and even Treasury bills, and still do better than Social Security.

Actual fees and administrative costs for existing investments in the markets are generally well below 1 percent. With much higher yields, a market-based system still results in much better benefits than are realized under Social Security.

Supporters of the status quo also argue that a personalized retirement security system will hurt lower-income workers. Again, this is untrue. Under the Galveston plan, a 25-year-old worker, making $20,000 a year and retiring at age 65, will receive $2,740 in retirement benefits per month. That's more than three times greater than Social Security's $800 per month benefit.

A personalized retirement system is the best retirement system for today's and tomorrow's American workers because, not only will it make Social Security solvent, it will produce maximum retirement benefits and a sustainable economy. In fact, I believe this is the only solution to the Social Security crisis. We should move in this direction as soon as possible, and we should allow workers to use as much of their payroll tax as possible to set up their personal retirement accounts. There are existing proposals to allow workers to set aside two, three, or four percent of the payroll tax for their personal retirement accounts. These are all well-analyzed proposals, and each has its own merits. We should take a close look at them.

However, if a personalized retirement system will generate the best outcome, why do not we allow workers to put all their payroll taxes into the new system? That would allow workers to accumulate more savings, enjoy higher returns, generate additional benefits for their retirement in a shorter time, and pass the savings on to their children. By so doing, we can shift to a fully funded retirement system much more quickly. This will have an enormous, positive impact on our savings and investment, and our economy—while providing the retirement security we have pledged to deliver. I soon will offer legislation to achieve this goal.

Clearly we have no choice but to pursue real reform of Social Security. What remain are the difficult questions of how we should proceed, which principles should guide us, and which options offer Americans the best opportunities for retirement security.

In my view, the primary principle in reforming Social Security is to protect current and future beneficiaries who choose to stay within the traditional Social Security system. The government must guarantee their benefits. Any change that reduces their benefits, or adversely affects those Americans, is not acceptable. Let me repeat: it is not acceptable if any reform results in a reduction of benefits, or harms in any way those Americans who are depending—or who want to depend—upon Social Security.

I emphasize this principle not so much because we want to gain the support of seniors—although their support is essential to the success of our efforts—nor to neutralize their opposition to Social Security reform, but because of the sacred covenant the federal government has entered into with the American people to provide their retirement benefits. It is our contractual duty to honor that commitment. It would be wrong to let current or future beneficiaries bear the burden of the government's mistakes in creating a poorly-designed program and failing to foresee demographic changes.

The second principle we must uphold is to give the American people freedom of choice in pursuing retirement security. The purpose of Social Security is to provide a basic level of benefits for everyone in case of misfortune. So if social insurance is a safety net to catch those who fall, it does not make sense to penalize those who are quite able to stand on their own two feet. Freedom is the cornerstone on which this nation is built—taking away freedom will lower the standard of living we enjoy today. Allowing workers to control their own funds and resources for retirement will strengthen our constitutional democracy and put individuals in charge of their own savings.

The third principle is to preserve a safety net for unlucky or disadvantaged Americans, so that no covered person is forced to live in poverty. Today's Social Security program has 44 million beneficiaries: we must ensure that the safety net will continue to be there for them. But we must also separate the retirement function from the welfare function and make them transparent, so that we can better manage and improve old-age retirement programs and welfare programs.

The fourth principle is that reform should provide better or improved retirement security for American workers than is currently available. We can do that by enabling them to build personal retirement savings, improve the rate of return on their savings, increase capital ownership, and pass their savings on to their children.

More and more people are relying on Social Security as their only source of retirement income. As that number grows, however, the rate of return for Social Security contributions is diminishing.

And so it is becoming ever more difficult to juggle the increased dependency on Social Security with the expectations for a decent retirement. Any reform of the current system must meet this challenge and provide better benefits for every American, regardless of their income, than are available under the current system.

The fifth principle should be to replace the current pay-as-you-go system with a fully funded program. The fundamental flaw of the Social Security system is the PAYGO finance mechanism, which has been very vulnerable to changing demographics, and hardly remains actuarially balanced.

It has created enormous financial burdens for our children and grandchildren. Moving to a fully funded system will not only reduce inequality among generations, it will also greatly increase our nation's savings and investment rates, and therefore prosperity.

