

Senate Democratic Policy Committee Hearing

“An Oversight Hearing on the Bush Administration’s Plans to Privatize Social Security”

Statement of Senator Frank R. Lautenberg

January 28, 2005

Mr. Chairman, thank you very much for holding this hearing on Social Security. Our Democratic Policy Committee investigations are critical, because those on the other side of the aisle are unwilling to engage in proper oversight of this Administration.

While President Bush hasn’t revealed all of the details of his risky Social Security privatization plan, what we do know is very disturbing. Without question, the Bush plan will weaken the program and cut benefits for tens of millions of Americans.

Social Security is one of the most successful government programs in history. The CBO has projected that the SS program will be able to pay full benefits at least until 2052.

The President likes to speak about his Social Security plan in glowing terms, but he doesn’t tell you the bad news. He doesn’t mention that his plan would require our country to borrow two trillion dollars from China and Japan. The President doesn’t reveal that his plan could cut benefits by up to 50 percent for some people.

And what the President is essentially asking Americans to do is gamble their retirement security in the stock market. If people want to gamble, I suggest they take a weekend trip to Atlantic City.

One commentator recently said that what the President is doing is like drilling a hole in a boat, telling people the boat is sinking and suggesting that everyone put on a hat. The boat is the federal budget, the hole is Bush's tax cut, and the hat is his plan for diverting some Social Security money into private accounts — it’s a solution that has nothing to do with the problem.

Even the Bush administration concedes that private accounts alone actually increase the long-term deficit in Social Security by \$2.2 trillion. In order to pay for it, the President’s plan makes deep cuts in guaranteed benefits, even for people who choose not to have a private account.

The bottom line is that this plan is a tough sell for the President because it’s an awful idea. It is such a hard sell that the Administration has resorted to illegally spending taxpayer dollars for government propaganda in favor of the Bush plan.

I commend the two Social Security Administration employees who will be testifying before us today. It takes a lot of courage to do that, and our country owes you a debt of gratitude.

Mr. Chairman, I'm proud to have been active in combating the Administration's propaganda efforts, both on Social Security and on other issues. Several members of this Committee recently joined me in requesting an investigation by GAO into the Social Security Administration's illegal use of taxpayer money.

Next week, I will introduce legislation with Senator Kennedy and other colleagues, including Chairman Dorgan, to make clear, once and for all, that taxpayer dollars are not to be used for propaganda or grassroots lobbying campaigns.

Today we will hear how the administration has been using Social Security Administration resources to try to create the illusion of a doom and gloom crisis in Social Security.

We know that the White House plan is to "sear" into the public's mind that Social Security is headed for disaster and action must be taken. But we also know that the Administration is using taxpayer resources to implement their lobbying strategy. One stark example is the current Social Security statement, which is sent to 140 million Americans every year.

140 million Americans. There is no other government message that has such a broad reach and impact. We need to scrutinize it carefully.

The statement includes messages of doom designed to drum up support for the President's plan in Congress. Here are some quotes from that statement:

"The Social Security system is facing serious future financial problems, and action is needed soon."

"Congress has made changes to the law in the past and can do so at any time."

Mr. Chairman, these messages serve no purpose other than to "sear" the idea of a crisis into the public's mind so that people will be motivated to contact Congress. The purpose of a Social Security statement is to inform the public about what Social Security benefits they are scheduled to get — not to motivate them to organize in support of a legislative proposal.

President Bush cannot use the Social Security Administration as his personal lobby shop. And the entire Bush administration must stop using taxpayer dollars for propaganda.

Thank you, Mr. Chairman. I look forward to hearing from our witnesses.