in the early 90's, after charging that the Council acted improperly in providing tax incentives to the developers of a shopping center.

Dick Day had many opponents, but no real enemies. It was clear that he was coming from a place of integrity. He was a gregarious man, always armed with a quip. He loved to hold court in Mac's Delicatessen in downtown Santa Rosa, advise and josh his friends, and debate and trade barbs with folks of other political persuasions. Politics was play to Dick as much as it was serious business.

He was blessed with a long and loving relationship with his wife, Jean, who was a partner in all of his endeavors, and helped provide a home full of warmth, good conversation and books. Jean died last year, and Dick carried on bravely though his heart was broken.

We will miss Dick Day. His activism showed us that dedicated, informed citizens can make democracy work. And clearly, for all who knew him, Dick Day has been elected to our hearts for life.

BREAKING THE CONTRACT

HON. STEVE ISRAEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 2002

Mr. ISRAEL Mr. Speaker, here is an article that I would like to submit for the RECORD.

[From the New York Times, Mar. 5, 2002]

BREAKING THE CONTRACT

(By Paul Krugman)

If converting Social Security to a system of private retirement accounts is such a good idea, why can't advocates of that conversion try, just once, to make their case without insisting that 1 + 1 = 4?

Last week George W. Bush did it again, contrasting Social Security benefits with what retiring workers would have if they had invested all that Social Security taxes in the stock market instead. As an article in The Times pointed out, this was a misleading scenario even on its own terms, financial planners strongly advise against investing solely in stocks, and diversified retirement account wouldn't have risen nearly as much in the 1990's bull market.

But there's something much more serious wrong with Mr. Bush's story. Indeed, the latest remarks perfectly illustrate how he uses bogus comparisons to make private accounts sound like a much better idea than they really are. For by emphasizing what today's 65-year-olds could have done if they hadn't paid Social Security taxes. Mr. Bush has forgotten something rather important. Without those taxes, who would have paid for their parents' benefits?

The point is that when touring its plan to privatize Social Security, the Bush administration conveniently fails to mention the system's existing obligations, the debt it owes to older Americans. As with so many other administration proposals, private accounts are being sold with deceptive advertising.

The truth—which Mr. Bush's economists understand perfectly well—is that Social Security has never been run like a simple pension fund. It's really a social contact: each generation pays taxes that support the previous generation's retirement, and expects to receive the same treatment from the next generation.

You may believe that Franklin Roosevelt should never have created this system in the first place. I disagree, but in any case Social Security exists, and older Americans have upheld their end of the bargain. In particular, baby boomers have spent their working years paying quite high payroll taxes, which were used mainly to support their elders, and only secondarily to help Social Security build up a financial reserve. And they expect to be supported in their turn.

Mr. Bush proposes to allow younger workers to place their payroll taxes in private accounts—in effect, to break this ongoing contract. But then what happens to older workers, who have already paid their dues?

There are only two possibilities. One is default: make room for the trillions diverted into private accounts by slashing the baby boomers' benefits. The other is to buy the baby boomers out—that is, to use money from other sources to replace the diverted funds.

Those really are the only alternatives. Last year the special commission on reform of Social Security, which was charged with producing a plan for private accounts, came to an ignominious end—it issued a deliberately confusing report, then slunk quietly out of town. But wade through its menu of options, and you'll find that in the end the commission grudgingly rediscovered the obvious: Private accounts won't ''save'' Social Security. On the contrary, they will create a financing crisis, requiring sharp benefit cuts, large infusions of money from unspecified outside sources, or both.

But nervous Republican members of Congress want to send all Social Security recipients a letter (at government expense, of course) assuring them that their benefits will never be cut. And now that the magic budget surplus has turned back into a pumpkin, the government is in no position to infuse new money into Social Security—on the contrary, the government at large is now borrowing from Social security at a furious pace.

So why is the Bush administration reviving its push for private accounts right now? Did it really learn nothing from the implosion of the reform commission? I doubt it; the administration's economists aren't fools, though loyalty often requires that they pretend otherwise.

A more likely interpretation is that this is entirely cynical. War frenzy is subsiding, the Bush domestic agenda is stalled, and early indications for the November election aren't as good as Karl Rove expected. So it's fantasy time: tantalize the public with visions of sugarplums, then blame Democrats for snatching the goodies away. And it doesn't matter that the numbers don't add up, because the plan will never be tested by reality.

SOCIAL SECURITY

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 2002

Ms. LEE. Mr. Speaker, I rise today in strong support of preserving Social Security and protecting millions of seniors and individuals with disabilities from the dangers of privatization and from the problems of raiding the Social Security Trust Fund.

Today, there are approximately 45 million Americans who receive Social Security benefits in our nation. Over 4 million of these individuals reside in the state of California but Americans all over our nation depend on this benefit as a major source of retirement income.

Currently, Social Security provides guaranteed, lifelong benefits. No matter what the stock market does the day you retire or in the months leading up to your retirement, your benefits will be unaffected.

While the Bush Administration's budget proposes to raid the Social Security Trust Fund, they also believe in privatizing parts of Social Security.

Unfortunately, privatization plans and cuts to the Social Security budget will hit women the hardest. Poverty among American women over 65 is already twice as severe as among men over 65. Women are also more likely to earn less than men and are more likely to live longer. Women also lose an average of 14 years of earnings due to time out of the workforce (to raise children or to care for ailing parents or spouses) and since women generally have a higher incidence of part-time employment, they have less of an opportunity to save for retirement.

The current Social Security program recognizes this problem; however, most privatization proposals make no provision for these differences and would thus make poverty among women even worse.

Many women depend on Social Security income to survive. What will happen to these individuals when the Social Security Trust Fund is completely raided and substituted by a destructive privatization plan?

This Congress has an obligation to strengthen Social Security because working people have earned and deserve Social Security.

We must work to ensure that Social Security survives for our seniors today as well as for our future generations. We owe it to the American people who have paid into the system for so long. We must increase the flow of funds into Social Security, not divert funds from it.

The Bush Administration's budget specifically proposes to divert $1.5 trillion of the Social Security Trust Fund surplus to other programs over the next ten years, effectively raiding the Social Security Trust Fund.

While the budget provides a $48 billion increase in defense spending, it calls for a $15.8 billion decrease in domestic programs. Providing for our homeland security is critical, but it cannot come at the expense of our seniors.

President Bush's proposals on Social Security directly harm our seniors' entitlement to retirement benefits.

The Bush Administration must understand that privatization does not eliminate the challenges Social Security must confront, it exacerbates them and puts millions of people at risk. If the Bush Administration continues to spend the surplus unwisely and promote privatization, our seniors will be without a retirement program. President Bush, please don't raid the Social Security Trust Fund. Our seniors are depending on you.