll taxes. With the president's support, this can be done quickly, before the opportunity to do so is destroyed by the pressures that will otherwise dissipate the projected surpluses. A bipartisan effort could actually turn Mr. Clinton's rhetoric into a serious plan to save Social Security and protect future retirement incomes.

Mr. ROTH. In his State of the Union Address, President Clinton promised to ''Save Social Security First'' with the budget surpluses. At the time, he said that the surpluses were at least 2 years off. The good news—what makes now such a timely moment in history—is that the surpluses are not two years off, but will begin this year, according to the Congressional Budget Office.

In other words, we have the opportunity to begin almost immediately to use budget surplus to fund personal retirement accounts for Americans. How far will this go? CBO estimates that the cumulative budget surplus over the next eleven years—from 1998 though 2008—will be $679 billion. That equals about 1.4 percent of the taxable payroll that would be collected over this same period.

Now, 1.4 percent of a person's wages might not sound like much. But look at what happens if we follow Dr. Feldstein's recommendation and use the budget surpluses to create retirement accounts for Americans. According to a report published by the Congressional Research Service on March 4, for an average wage worker—someone who is 40 today and making about $27,000 in 1998—just 1 percent put annually into a stock account based on the historical return of the S&P 500 could equal 10 percent of that individual's projected Social Security benefit over the next 25 years.

Let me repeat that. Investing just 1 percent of a 40-year-old worker's income in a retirement account will grow to equal a full 109 percent of his or her Social Security benefit! For someone younger—say 25 and who has even more time to earn interest—1 percent could equal almost 27 percent of their future Social Security benefit.

Indeed, all Americans can figure out what 1.4 percent of their wages will be over the next 10 years, and then ask themselves how that might grow in 10 or 20 years.

Using budget surpluses to create retirement accounts represents an excellent first step toward shoring up Social Security for the long run. This would be a new program in addition to the current Social Security program. By establishing these accounts this year, it will allow us to demonstrate their value—their potential—in providing retirement benefits for working Americans in the years to come.

Creating these accounts will give the majority of Americans who do not own any investment assets a new stake in America's economic growth—because that growth will be returned directly to their benefit. More Americans will be the owners of capital—not just workers.

Creating these accounts will demonstrate to all Americans the power of saving—even small amounts—and how savings may grow over time. Americans today save less than people in almost every other country. And even this low private savings rate has declined from 4.3 in 1996 (as a share of after-tax income) to 3.8 percent in 1997.

And creating these accounts will help Americans to better prepare for retirement generally. According to the Congressional Research Service, 60 percent of Americans are not actively participating in a retirement program other than Social Security. A recent survey by the Employee Benefits Research Institute found that only 27 percent of working Americans have any idea of what they will need to save in order to retire when and how they want. Personal retirement accounts will help Americans better understand retirement planning.

Lastly, these accounts may point the way to a permanent solution to Social Security's problems. We do not need fixes for a few years or a few decades—but solutions that have more permanent promise. It was just 15 years ago—in 1983—that we fixed Social Security for 75 years—to about 2058. But again Social Security is in trouble.

Madam President, let me also note that other choices will be far less attractive to keep the promise of Social Security, for example, we cannot count on tax hikes. To fix Social Security would require a huge, 50-percent increase in the payroll tax over the next 75 years. And today's tax is already a burden for many families. Forty-one percent of families pay more in Social Security taxes than income taxes, and if you factor in employer Social Security taxes—which economists tell us are really forgone wages—80 percent of Americans pay more in Social Security than income taxes. And let us remember Social Security taxes are on the first dollar of income—no deductions, no exemptions.

Indeed, in a speech last month at Georgetown University on Social Security, the President promised not to unfairly burden the next generation—who will be supporting tomorrow's Social Security beneficiaries. Tax hikes would do that.

One way to establish and manage these new personal retirement accounts is to follow a proven model—the Federal Thrift Savings Plan. Back in 1983, when I was then chairman of the Committee on Governmental Affairs, the retirement program for Federal employees needed to be revamped.

One of the new elements we added was the Federal Thrift Savings Plan (TSP), managed by a Board of Trustees. TSP is a unique institution. Each Federal employee has an account, and can allocate their investments among three options—a stock index fund that mirrors the S&P 500; a bond fund, largely invested in corporate bonds; and a Government bond fund that invests in T-bills. The Thrift Board is now planning to add two other funds.

Last year, we looked closely at the Federal Employees Health Benefit Plan (FEHBP) as a model to reform Medicare by providing more private choices in health insurance. The lessons of FEHBP were invaluable. So, too, I believe we can adapt the Federal Thrift Savings Plan as a model for Social Security personal investment accounts.

Mr. President, I want to respond to two specific concerns I have heard raised about personal investment accounts. First, that some people will have great investment performance, others miserable. We can surely avoid that. The funds of the Federal Thrift Savings plan have had excellent performance, while remaining conservative investments. Indeed, I am very sensitive to the issue that investments should be handled in a responsible fashion—and I think we do that with even more choices than offered by the Federal plan.

The second concern is that the progressive nature of Social Security benefits will be lost with personal investment accounts. I believe we can construct a system that benefits low-wage workers, and I am committed to that. The bottom line is that by using the budget surplus to create personal investment accounts, we will go a long way toward providing a workable and very attractive solution to the challenges facing Social Security. We will do it without compromising the current system. And we will do it in a way that places us square on the course to long-term opportunity for all Americans.

Promises made are promises that should be kept. As chairman of the Senate Finance Committee, I feel the responsibility of making sure Social Security remains strong and viable in the lives of those who depend on it. Today, we have an irreplaceable opportunity to do this.

Personal retirement accounts—funded by budget surpluses—can both return real benefits to working Americans and demonstrate how to fix the problems of Social Security. There are still a number of technical questions we need to answer in developing personal retirement accounts legislation that can pass Congress this year. Toward this end, I will continue to work with my staff, and I welcome the views and advice of colleagues on both sides of the aisle.

NATO

Mr. ROTH. Madam President, I rise today to respond to the charge that has been made in a number of newspapers over the last week—and particularly by