

Capitol itself, it is the most beautiful building on Capitol Hill, and maybe in Washington. Boris Yeltsin is said to have gone into the Library of Congress and looked around at that magnificent lobby and then questioned: How did you get a building like this? You didn't have any czars.

Having been to the buildings in the Kremlin and seeing the kinds of things the czars built, I understand that the Library of Congress probably would have impressed him.

SENATE CHAPLAIN

Mr. BENNETT. Mr. President, my second comment has to do with our Chaplain. I listened with great interest and humility to the prayer he offered this morning. I felt touched by the things he asked on our behalf. They were the kinds of things I need from our Heavenly Father. I was grateful to the Chaplain for his ability to touch on those. I read his biography before it was published. He was gracious enough to give a copy of it to my wife, who has now read it, and I have reread it. We are well served by having a man of his spirituality and intellectual background and learning as our Chaplain in the Senate.

SOCIAL SECURITY

Mr. BENNETT. Mr. President, I rise to turn my attention to a report that was released yesterday, the annual report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and the Disability Insurance Trust Funds. Those are fancy names for what we call Social Security.

With yesterday's release, they once again changed their projection as to what the future might hold with respect to Social Security, thus underlying a point I have tried to make in my career in the Senate ever since I arrived; that is, all projections about the future are wrong. I don't know whether they are wrong on the high side or on the low side, but they are always wrong. The closer we get to reality, the more we have to adjust those projections and say: Well, it is closer to this, that, and the other.

The most reliable projections are those which are 30 days out. The next most reliable are those which are 3 months out and then those which are 6 months, those which are a year. Those which are 20 years or 30 years out are all very much subject to challenge. We are seeing that here. We have had projections on which we have based our speeches and our actions. Now we are seeing those projections get changed. But there is one projection that is not subject to change that has bearing on the issue of Social Security. I would like to put up a chart which demonstrates that.

The reason this one is not subject to change is that all of the people represented here are already born. These are people who are already alive. These

are not projections about demographics. These are not projections about economics. These are the facts with respect to the American population. This is a chart showing the percentage of Americans who are over 65. Back in 1950, it was around 5 percent of Americans who were over 65. Then it increased gradually over the years. Now it is closer to 10 percent. There was a dip in the percentage that occurred between 1990 and now. That dip represented the birthrate back in the Great Depression when people, for their own reasons, curtailed the having of children. One could say it was primarily economic. Children have ceased to be economic assets; they have become consumer goods. When times are hard, you cut back on your consumer goods.

Then we had what we demographers call the baby boom. The GIs came home from World War II. They started families. They started their careers. They were filled with optimism, and they were willing to take on some extra consumer goods. They had larger families. Those children are now reaching retirement age.

Starting in 2008, something is going to happen in America that has never happened before in our history: The percentage of Americans over retirement age is going to double in a 20-year period. Then it will taper off again, after we have absorbed the impact of the baby boom generation, and continue to increase but at a relatively minor rate. It is this phenomenon, this projection, which is a reliable one—because all of these people have been born—that is driving the crisis in Social Security. It is not the Republicans who are driving the crisis. It is not the Democrats who are responsible for the crisis. We should stop talking in partisan terms about this and recognize the reality. This is a demographic reality. This is a demographic projection upon which we can rely.

Social Security is a program that covers everybody who works. It covers the single mom who works as a waitress at the minimum wage, and it covers Oprah Winfrey and Warren Buffett and Bill Gates. The multibillionaires receive Social Security. They receive Social Security on the basis of the amount they pay into the program. The amount they pay into the program is substantially more than the amount the single-mom waitress pays in. Because it is structured in that fashion, Oprah Winfrey will receive more than the single-mom waitress—indeed, significantly more. The question arises, under those circumstances, in order to deal with the shortfall that is described in the report issued by the trustees, do we need to continue that idea; that is, that Oprah Winfrey, with her billions, still should get more Social Security than the single-mom waitress who, when she retires, has no personal safety net whatsoever. I am not suggesting that what we do is penalize Oprah Winfrey or Warren Buffett or Bill

Gates. I don't want to pick on Oprah too much, but she is perhaps the most visible all of these billionaires about whom I speak.

There is something in the Social Security system that we should address and that people on both sides of the aisle should address; that is, the way Social Security benefits are currently figured has in that mathematical formula a method of increasing the benefits to compensate for inflation. The formula that is there increases the benefits more than inflation goes up. We don't know that. Americans aren't aware of that. We say: Here is the benefit line, and it should increase by so much with respect to inflation, and that is only fair. It increases more than inflation actually goes up.

The late Senator Moynihan from New York used to say the way to deal with this reality of the doubling of Americans over retirement age is to simply adjust the inflation adjustment to true inflation.

We are paying out more than inflation would justify. If we just back it down to pay out exactly what inflation would justify, then we solve the problem. Then the report from the trustees says there will be enough money. It is the fact we have adjusted it higher than inflation that is causing the money to disappear, causing the projections to be as bad as they are.

Let me show you what happens if we do not make some kind of adjustment. Here is another chart that takes the information that comes from the trustees and puts it in perspective. This flat line is the income coming into the Social Security system. This blue line is the payout. As you will see, starting at about 2014, the amount paid out will be more than the amount coming in.

How do we make up the difference? Well, it is in the trust fund. It is a commitment made by the Congress. So the Congress will put up the money. We will honor the commitment of the trust fund.

Then, around about 2040, 2041, all of a sudden the trust fund is exhausted, and, by law, you cannot pay out more than you have coming in—unless you dip into the trust fund. So if there is no trust fund, and you cannot pay out any more than you have coming in, the amount of benefits drops dramatically back to the level of the income. That is where we are, and that is roughly a 25-percent cut across the board to everybody.

That is a 25-percent cut to the woman who waited on tables as a single mom and is now at retirement age and sees her benefits cut 25 percent. It is a 25-percent cut for Oprah Winfrey, who will not notice it. Indeed, she probably won't even be aware the Social Security check is coming in because in her billions that check gets lost.

This dotted line shown on the chart is what the benefits should have been if we had enough money. But we will not have enough money, and that is where we will be.