

quite properly (and in contrast to the slogan on Time's cover) points out the disastrous weakness of the Heritage Foundation's proposal to let people opt out at will; this would set up a vicious circle of actuarial anti-selection, because the low-cost persons (young and high-paid) would drop out, and the high-cost ones would remain in, with resultant financial collapse.

The proposals for change include the following:

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

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

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

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

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

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

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

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

The Chilean article is quite correct that the new plan reasonably well solved the

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

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

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

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

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

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

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

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

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

RHODODENDRON PRINCESSES RECOGNIZED

● Mr. HATFIELD. Mr. President, it is always a pleasure to recognize excellent students from the State of Oregon. However, I am especially honored to praise five young people who have distinguished themselves in the areas of

scholarship and service, thus reflecting a sincere interest and involvement in their schools and communities.

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

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

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

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

The material follows:

RHODODENDRON SCHOLARSHIP PROGRAM—1995

PRINCESS EMILY ANTHONY

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

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

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

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

PRINCESS TRACY HOLMAN

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

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

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

While maintaining her academic standing and other activities, Tracy also works as a Loan Processor in a local bank.

PRINCESS BRANDI KEKUA

Brandi Kekua, 17, plans to attend Willamette University, majoring in Political Science with minors in Rhetoric and Media Studies. Her career goal is to work as a Political and/or Communications Consultant.

A 1995 Future First Citizen Nominee, Brandi has also received awards for outstanding achievement in Forensics and is the recipient of an Outstanding Actress Award. She served as World Affairs Leadership Seminal Ambassador and as Model U.N. Ambassador to Austria and has numerous academic awards.

Additionally, Brandi is a Peer Counselor and Peer Tutor; is on Student Council, the Key Club and is involved with the high school T.V. News show. She is also active in high school drama projects and community theatre and arts groups. Brandi has been recognized by Who's Who in American High School Students for four years.

Her other community activities include Bible Camp Counselor and Easter Seals Camp Counselor. She enjoys aerobics and golf in her spare time.

PRINCESS LELIA LOWE

Lelia Lowe, 17, plans to attend Willamette University where she will major in Rhetoric and Media Studies and Child Psychology with a PhD in Rhetoric. Her career goal is to be an administrator or teacher at the college level.

Lelia's achievements include receipt of numerous Forensic Awards over the past three years, as well as numerous academic awards at local, District and State levels.

Her extra-curricular activities include National Honor Society and Odyssey of the Mind Knowledge Bowl. She also has taught Vacation Bible School Classes and has been an active volunteer at Siuslaw Public Library.

Sports-minded, Lelia enjoys rollerblading and running to balance her interests in drama and theatre. She also enjoys creative writing.

PRINCESS ROVINA MURTI

Rovina Murti, 17, plans to study Child Psychology as a prelude to attending Medical School and becoming a Pediatrician.

Rovina has been recognized for her achievements in Forensics, having received the Forensics Scholastics Award, Second place at District level competition and as a competitor at the State level. She has been involved in school activities, including the Yearbook Staff and the Junior/Senior Prom Fashion Show.

Rovina has taught Sunday School for four years as well as having worked with varied Senior Citizen projects through Senior Services. Other interests and activities include the writing of short stories and traveling.

She maintains her academic standing and other activities while working part-time. ●

REMEMBERING FATHER MICHAEL
LAVELLE

● Mr. GLENN. Mr. President, I rise today to sadly note the death of Father Mike Lavelle, president of John Carroll University in Cleveland, OH. Father Lavelle was an important leader of our community.

Rev. Michael Joseph Lavelle, S.J. Ph.D., a native of Cleveland, joined the faculty of John Carroll in 1969 and served as president of the university since 1988. After collapsing from an at-

tack of cardiac arrhythmia on February 27, Father Lavelle never regained consciousness and died last Saturday.

I had the great privilege to work closely with Father Lavelle in a number of areas affecting higher education. He was a tireless advocate for programs and services helping students, faculty and John Carroll University.

Most recently we worked together to establish a Veterans' Teacher Preparation Program at John Carroll University. Father Lavelle was instrumental in the development of this program to assist retiring military personnel to obtain the necessary certification to teach high school science or mathematics. This program which turns "Troops to Teachers" is just one example of the vision and commitment of Father Lavelle to help improve Cleveland.

The death of Father Lavelle is a great loss and we will miss him. Annie and I extend our sympathy to his sister, Helen, and the rest of his family at John Carroll University and throughout Cleveland.

Mr. President, I ask that an article from the Cleveland Plain Dealer, March 26, 1995, be printed in the RECORD.

