Ball, an expert on the subject, calls this statement flat out untrue.

Our challenge is to strengthen Social Security into the future. We need to honor our commitments. We need to strengthen the trust funds. We need to save Social Security first. America had a golden opportunity about 15 months ago. Fifteen months ago, we could have passed tax cuts to promote long-term economic growth while paying down the national debt and investing in Social Security for Americans everywhere. Republicans rejected our approach. Today, the President's budget breaks pledges by both parties. Both parties promised to safeguard the trust funds. The President's budget invades them for the next 10 years. It drains $1.5 trillion from the trust funds, and plans proposed by his commission fail to explain how we will pay for privatization. And they will lead to cuts in benefits for seniors, even for individuals opting out of private accounts.

This is not a debate about numbers. It is a debate in the end about our values. What is the value we place on Social Security? Our values call for understanding that Social Security will be solvent for the next 36 years, at a minimum. Our values call for recognizing that people have faith and trust and confidence in our most respected program. Our values call for realizing that Social Security offers economic security not just to seniors but to widows, disabled Americans, and children of parents who die before the age of 65. Our values call for keeping our intergenerational contract and commitment in the 21st century.

□ 1845

Our values call for keeping our word to the seniors of this country. Our values call for investing in Social Security today, not tearing it down as baby-boomers retire a few years from now.

I urge Republicans, be not afraid. Let us get about having a real debate before the voters speak in November of this year. Let us get about the task of saving Social Security first and today.

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 the 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 a 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 touting 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 contract: 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's 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.

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 5 minutes.

(Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CELEBRATING THE 167TH BIRTHDAY OF THE REPUBLIC OF TEXAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

Mr. GREEN of Texas. Mr. Speaker, I come to the House floor tonight to talk about a special day that happened last Saturday in Texas. March 2, 2002, marked the 167th birthday of the Republic of Texas.

Long ago on that date, in 1836, 54 delegates representing settlements across Texas gathered for the Constitutional Convention of 1836 in the small Village of Washington-on-the-Brazos.

From the beginning, it was an event marked by haste and urgency. The army forces of Mexico under General Santa Anna were closing in on the defenders in the Alamo. On March 2nd, the day after the opening of the convention, the delegates declared the independence of Texas from Mexico.

Within days of that announcement, on March 6th, the Alamo would fall. This was the first in a chain of defeats for the small Texas Army which would, nevertheless, emerge victorious at the battle of San Jacinto, 6 weeks later, on April 21.

Mr. Speaker, what those brave Texans were fighting for is the same thing we are fighting for today. Up to the point when they gathered at Washington-on-the-Brazos, it was simply to restore the Mexican Republic and the constitution of 1824, which had been suspended by General Antonio Lopez de Santa Anna. This constitution had granted all citizens and subjects of Mexico basic human rights.

On the night of March 1, however, a group of five men stayed up late at night drafting the document that would be approved the next day by the full convention. This document, which echoed the lines of its American counterpart, was the Texas Declaration of Independence.

It started off in much the same way as ours, with the words, ''When a government has ceased to protect the lives, liberty and property of the people.'' It spoke of the numerous injustices inflicted upon the settlers of the state then known as Coahuila y Tejas: the elimination of the state's legislative body; the denial of religious freedom; the elimination of civil justice system; and the confiscation of firearms, this last one being the most intolerable, particularly among Texans.

Finally, it stated that, because the injustices of Santa Anna's government, Texans were severing their connection with the Mexican nation and declaring themselves a free, sovereign and independent republic, fully invested with

all the rights and attributes that belonged to independent nations and a declaration that they ''fiercely and confidently'' committed their decision to ''the Supreme Arbiter of the destiny of nations.''

Over the next 2 weeks, a constitution was drafted and an interim government was formed, despite daily reports from the front detailing the collapse of the Alamo and the subsequent advance of the Mexican army through Texas.

On March 17, 1836, the government was forced to flee Washington-on-the-Brazos on the news of the approach of Santa Anna. Just over a month later, independence was secured in the form of a victory over that same army by General Sam Houston, a delegate at that very convention, and his courageous fighters at the battle of San Jacinto.

Mr. Speaker, let me remind folks from my neighboring State of Tennessee that Sam Houston, along with another Texas hero, Davy Crockett, served in this Congress representing the State of Tennessee. In fact, I have told my colleagues from Tennessee that sometimes the best of Tennessee immigrated to Texas in the 1830s.

From that point on, Texas was firmly established in the community of nations, and for 10 years she stood as an independent nation, until President James K. Polk signed the treaty admitting Texas to the United States in 1845.

Mr. Speaker, last Saturday, March 2nd, was celebrated throughout Texas. But, again, as we are a Nation at war now, I hope that this Congress and the whole country realize that we did not start this country just yesterday. We have a tradition in our Nation of freedom, and that freedom not only started with our own independence in the 1700s but it started with the Texas independence in 1836, and that is why we celebrate Texas Independence Day.

