



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 109<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 151

WASHINGTON, TUESDAY, MAY 3, 2005

No. 56

## Senate

The Senate was not in session today. Its next meeting will be held on Monday, May 9, 2005, at 2 p.m.

## House of Representatives

TUESDAY, MAY 3, 2005

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. PETRI).

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
May 3, 2005.

I hereby appoint the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,  
Speaker of the House of Representatives.

### MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Oregon (Mr. DEFAZIO) for 5 minutes.

### SOCIAL SECURITY WILL NOT GO BANKRUPT

Mr. DEFAZIO. Mr. Speaker, well, last week the President finally revealed a few more specifics about the direction

he wants to take to deal with the potential, possible, future funding shortfalls in Social Security. He used some unfortunate verbiage. He said Social Security will be bankrupt in 2041. It will not be bankrupt; it will pay 75 percent of promised benefits under very conservative economic assumptions into the indefinite future, or 2053 if we use the estimates of the Republican Congressional Budget Office. So it would not be bankrupt in any sense.

But he did talk about the possibility there could be a shortfall in Social Security starting 40 or 50 years from today. That is progress that he is beginning to talk about that problem. He actually offered a solution, for once. His privatization plan he has admitted would in fact make Social Security's finances worse, has nothing to do with dealing with the future possible potential shortfalls in the Social Security trust fund, the program as we know it today. He said, finally, let us talk about how we might get there.

He cloaked benefit cuts in a veneer in high-falutin rhetoric. He called it progressive indexing of wages. What he is talking about is benefit cuts. Who would pay the benefit cuts? Let us take someone who is 22 years old, graduated from college last year. They are a public schoolteacher. They are going to work the next 40 years as a public schoolteacher and hope to retire in their 60s with a Social Security benefit. If they earn \$36,000 average over their lifetime, their benefits would be cut by 16 percent, \$3,000 a year. Their proposed benefit would go from \$19,800 down to \$16,500. These are calculations

of the Social Security actuaries of the President's proposed cuts.

Now let us say that young person graduating from college is going to become an entrepreneur, small business person and do pretty well with a truly small business, and they average \$58,000 a year throughout their lifetime. What would the President do to them? He would cut their Social Security benefit from \$26,000 to \$19,800 which would be a 25-percent cut which they could get if Social Security went, under the President's words, bankrupt. That is if Congress did nothing and Social Security had a shortfall starting 40 or 50 years from today. Under the worst-case scenario, that person would get the same. But the President wants to guarantee a cut in that person's benefits. Remember, this does not have anything to do with the President's privatization plan which would further undermine the finances of Social Security and accelerate the date of what the President calls bankruptcy, others call trust fund exhaustion, I call benefit reductions.

The funny thing is that half of the American people pay more in taxes to Social Security than Federal income taxes. They have a lot invested in this program, and they would like to see the benefits when they retire.

Now, it is a little different for rich people. Let us take the President on his modest \$400,000 which is a lot less than he earns from his private investments. Let us just take his salary and pretend that is all he has. He stopped paying Social Security taxes on the morning of March 24. That American

This symbol represents the time of day during the House proceedings, e.g.,  1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



Printed on recycled paper.

H2745