



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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REID, BAUCUS REJECT PRESIDENT'S SOCIAL SECURITY PRIVATIZATION PRIORITIES

*Democratic leader, Finance's top Democrat call on President to focus
on serious economic problems after November contests*

Washington, DC—Senators Harry Reid (D-Nev.) and Max Baucus (D-Mont.) today called on President George W. Bush to eliminate Social Security privatization from the White House's post-November agenda. In a letter, the Democratic leader and the Finance Committee's ranking Democrat reminded the President that the American people have soundly rejected the Administration's efforts to privatize Social Security, which would result in deep benefit cuts and increased debt. Repeated statements from the administration and the congressional majority have indicated their intention to return to the rejected privatization efforts following the November elections. Today, Reid and Baucus reiterated Democrats' commitment to fight any scheme that would privatize Social Security and jeopardize the benefits American workers have earned.

"Last year the American people made clear that they reject the President's Social Security privatization scheme," said Senator Reid. **"Democrats strongly opposed this misguided plan last year, and we will do so again next year if necessary. Instead of attempting to force through an irresponsible scheme that will add trillions in debt, force deep benefit cuts, and undermine Americans' retirement security, President Bush should change the economic policies that have left the middle class struggling to get by."**

"The President has made clear that he wants another run at Social Security, but Democrats will stand squarely in the path of any effort to put workers' payroll taxes into risky investment accounts and cut benefits for future retirees," said Baucus. **"Democrats will work to fix Social Security's financial challenges responsibly. But after the November elections we need to focus on immediate, pressing economic concerns – not on this ideological, political priority for the President."**

The text of the Senators' letter is below:

September 20, 2006

President George W. Bush
The White House
Washington, DC 20001

Dear Mr. President:

We are writing to express our deep concern about your recent statements that you remain committed to privatizing Social Security and will make privatization a top priority after this year's congressional elections.

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We understand that you and most Republicans genuinely believe in privatization and remain strongly committed to pursuing this approach. However, we want to make clear that Democrats are just as adamantly opposed to privatization and remain strongly committed to defeating this seriously misguided proposal. We believe the American people are on our side in this debate, and for good reason.

Cutting Social Security's funding by diverting payroll taxes into privatized accounts, as you have proposed, would require deep cuts in guaranteed benefits and lead to a massive increase in borrowing. This would weaken Social Security, not strengthen it. The resulting benefit cuts would harm all seniors in the future, even those who prefer not to open a privatized account. Meanwhile, the massive new federal borrowing would weaken our economy, saddle future generations of Americans with trillions of additional debt, and increase our economic dependence on China, Japan and other foreign nations.

Our country faces serious economic problems, including a tightening squeeze on the middle class, rising prices for gas, health care and college, and a troubling long-term budget shortfall. We want to work with you on a bipartisan basis to address these challenges. However, we would strongly resist the privatization of Social Security, which would only make our fiscal problems worse and jeopardize Americans' retirement security. Therefore, as you develop your agenda for the post-election period, we strongly urge you to reject privatization and instead focus on bipartisan solutions to the most serious problems facing our nation.

Sincerely,

Harry Reid (D-Nev.)
Democratic Leader

Max Baucus (D-Mont.)
Ranking Member, Senate Finance Committee