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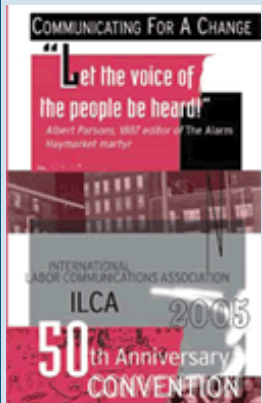
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Sweeney Hits Bush On Social Security Remarks

Posted by: alecdubro on Wednesday, April 06, 2005 - 04:48 PM [Print article](#) [Email to a friend](#)



AFL-CIO President John Sweeney's Statement Hits Bush on Social Security Trust Fund Remarks
April 6, 2005

As part of his crusade to privatize the nation's oldest and most reliable guaranteed retirement income program, President Bush yesterday traveled to the Bureau of the Public Debt in Parkersburg, West Virginia, which houses the U.S. Treasury bonds in the Social Security Trust Fund. Using a Treasury bond as a prop, the president called into question whether Americans should have any "trust" in this important "fund." The president's trip was a campaign stunt—and a cynical and irresponsible one at that.

For decades workers have paid in more to Social Security than has been needed to pay benefits—\$67 billion more in 2004 alone—in order to partially pre-fund future benefits by accumulating surplus assets in the form of U.S. Treasuries. To suggest now that workers have been had and that there is no trust fund to pay the benefits they paid for is an extraordinary betrayal. A default on the trust fund-held bonds would represent a \$1.1 trillion transfer from low- and middle-income households to the richest 5 percent, according to the Center for Economic and Policy Research.

Pension fund managers, workers saving for retirement through their 401(k)s and foreign investors and central banks must have been surprised to learn from President Bush that the trillions of dollars in U.S. Treasury securities they own are not "real assets." This is an extraordinary suggestion by a president who has relied on bond investors to finance a package of big tax cuts for the wealthy and enormous amounts of added federal debt.

As Federal Reserve Chairman Alan Greenspan recently told Congress, the "U.S. Treasury issues" in the Social Security Trust Fund are "actually real savings" that are "the safest in the world." Perhaps the Fed Chairman is wrong. Or perhaps in the president's zeal to privatize Social Security, Mr. Bush is deliberately trying to convince the American people and lenders around the world they cannot trust the United States government to keep its promises.

Moreover, the latest nonpartisan analysis of the president's privatization plan indicates how misleading his proposal is. Today's report by the Congressional Research Service underscores the fact that privatization threatens Americans' retirement security and shows that Social Security benefits could disappear entirely for higher income earners.

Yesterday marked an unprecedented event in our nation's history. No other American president in history has undertaken to cast doubt on the full faith and credit of the United States.

Shame on you, Mr. President.

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