



Committee On Finance

Max Baucus, Ranking Member

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Baucus Rejects New Social Security Plans *Senator Warns Against a "Bait and Switch" Strategy*

(WASHINGTON, D.C.) Today, U.S. Senator Max Baucus rejected new proposals that would dramatically change Social Security.

"Rumors have been flying that privatization is off the table and we're here to clear up those rumors," Baucus said. "Until the President publicly takes private accounts off the table, bait and switch is a real possibility."

Baucus warned that a bill addressing the financial challenges of the program without private accounts would most likely pass the Senate, but the House would likely add private accounts in Conference, ultimately leading to privatization of Social Security.

"Both of the Social Security plans being talked about today could be part of the bait and switch game," Baucus said. "I've said it before and I'll say it again, private accounts need to be taken off the table. We need to be strengthening Social Security, not weakening it. I cannot and will not support a plan that would create huge benefit cuts or add trillions of dollars to the debt. Once privatization is off the table, we can work together on a common sense solution to strengthen Social Security for future generations."

Baucus expressed his concern with packages proposed by Senator Bennett, Senator DeMint and in the House of Representatives. Baucus noted that under the Bennett proposal, a worker who is born five years from now who retires at age 65 and has average earnings of \$60,000 a year would lose more than 50 percent of his or her benefits.

"Social Security is the primary source of income for two-thirds of seniors, and the only source of income for one-fifth of seniors," Baucus said. "Retirees should be receiving the benefits they're guaranteed to collect, not have them taken away."

Senator DeMint's plan would fund private accounts with the surplus of the Social Security Trust Fund. The plan would take money out of Social Security and would worsen-- not improve--Social Security financing. Republicans in the House have discussed introducing a similar measure.

"This plan is a smaller version of a bad idea, and that bad idea is private accounts," Baucus said. "Senator DeMint's plan compared to President Bush's plan is like going from smoking three packs of cigarettes a day down to one. No matter how you look at it, it's bad for you and hazardous to your long term health."

Baucus, ranking member of the Senate Finance Committee and a leader on the Social Security issue, reiterated his concerns with adding private accounts to the Social Security program.

“Privatizing Social Security would cut guaranteed benefits and burden generations to come by adding trillions of dollars to the national debt,” Baucus said. “It’s time to drop private accounts from the Social Security conversation and go back to the drawing board to develop a plan that will enjoy broad support as well as strengthen Social Security for generations to come.”

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