

a presentation by a Member of Congress at one of our briefings on Social Security. Did I recall hearing that there is a privatization scheme in Britain where 40 percent of the dollars that are allocated for savings in this privatized account go to transaction costs?

Mr. LEVIN. I think that was the number I heard. My memory is very similar to that. It is an astounding number that the people who recommend privatization don't even factor.

There are a lot of other things they don't factor, by the way; some of them are even more focused. They don't replace the money. They don't say how they will replace the money which would be lost to the Social Security system by people not contributing to it and supporting folks who are retired or near retirement. They never talk about that huge hole in the general fund that would be created. They don't talk about the uncertainty of private accounts as much as they should, the fact that the market over time may go up depending on what time period you look at, but not for everybody.

Even within that long window, there will be some losers. Maybe most people will win, but what about the losers? They don't talk about that as much as they should. The thing they never talk about are these administrative costs, these transaction costs which, as the Senator has pointed out, are apparently a very significant percentage of the money.

Mr. CORZINE. If the Senator from Michigan will give me the grace of making sure my arithmetic is right, if you add a 25-percent cut for people who are now working plus 40 percent in administrative costs, that 65 percent out of the total amount of benefits from Social Security seems to be a big chunk out of how one would have their retirement financed. Certainly it would go a long way to eroding the base of benefits that people have come to expect from Social Security.

Mr. LEVIN. It would, indeed. It makes that enticement of private accounts, when you analyze it, a lot more superficial. The reality is a lot more negative than that superficial glow of riches.

Mr. DAYTON. Will the Senator yield for another question?

Mr. LEVIN. Sure.

Mr. DAYTON. Contrary to what most people in this country probably believe, the Social Security Administration is extremely efficient, and, in fact, less than 1 percent of Social Security goes for administrative costs. The Senator cited some of the figures from the OWL report, which is an excellent document, about the disparities between men and women. I have seen the statistic that one-quarter of the retirees in America today don't receive any pension fund whatsoever.

My experience in Minnesota would be that probably 80 or 90 percent of those are women, particularly older women

who are widowed and often, with the older pensions, lose any benefit payments whatsoever once their husband dies. I wonder if the Senator from Michigan has had that same experience. Would the Senator say in Michigan that number applies?

Mr. LEVIN. It is a very large percentage. I don't have it directly in my mind, but it is a large percentage of people, particularly women, who rely exclusively on Social Security. We encourage people, of course, to have private savings, and some people have pensions. That three-legged stool Senator BINGAMAN talked about of Social Security and private pensions and private savings is a one-leg stool for a large percentage of our seniors and a larger percentage of women.

Mr. DAYTON. The Senator is absolutely right. That is exactly the dilemma, the predicament in which so many elderly women find themselves. There is only one leg to that stool. As the Senator from New Jersey pointed out, with the average Social Security payment for women being only \$750 a month, that is not much money on which to live. I think that creates part of the lure of the personal privatization which the Republican Commission has now come forward with, which, obviously, someone receiving that little amount of money would be tempted, enticed by something else. As the Senator pointed out very well, there is no reward without risk.

I wonder if the Senator—certainly the Senator from New Jersey who spent a career in financial pursuits—is aware of anywhere where there is that potential for reward in the private sector without commensurate risk.

Mr. LEVIN. There will be winners and losers. It turns Social Security into a social insecurity system.

Mr. DAYTON. I compliment the Senator from New Jersey in bringing this important report to the Senate. He is to be commended. It is a very important topic, as we look ahead to the future of Social Security.

Mr. LEVIN. One last word: I have met with the women who are active in the OWL commission. They are very keenly aware of the problems with the President's Commission and the uncertainties it would create for women in particular who are seniors. And I think the opposition to the President's Commission's findings is very strong and is growing.

Mr. CORZINE. Will the Senator from Michigan yield for a moment to say, I am very appreciative of the discussion you have had, the contributions the Senator from Minnesota made with regard to raising this issue so we can have a debate about it. This debate ought to be had before the election, not after the election. People ought to have to make a statement about how they feel about these recommendations since it has such an impact on Americans lives, particularly women in America. That is what the OWL report was about. I very much appreciate the

contributions my colleagues have made to this discussion.

Mr. LEVIN. One additional word: I hope we will actually not only consider the recommendations of the President's Commission but actually vote on them. We ought to put them to rest. There is a lot of concern in the country about those recommendations, that they would totally make the Social Security system much less secure. I think we ought to try to address the concerns by voting on those recommendations. I believe they will be voted down, as they should be, so that the people out there who are not only retired but in their forties and fifties, who rely on Social Security, want it to be there, don't want the uncertainty that will be created by the contributions being reduced—which is what would happen without any idea of where the replacement funds would come from—I think it would be healthy for the country not just to debate it but, if possible, before the election to vote up or down on those recommendations. I hope and believe that all of them will be rejected.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Time for morning business is closed.

ANDEAN TRADE PREFERENCE EXPANSION ACT—Resumed

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

Pending:

Baucus/Grassley amendment No. 3401, in the nature of a substitute.

Baucus amendment No. 3405 (to amend No. 3401), to clarify the principal negotiating objectives of the United States with respect to foreign investment.

AMENDMENT NO. 3405

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes debate in relation to the pending Baucus amendment. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Madam President, is there a time allotted?

The PRESIDING OFFICER. There will be 10 minutes debate in relation to the pending Baucus amendment.

Mr. BAUCUS. It is my understanding that the Senator from Massachusetts will have 5 minutes and the other 5 minutes will be allotted to Senator GRASSLEY and myself. I will take 2½ minutes of that.

I rise once again to urge my colleagues to support the amendment that I laid down yesterday on behalf on myself and Senators GRASSLEY and WYDEN.