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Back From The Dead: Privatization

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It is hard to believe, but the idea of privatizing Social Security, which most observers thought had been killed and buried, could return, Dracula-like, from the dead after the 2006 elections.

You won't hear many candidates for Congress talking about their support for diverting Social Security taxes to fund private accounts—certainly not before the election if they can help it. But most Republicans quietly remain true believers. President Bush, his leading cabinet figures and key Republican leaders in both the House and Senate have been very clear about their plans to again push privatization—despite what the public backlash against Bush's "big idea" did to them in 2005.

George W. Bush went from triumphantly re-elected president to lame duck status in perhaps the shortest time of any modern American president. It was not because of Iraq, which is currently dragging him down, but Social Security. Bush boldly declared in December 2004, even before his inauguration, that he would make the privatization of Social Security the "number one domestic priority" of his second term. He vowed to use all his "political capital" to pass this long-time plan of the right-wing movement to cut retirement benefits and channel a portion of Social Security taxes to individual retirement accounts invested in Wall Street.

What happened between December 2004 and October 2005 was an epic story of progressive forces mobilizing to counter the enormous resources available to the modern presidency—and winning. There was a moment when Bush claimed he could win Democratic votes for private accounts—and Sen. Joe Lieberman was the leader of a group constantly meeting with Senate privatizers. That is another reason, beyond the Iraq war, why his Connecticut Democratic constituents have just rejected him. In the end, however, virtually all Democrats pledged to oppose Bush and a few Republicans did, too.

When Bush began, public opinion was roughly divided on the idea of privatization, indicating an openness to an idea that most people hadn't heard much about. After Bush stumped the country for 60 days pushing his plan—with opponents countering him every step of the way—*USA Today* reported that 61 percent had decided that privatizing Social Security is a bad idea.

Only 10 months after he started, on October 4, 2005, Bush admitted defeat. In a press conference in the Rose Garden, the president acknowledged that Congress has a "diminished appetite" for passing his plan to privatize Social Security. A *Congressional Quarterly* correspondent at the White House reported the moment:

Asked how much political capital he still has, Bush replied, "Plenty." But his Social Security plan was not on the list of priorities he rattled off for the expenditure of that capital. He insisted, however, that it was not off his agenda altogether.

Now, perhaps *because* of his lame-duck status, which gives him the freedom to do unpopular things, the president is vowing to try again. In a June 27 speech at the Manhattan Institute think tank, Bush promised to reintroduce privatization, [saying](#), "If we can't get it done this year, I'm going to try next year. And if we can't get it done next year, I'm going to try the year after that because it

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is the right thing to do.”

He has backed up his words with actions, such as sending to Congress [a budget request for \\$721 billion](#) over the next 10 years to begin private accounts (unintentionally demonstrating the tremendous costs, [estimated at \\$2 trillion in total](#), to our government to privatize the system).

It is not only the president himself saying the administration will push Social Security privatization in 2007; his new chief of staff, Joshua B. Bolten has said Bush will renew his push, as did his new secretary of the treasury, [Henry Paulson](#).

The House leadership has similarly promised to bring Social Security privatization up in 2007. In July House Republican Majority leader John Boehner, R-Ohio, pledged to resume the push, [saying](#) “If I’m around in a leadership role come January, we’re going to get serious about this.” In June, the current chairman of the Ways and Means Social Security Subcommittee and likely future chair of the full House Ways and Means Committee, Rep. Jim McCrery, R-La, [told reporters](#) that he intended to put Social Security back on the legislative agenda in 2007.

Even though these influential Republican leaders are putting their cards on the table, most Republicans running for election (or re-election) to the House or Senate are not. They know how unpopular the idea of privatization has become, so they are going to try to get through this election by muttering a few platitudes about “strengthening” Social Security. But a new [Campaign for America’s Future report](#) presents a scorecard on how many incumbent House and Senate candidates are willing to support privatization (all but a handful), whether they talk about it in their districts or not. When you add them together with pro-privatization challengers and open-seat candidates who might plausibly win, it is possible to imagine a new Congress with a majority of senators and representatives who want to follow Bush down the road to dismantling Social Security.

Fortunately, for most voters the news that a candidate is willing to privatize Social Security is a good reason to vote for his or her opponent. So as a public service, from now until November, many grassroots citizen and labor groups in states and districts all over the country—working together under the banner of Americans United to Protect Social Security—will be demanding to know from House and Senate candidates whether they would vote to privatize the Social Security system if their voters send them to Congress. We will be actively publicizing their answers. And just as in 2005, the good bet is that the more voters learn about Social Security privatization—and the more they learn about the privatizers running for office—the more likely they are to give a big mandate to candidates pledged to oppose privatization.