

Senate Democratic Policy Committee Hearing

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

Statement of Senator Ron Wyden

January 28, 2005

Thank you, Mr. Chairman and colleagues. I serve on the Senate Finance Committee that’s going to handle Social Security legislation. And I intend to work with all Senators to meet the genuine challenges that lie ahead for Social Security.

What I think you’re doing, Senator Dorgan, is especially helpful because now is the time to move the issue of Social Security reform from fanciful theory to what my mother called taking out a sharp pencil and making the numbers add up. Now this morning, we woke up to a new report in the Associated Press that the administration has another idea for Social Security reform. The details are sketchy. Yet what is clear is that Americans still aren’t getting much in the way of answers or even specifics.

And I believe before Social Security benefits are cut and before Americans are asked to pony up \$2 trillion for a plan that may not fix the problem, Americans deserve some of that straight talk, as my mother said, on how these numbers add up.

The other point I wanted to mention, Mr. Chairman, is that I hope that in these hearings we take a careful look at the role of Wall Street in this issue of Social Security reform. Like colleagues, I voted consistently for measures to promote investment in savings, from capital gains tax cuts to expanding IRAs. But I will not support congressional legislation that would let secure Social Security retirement funds ever under any scenario be turned again and again and again so that more equity traders can buy summer homes in the Hamptons.

The topic of transaction costs and management fees on Wall Street may sound kind of eye-glazing, but Social Security should not ever be used as a vehicle for the redistribution of wealth. So there are important issues for us to take a good look at, Mr. Chairman. I hope that we will very quickly get some of the details about the administration’s sketchy proposal that was just made available a few hours ago because as far as I can tell, the American people are getting very little in the way of answers and deserve better.