

Senate Democratic Policy Committee Hearing

“An Oversight Hearing on President Bush’s Social Security Privatization Plan: Will You and Your Family Be Worse Off?”

Opening Statement Senator Mark Dayton

It’s ironic, in a way, that all of us are responding to the Administration’s proposal to close various military bases in our respective states, which is going to have devastating impacts on many Americans, and we’re also holding -- simultaneously -- this hearing today of the Democratic Policy Committee regarding another Presidential proposal with possibly devastating consequences for many Americans.

The President’s proposal to privatize Social Security and drastically cut future Social Security benefits for millions of middle-income workers when they retire is going to have profound implications, for decades and for generations. You could call it, in a way, President Bush’s nuclear option for Social Security. His indexing plan, which he’s finally put forth, would, according to one analysis, cut benefits for workers earning between \$30,000 and \$90,000 a year by an average of 40 percent over the next several decades. And then, workers who chose one of his private accounts schemes would suffer additional benefit cuts, which they would then be trying to make up in the financial markets. So, we would be going from a system of Social Security to one of retirement roulette.

Funding those private accounts and paying the earned benefits for present and future retirees would add an additional \$4 trillion to the national debt in the first 20 years of the President’s plan, and it would move up the projected date of Social Security’s so-called insolvency by 11 years. That is, by my reckoning, four strikes and everybody’s out.

Today, we have five nationally renowned economists, experts on Social Security, and financial-investment advisors to provide all of us on this panel and the American people with the truth. The truth as each of you perceives it about Social Security’s future, and what must be done to keep it secure for all Americans, for today, for tomorrow, and for generations to come. Each of you was invited for your expertise, not for any particular ideology. You may or may not agree with the President. You may or may not agree with one another. And you may or may not agree with any of us up here. But there’s far too much at stake for far too many people to subject Social Security to political propaganda, or half-truths and half-lies, or sweet-sounding slogans at campaign-style events that hide their harsh consequences for people who must depend on Social Security for much of, most of, or even all of their retirement incomes for the last years and -- hopefully -- decades of their lives.

And they in turn, our constituents, the American people, are dependent upon all of us sitting here, their elected representatives, to do this right. Not to do it the President’s way, not to do it our way, not to do it any way except the right way. So, I ask that each of you today will show us, all of us, the right way.