The sixth principle is that any reform of the current system should not increase the tax burden of the American people. The taxpayers are already paying an historic 40 percent in federal, state and local taxes out of every paycheck they earn.

Although Congress has increased payroll taxes more than 51 times in the past 63 years, Social Security still faces a crisis. Hiking taxes yet again to fix Social Security would be unfair and unjust to working Americans, and would only pave the way for additional, future tax increases.

We must neither increase taxes to tinker with the current system, nor to finance a transition from a PAYGO system to one that is prefunded. Instead, we should look for a more innovative and more appropriate way to finance reform, such as reducing government spending and selling government assets, to achieve the goal.

Although the degree to which the various reform proposals being discussed meet the core principles I have outlined varies greatly, the fact that we are openly debating this subject at all is heartening.

In conclusion, Mr. President, the looming Social Security crisis is real. The threat to our economy is devastating. The best solution to avoiding this imminent crisis is to move from Social Security's PAYGO-based system to a personalized retirement program that is fully funded and offers each American the security they seek—and deserve—in their retirement years.

Congress has the power to create this brighter future for all. Congress has the responsibility to act before the coming danger is irreversible. All Congress needs now is courage.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. I thank the chair.

(The remarks of Mr. D'AMATO pertaining to the introduction of S. 2419 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

PROGRESS TOWARD A MORE EFFECTIVE RCRA

Mr. LOTT. Mr. President, I rise today to acknowledge and commend the Members and staff of the Environment and Public Works Committee for their tireless work towards producing a targeted RCRA reform bill this Congress.

Mr. President, what the Committee has undertaken is no easy task. Although the bill we are crafting only deals with a narrow part of the Resource Conservation and Recovery Act, the drafting process has been a difficult and long road. RCRA is the most complex and technical environmental statute in existence, and to fix a piece of it,

one must understand the whole. The Committee has spend many months educating themselves—and this determined effort is paying off.

The majority and minority committee staff have been exchanging language and ideas in intense negotiations over the last several weeks. They are not debating principles, Mr. President, they are getting down to brass tacks. They are refining the language so that it reflects a consensus position on the issues. After all, we all agree—the Administration, the EPA, Republicans, Democrats and stakeholders—that RCRA needs to be fixed. The challenge now is putting the agreed-upon remediation waste reforms into legislative language.

Mr. President, Congressional Republicans and Democrats are working with the Administration and the agencies as a team. Our team is closer than ever to producing a bill that is fiscally and environmentally responsible. Our team is on the brink on introducing a bill that will be embraced by Congress and the Administration. Our team is within striking distance of a win for everyone.

The biggest winners, Mr. President, will be those affected by our bill. Industry, the states and the environmental community support our efforts towards reform because they know our goal is to speed up site cleanup and reduce agency bureaucracy.

When setting out to craft a targeted RCRA remediation waste bill in 1996, this same team focused on three primary goals. Today, my goals and that of the team are still the same.

First, I want to make RCRA work. I want it to work faster. I want it to work more cheaply. A RCRA reform bill is worthless if it does not clear these basic hurdles.

Second, I want to remove regulations that are counterproductive to cleanup and streamline decision-making. This will give EPA the flexibility it needs to get the job done. Current law keeps the EPA from removing some of the largest obstacles to clean-up, and the only way to fix the problem is by fixing current law.

Third, I want to give the states more authority over the management of these cleanup programs. States not only have the ability to do the job right, they have the resources and talent. These officials know how best to deal with the communities and counties impacted by the site and its cleanup.

Mr. President, I believe we are on the way to a final product that keeps faith with these goals.

I must take a moment now to commend the good work being done by the House Commerce Committee. Certainly the Senate could not have come so far so fast were it not for the efforts in the House. Our colleagues on the other side of the Capital have done a remarkable job, through stakeholder meetings and dialogs, to educate us all as to the potential implications of our actions. I know Senators CHAFEE, SMITH, BAUCAS, and LAUTENBERG join me in commending the efforts of Chairmen BLILEY and OXLEY and their staff on this issue.

