EDITORIAL BY DR. BILL LEE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. MATSUI. Mr. Speaker, I rise today to share with my colleagues an exceptional editorial by Dr. Bill Lee of The Sacramento Observer, which underscores the threat Social Security privatization poses to minority communities. The Observer is the premier African-American news source in my hometown of Sacramento, and has been a staple of the community for nearly forty years. It has received over 500 national and local awards for journalism excellence, and has a weekly circulation of 50,000 paid subscribers.

Dr. Lee's column makes a critical point that is sometimes overlooked: privatizing Social Security would be devastating to minorities, who benefit disproportionately from the program. In fact, privatization would likely result in smaller benefits not only for minorities, but also for women and low-income workers.

The future of Social Security is profoundly important to all Americans, particularly minorities. The voices of African-American leaders like Dr. Lee—the founding editor of the family-owned Observer—must be heard. I commend Dr. Lee for bringing this issue to the attention of his readers and his community, and I am proud to bring the Observer's unique perspective to the floor of the House.

[From the Sacramento Observer]

SOCIAL SECURITY CONTINUES TO WORK FOR US, HERE'S HOW

(By Dr. William H. Lee)

Everywhere I look in the African American community, I see the success stories of Social Security. I see seniors counting on it in their retirement. I see people who were able to pay their rent or make it through college thanks to survivors'benefits. I know I am counting on Social Security to help me in my golden years, just like others in the African American community are counting on it.

But why is Social Security so important?

Social Security says a lot about who America is and what we stand for as a nation. By providing seniors with guaranteed retirement income for life and protecting young families who lose a breadwinner to disability or death, Social Security shows that America can be a compassionate nation.

It proves that this is a nation with a bottom line: that we can stand together, especially when life is most difficult. It's a promise America has made to its people, a promise that has kept millions of its citizens out of poverty.

I want to tell you, however, about a threat to this successful and popular program: proposals to privatize Social Security.

Privatization of the Social Security program may sound like a good idea at first, but ''the devil is in the details''—the more you learn about it, the worse it becomes. It would cut benefits and pave the way for the ultimate destruction of the program. That is something we cannot allow to happen.

Some people in Washington D.C. want us to believe that Social Security is about to collapse. We have to make one thing clear to our readers: Social Security is not in crisis.

In March, the Social Security Trustees released their annual report on the program's financial health. For the fourth year in a row, the outlook improved.

New economic and demographic projections show that Social Security can pay full benefits until 2041. We need to acknowledge the challenge ahead: four decades from now, Social Security will only be able to pay three-quarters of promised benefits.

That is, however, a challenge we can overcome. It is not an imminent crisis that requires the unraveling of Social Security's fundamental purpose.

Privatization proponents want you to believe that Social Security is in crisis and that ''a radical change'' is necessary. But the truth is privatization will only make Social Security's financial problems worse.

Privatization is based on the idea that one can take money out of the trust fund without any negative consequences. But this seemingly simple proposition is based on a flawed and misleading understanding of how the program works.

Since Social Security taxes are immediately paid out to current beneficiaries (it's a ''pay-as-you-go'' system), money taken out of the program would come directly out of our parents or grandparents' pockets. That's why privatization will mean benefit cuts. And these cuts would affect all recipients—retirees, disabled workers, and survivors alike.

And since privatization opens a gaping hole in Social Security's finances, trillions of dollars would be needed to make up the difference. Where would this money come from? No one knows.

Privatization will weaken Social Security for all Americans, but for some the results will be even more devastating.

This is particularly true for African Americans. But, it is also true for women, lower-income workers, and other ethnic minorities.

For example, minorities tend to benefit disproportionately from the disability and survivors components of Social Security, but these will be cut across the board to make room for private accounts.

Women are also particularly vulnerable to the effects of privatization.

For example, African American women, on average, live longer than men and spend more time out of the workforce to raise children or take care of elderly parents. As a result, they would have less to deposit into private accounts. They would therefore have to live on smaller benefits from smaller accounts over a longer period of time, without the protection from inflation offered by Social Security.

Social Security serves as the foundation of a secure retirement—unshakable by the ups and downs of the stock market, the timing of your retirement, or corporate scandals. Social Security is set up so that our nation's seniors, all our seniors will be protected at the end of the road.

It ensures that seniors will not suffer like Enron employees who watched the value of their stock accounts plummet and their dreams of a secure retirement vanish along with it.

Of course, Americans should be encouraged to save more. Personal savings have an important role to play, especially in the African American community. But it is critical that we keep a portion of retirement income guaranteed. Social Security is that guarantee.

Privatization does not work. Social Security does. It has worked in the African American community, and in all other communities, for over 60 years. We should work together to defend it, protect it, and improve it. But we should oppose those who would fundamentally alter it, break it, or send it, piece by piece, to its demise.

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HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. PAUL. Mr. Speaker, Congress can preform a great service to the American taxpayer, as well as citizens in developing countries, by rejecting HR 2604, which reauthorizes two multilateral development banks, the International Fund for Agricultural Development (IFAD) and the Asian Development Fund (AsDF).

Congress has no constitutional authority to take money from American taxpayers and send that money overseas for any reason. Furthermore, foreign aid undermines the recipient countries' long-term economic progress by breeding a culture of dependency. Ironically, foreign aid also undermines long-term United States foreign policy goals by breeding resentment among recipients of the aid, which may manifest itself in a foreign policy hostile to the United States.

If Congress lacks authority to fund an international food aid program, then Congress certainly lacks authority to use taxpayer funds to promote economic development in foreign lands. Programs such as the AsDF are not only unconstitutional, but, by removing resources from the control of consumers and placing them under the control of bureaucrats and politically-powerful special interests, these programs actually retard economic development in the countries receiving this ''aid!'' This is because funds received from programs like the AsDF are all-too-often wasted on political boondoggles which benefit the political elites in the recipient countries, but are of little benefit to the individual citizens of those countries.

In conclusion, HR 2604 authorizes the continued taking of taxpayer funds for unconstitutional and economically destructive programs. I therefore urge my colleagues to reject this bill, return the money to the American taxpayers, and show the world that the United States Congress is embracing the greatest means of generating prosperity: the free market.

TRIBUTE TO LOUISE P. DEMPSEY

HON. STEPHANIE TUBBS JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mrs. JONES of Ohio. Mr. Speaker, I rise today to honor a very special constituent, Louise P. Dempsey, on the occasion of her receipt of the Ohio Women's Bar Association's Justice Alice Robie Resnick Award of Distinction. This award is the OWBA's highest award for professional excellence and is bestowed annually on a deserving attorney who exhibits leadership in the areas of advancing the status and interests of women and in improving the legal profession in the state of Ohio. It gives me great pleasure to wish Ms. Dempsey my warmest congratulations on this truly special occasion.

Louise Dempsey is currently Assistant Dean for External Affairs at Cleveland-Marshall College of Law in Cleveland. She received her B.A. from McGill University in Montreal, Quebec; Certificate of Advanced Study in Bioethics from the Department of Philosophy,