WORKING TOGETHER TO FIX SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I would like to make some comments on Social Security, a very important program.

A couple speakers ago, the minority leader suggested that the President and Republicans come up with their Social Security proposal, I suspect so that it could be criticized.

I would hope that the minority leader and the Democrats would come up with their solution for Social Security. To pretend that there is no problem and nothing needs to be changed is not facing up to the fact that the Social Security system is going to run out of money.

Social Security started in 1934. It was predicated on the fact that there would be an increasing number of workers paying their taxes into Social Security that is used to pay benefits for existing retirees. I think that point needs to be stressed, that it is now and always has been a system where existing workers pay their taxes and that tax money goes out to existing retirees.

Back in 1940, there were 38 workers paying in their Social Security tax for every one retiree. Today, there are three workers paying in their Social Security tax for every retiree. The suggestion by the actuaries is that by 2025 there will only be two workers paying in their Social Security tax for every retiree. It will be very expensive for those workers.

So what Congress and the President have done in the past, every time that we are short of money we have increased the taxes on workers and reduced benefits. Let us not put ourselves in that predicament again.

One way to do it is not to suggest that this is just up to the President of the United States. This is the Congress. This is the House of Representatives. We should be working together on both sides of the aisle to look at the problem with a program that has been so successful and so important since it was instigated in 1934.

The way we accomplish something to solve this problem is facing up to the fact that it is insolvent; the fact that there is an unfunded liability, according to the actuaries, of $9 trillion right now; that the money in the trust fund right now, money that the government has borrowed from the surplus coming in from Social Security and spent on other programs or other responsibilities of the General fund, is now $1.2 trillion, again compared to the $9 trillion unfunded liability. We would have to come up with $9 trillion today and invest it to accommodate what we are going to be short over the next 75 years in terms of meeting current-day promises on Social Security payments.

The average retiree today is receiving a return of 1.7 percent interest on the money they and their employer put into Social Security. We can do better than that.

Nobody is talking about privatizing Social Security. None of the proposals suggest that government is not going to be ultimately responsible for paying those Social Security benefits. But the way to accomplish this, the way to move ahead, is not by demagoguery. I know it is tempting in an election year to try to put down and scold and scare seniors that one party is better than the other.

Mr. Speaker, in conclusion, let me say that I would hope both the Democrats, the minority leader and the majority party in this House and the same with the Senate work together to come up with proposals to solve the problem, rather than demagoguing it.

PAKISTAN'S INTER-SERVICES INTELLIGENCE—ISI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I come to the House floor this evening to express my serious concerns regarding Pakistan's Inter-Services Intelligence, or ISI. It is important to highlight the history, work and intentions of the ISI in light of the unfortunate murder of Daniel Pearl and in light of the current fight against global terrorism.

The ISI not only has ties to Omar Sheik, the prime suspect in the murder of Daniel Pearl, but the ISI has also fostered deep connections with Islamic militant groups, particularly Jaish-e-Muhammad, operating throughout Kashmir.

In the 1980s, Pakistan assisted Afghanistan in fighting off Soviet invasion. During these years, the ISI grew into the role of Pakistan's strongest political agency on foreign policy. It was also during this time that the ISI developed and nurtured strong relationships with Islamic militants in Afghanistan and Kashmir.

Ties between the ISI and Afghan militants grew stronger, and this gave rise to the Taliban. The ties between the Taliban and the ISI remained strong for years, and to this day there are deep connections between the Pakistani ISI and what is left of the Taliban.

Ties between the ISI and Islamic militants in Kashmir grew stronger as well, and, in fact, the ISI, until very recently, had a Kashmir desk, headed by Brigadier Abdullah, which was responsible for militant insurgency into India's state of Jammu and Kashmir.

Mr. Speaker, I would like to expand on the deep, nefarious connections between the ISI in light of Daniel Pearl's murder and recent terrorist events throughout the world. There have been reports that Brigadier Abdullah, formerly of the ISI, has aided Omar Sheik in his travels between Afghanistan and Pakistan and has perhaps provided further support to both Omar Sheik and another individual, Maulana Azhar.

Omar Sheik and Maulana Azhar worked to form Jaish-e-Muhammad, an Islamic militant group that continues to operate throughout Kashmir and is the primary group blamed for the October attack on the Jammu and Kashmir State assembly. Jaish has received support from the ISI and particularly Brigadier Abdullah.

Both Sheikh and Azhar served in prison together in India in 1999, when they were freed after the hijacking of an Indian Airlines flight that landed in Kandahar, Afghanistan. Mr. Speaker, I would like to note that this flight was hijacked by the method of knives and box cutters and that weapons were not available to the hijackers until the plane landed in Kandahar. Furthermore, it was after their release that both Sheikh and Azhar formed Jaish and operated terrorist activities in Kashmir while in Pakistan and Afghanistan and with the help of the Pakistani ISI.