

GOP Can't Escape Bush's Social Security Quagmire

by Paul Gallagher

House of Representatives Republican “whip” Roy Blunt of Missouri and Ways and Means Committee Chairman Bill Thomas (R-Calif.) admitted publicly on July 13, that they won’t be able to try to move George W. Bush’s Social Security privatization schemes in the House until at least September. The postponement doesn’t mean the threat of privatization is killed, but is another step in that necessary direction. Democrats in Congress agree, that the GOP leadership’s predicament is part of the widening gap opening up, across most important issues of policy, between the Congress and the lame-duck Bush White House. Indeed, it was Bush’s obsessive drive to privatize and loot Social Security, on the “Chile model,” that first propelled him toward lame-duck status.

The President began his high-profile charge to grab Social Security taxes for Wall Street, with a meeting with Congressmen and a press conference on Dec. 6, 2004. Seven months later, House and Senate Republican leaders had to write off Bush’s “Enron II” scheme as discredited and dead; Bush has stopped holding scripted events around the country pushing it; and Republicans have been trying to find an “exit strategy” from Dubya’s Social Security quagmire.

Since the “first shot”—Lyndon LaRouche’s first circulation last December, of a nationwide LaRouche PAC pamphlet counterattacking Bush’s privatization, seven months of nationwide debate have included nearly 1,000 town meetings on Social Security policy held by Democratic and Republican Congressmen and political groups. The American citizenry’s rejection of the President’s “Chile model” privatization scheme could not be more thorough. In the most recent nationwide poll, conducted by CNN on June 26-27, nearly 70% opposed Bush’s privatization push. In the same week, an Oklahoma statewide poll by the *Tulsa World* gave the flavor of opposition in a recently “red,” Republican-voting state: 60% said “leave Social Security as it is,” and only 30% supported Bush’s idea.

Now, according to Congressional sources, House GOP leaders Tom DeLay, Dennis Hastert, Blunt, and Senate leader Bill Frist, are looking to get out of the quagmire by a “bait-and-switch” deal in a House-Senate conference committee. Their scheme is to pass in each chamber of Congress, some bill dealing with Social Security—whatever its content—and then, in a conference committee completely dominated by the Republican leadership, “reconcile” the bills into one legislating privatization of Social Security payroll taxes. Among

many public reports “leaking” this strategy, was one in *Congress Daily* on July 8: “One source close to the White House said the limited [private] accounts create a ‘path to a House-Senate conference’ where the accounts could be expanded. ‘How many bills have been written in conference committee?’ the source said—inferring, many have been.”

Tricks Unlikely To Work

That GOP leadership strategy defies the rejection of Bush’s privatization scheme by the American people, and the judgment of Congress as well. Bush, Dick Cheney, and Karl Rove are all still “totally committed” to Social Security privatization; but they are only a negative factor now. In the House and Senate GOP, there are two *competing* legislative “exit strategies” from Bush’s quagmire—thus the inability to act on either one.

The fraudulent “mini-privatization” bills unveiled in late June in both Houses—which claim that they would just take the next 10 years’ annual surpluses of Social Security payroll tax revenues and divide them up into little “private accounts” for 110 million or so workers, are not offering a way out. These pathetic bills are really a trick to give the 100 or so most conservative, most pro-privatization House Republicans their preferred exit strategy for the 2006 elections. The bills claim to stop the spending of Social Security surpluses on other government expenses, by putting them into private retirement accounts; but in fact, the surpluses would keep being spent on wars and other tax cuts, and Congress would “borrow the same money twice,” in the words of bill sponsor Rep. Clay Shaw (R-Fla.), to create the private accounts. The results: an additional trillion dollars of Federal debt; increasing cuts in Social Security benefits; early insolvency of the 70-year, successful program. Eight House Republicans have openly opposed this sham; Delaware Republican Mike Castle, head of a group of 61 House and Senate moderates, said on July 13, “Clearly there are not the 218 votes there now.”

In the Senate, this “privatize the surplus” fraud, known as the “GROW Act of 2005,” has even less chance. The leading Republican committee chairman on Social Security, Sen. Chuck Grassley (R-Iowa), had come close to giving up and admitting defeat on July 12. He told a Radio Iowa interviewer: “It’s stalled. We’re kind of in a situation where, considering the fact it’s impossible to get anything through the Senate that’s not bipartisan, we could be at a standstill on the issue of Social Security.”

The opposing Republican “way out”—pass a bill that appears not to privatize Social Security, or to bury privatization under measures to reduce benefits to make Social Security “solvent”—is not working either. The right-wing privatizers now won’t go on record for a “solvency” bill, because of the complete failure of Bush’s months-long campaign about having to cut benefits to save “bankrupt” Social Security.

So only a public Presidential agreement to drop privatization altogether, can really produce any bipartisan action—and Bush does not appear capable of understanding that.