The article follows:

JCU'S LAVELLE DEAD AT 60—LEADER IN
ACADEMIA AND JESUIT ORDER

(By Richard M. Peery)

UNIVERSITY HEIGHTS.—The Rev. Michael J. Lavelle, a Jesuit priest whose long and distinguished career led him to the presidency of John Carroll University, died yesterday at the A.M. McGregor home in East Cleveland.

He never regained consciousness after collapsing Feb. 27 from severe cardiac arrhythmia, while working out at the university's physical fitness center. He was 60.

"Father Lavelle was a strong visionary, capable president, and he was also a friend," said Frederick F. Travis, acting JCU president. "He was very well liked on campus and was a popular choice for president in 1988 among both faculty and staff."

During Lavelle's tenure as the 21st president of John Carroll, the freshman class enrollment grew from 500 to more than 700. He was instrumental in having two dormitories built to house the influx of students.

He also helped initiate the movement of John Carroll's athletic teams from the President's Athletic Conference to the Ohio Athletic Conference. The change led to competition with Baldwin-Wallace, Mount Union, Wooster and Muskingum colleges.

In 1983, Lavelle was elected to the 33rd General Congregation of the Society of Jesus, which established the direction of the worldwide Jesuit order for the last 12 years. He also served as one of a dozen advisers to the American Catholic Bishops Committee on their pastoral letter on the economy in the 1980s.

An economist and an expert on Eastern Europe, he traveled to Soviet bloc countries more than 20 times, expanding his expertise in Soviet and international economics and working with this fellow Jesuits in those nations, many of whom had been driven underground.

The Cleveland native grew up in the Lakeview Terrace public-housing complex on the West Side. His father worked for the old Cleveland Transit System for 42 years, 28 of them on the Detroit Ave. and Clifton Blvd. streetcar lines.

Lavelle, a 1953 graduate of St. Ignatius High School, distinguished himself as a member of the school's football team, which won the 1952 West Senate League championship. He was voted the West Senate Most Valuable Player and was named to the All-Catholic High School football team. An all-scholastic offensive guard who also played defense, he received All-Ohio honorable mention.

Lavelle was a member of the school's track team for four years, played basketball for one year and played sandlot baseball in the summer.

He was inducted into the St. Ignatius Athletic Hall of Fame in 1988.

Several years ago, Lavelle had a quadruple heart bypass operation, but he could still be found in the gymnasium during many lunch hours playing pickup basketball with faculty members.

But it was another school activity that made the deepest impression on Lavelle as a teenager. One holiday, while delivering food baskets to the needy, he went to the home of a woman on Scovill Ave. who lived with just a mattress on the floor, a table and one chair. She cried when she received the food.

Lavelle said the experience made him decide to go into a profession where he would help people. The summer after he graduated from Ignatius, he decided to become a priest.

"Sure, my parents were surprised, and some girlfriends too," he recalled years later.

Lavelle attended Xavier University Cincinnati from 1953 to 1957. He earned degrees from Loyola University of Chicago and a doctorate at Boston College. He also studied at Harvard University's Russian Research Center in Boston and at the Sankt Georgen theology school in Frankfurt, Germany, where he was ordained in 1968.

He planned to say his first Mass on his father's birthday in 1969. But Lavelle returned to Cleveland early that year and delivered his first Mass at his father's funeral in Ascension Catholic Church.

Lavelle joined the John Carroll faculty in 1969 as an assistant professor of economics. He became chairman of the business department in 1973 and served as the dean of the School of Business from 1975 to 1977.

He left John Carroll to serve for six years as provincial superior of the Detroit Province of the Society of Jesus. He was the religious leader of 350 Jesuit priests and brothers in Michigan and Ohio.

He returned to John Carroll as academic vice president in 1984. Two years later, he took on additional duties as executive vice president for day-to-day operations. He was named president in 1988, succeeding the Rev. Thomas P. O'Malley, who resigned to take a teaching assignment in Africa.

Lavelle's inauguration was marked by his pledge to increase the university's commitment to community service and multicultural development. It was celebrated with a variety of ethnic foods and entertainment.

The multilingual priest, who was fluent in German and could read French, Italian, Czech and Russian, was known for his love of ethnic art, tradition and food. At the start of each school year, he distributed to new faculty members a list of local restaurants known for their ethnic cuisine.

An amateur cook, he was known for preparing dishes such as linguini with red clam sauce. For many years, he volunteered as a cook for the Friends of Templum House benefit.

Lavelle was a trustee of Boston College, Xavier University and Magnificat High School. He was a former trustee of Canisius College, the University of Detroit, Loyola College in Maryland, St. Joseph's University