

**SENATE BUDGET COMMITTEE**  
**DEMOCRATIC CAUCUS**  
**KENT CONRAD, RANKING MEMBER**

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**Statement of Senator Kent Conrad on the Naming of the  
President's Social Security Commission**

President Bush deserves credit for forming a commission to tackle the challenging task of reforming Social Security so that we are better prepared for the crush of retirees who will soon tax the current system.

While I am pleased with this important first step, I am concerned the Administration already has limited the commission's ability to find a workable and financially viable solution. By insisting on such a massive tax cut, the White House is unable to provide any new resources for Social Security reform in its 10-year budget plan. Instead, the Bush budget proposes to divert \$600 billion from the Social Security Trust Fund to help fund private accounts. This is wholly inadequate and would drive the trust fund into insolvency even sooner.

By failing to provide new resources to address the transition costs associated with Social Security reform, the commission will be forced to develop a reform plan which could drastically reduce already promised benefits, increase taxes on workers, and/or increase debt. None of these options is attractive.

Democrats recognize the long-term challenges facing Social Security and are planning accordingly. Our budget alternative sets aside \$750 billion of projected surpluses to strengthen the Social Security system. We recognize new monies will be needed and have developed a budget plan that will address these financial needs.

Let us be honest and realistic. The President's commission could come up with dozens of different proposals – some of which I hope I can support – but there is no such thing as a free lunch. Real reform will cost money. Unfortunately, I fear the commission's work will be for naught as the President's tax cut is so big it crowds out other priorities, including our ability to implement meaningful Social Security improvements.

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