Mr. President, environmental cleanup programs only work if sites are truly being cleaned up. With over 5,000 RCRA sites nationwide, our work is cut out for us. I look forward to returning to the Senate floor in September to join my Senate colleagues in introducing our RCRA remediation waste reform legislation—a first step towards an effective and responsible RCRA program. Thank you.

TRIBUTE TO JEROLD KENNEDY

Mr. LOTT. Mr. President, today I join several of our colleagues in cosponsoring a bipartisan bill which will strengthen the manufactured housing industry. This legislation will benefit the fastest growing segment of the housing industry, while establishing a balanced process for the development, revision, and interpretation of Federal construction and safety standards. This legislation also focuses on the consumer.

In addition to announcing my cosponsorship, I want to pay tribute to Jerold Kennedy, a native Mississippian, entrepreneur, a business owner, and advocate for manufactured housing. Jerold championed reforms of the regulations controlling this segment of the marketplace. He worked for many years to advance legislation that would modernize the National Manufactured Housing Construction and Safety Act of 1974. Today, I honor Jerold's efforts. S.2145 reflects those efforts, and Mr. Kennedy would be proud of S.2145.

This segment of the industry, to which Jerold dedicated his life, plays a vital role in making affordable, unsubsidized housing available for a wide range of Americans. First time home buyers, single parents, and senior citizens are just a few groups who greatly benefit from manufactured housing. This industry is responsible for one out of every three single-family homes sold last year. One-third! For less than $40,000, millions of Americans can realize their dream of owning a home. This is an appealing alternative compared to the 5.3 million Americans who pay more than 50 percent of their income in rent.

In order for this industry to sustain such phenomenal growth and make affordable housing available, it is necessary to update the laws which regulate this industry. The Manufactured Housing Improvement Act (MHIA) will do just that, creating a process for keeping construction standards current, and enforcing the federal authority on those standards. S.2145 will be the first step in fixing the inadequacies which confront the manufactured housing industry today.

This bill will also create a private consensus committee made up of all interested parties. They will submit recommendations to the Secretary of Housing and Urban Development (HUD). Recommendations which will serve as a valuable tool in revising the Federal Manufactured Home Construction and Safety Standards in a timely manner. Additionally, this legislation will authorize HUD to use industry labeling fees to pay for any additional staff needed to do the new work. This user fee mechanism will remove a need for additional federal funding.

This legislation pays tribute to Jerold Kennedy, who passed on before S.2145 was introduced. I want Mrs. Kennedy, and their three children, to know that Jerold's legacy lives within this bill. Jerold Kennedy founded Belmont Homes, Inc., and dedicated 28 years of his life to the manufactured housing industry. Congress owes a great deal to Jerold Kennedy. His common sense approach to update the standards which regulate the industry are the foundation of S.2145. I hope this Congress can make his dream a reality. This legislation pays tribute to a man of integrity. His honesty, trustworthiness, and professionalism helped both the profession of which he was a part and the efforts to reform its public policy.

Mr. President, this legislation will address the recognized and acknowledged problems in HUD's manufactured housing program. S.2145 will provide real-world, viable solutions enabling the manufactured home industry to prosper, while providing consumers with even more benefits and protection.

PASSING OF BUCK MICKEL

Mr. THURMOND. Mr. President, I rise today to pay tribute to a man who was a friend, a leading businessman, and one of the most public spirited South Carolinians I have ever had the honor to know, Buck Mickel, who passed away last week.

Buck is best known and remembered for his leadership of the Fluor Corporation, one of the leading construction companies in the world. Buck began his career with Daniel Construction Company, which would later merge with Fluor, in 1948 and he very quickly began his climb up the corporate ladder. By the beginning of 1965, he was elected President and General Manager, and in 1974, he was elected as Chairman of the Board, a position he retained until he retired in 1987.

Not surprisingly, a businessman who possessed the talents Buck did was respected and admired throughout the corporate community. As a result, he was asked to participate in many different ventures. He held more than twenty directorships and served on numerous boards. He was recognized with honors that included being named the 1983 ''Businessman of the Year'' by the South Carolina Chamber of Commerce, and being inducted into the South Carolina Business Hall of Fame.

In his role as a corporate executive, Buck certainly helped to make significant contributions to South Carolina