

## Cato article on " 'Leninist' Strategy" for Social Security reform reportedly laid foundation for Bush's proposal

**LA Times cited 1983 Cato Journal article as part of "the groundwork" for Bush's push to change Social Security.** According to *Los Angeles Times* staff writer Janet Hook, "[a] generation of free-market conservatives like [Cato Institute president Edward H.] Crane" had been "laying the groundwork for" "Bush's plan to allow younger workers to divert Social Security taxes into personal investment accounts." Hook then cited a 1983 *Cato Journal* article in which Heritage Foundation analysts Stuart Butler and Peter Germanis wrote: "It could be many years before the conditions are such that a radical reform of Social Security is possible. ... But then, as Lenin well knew, to be a successful revolutionary, one must also be patient and consistently plan for real reform." From the *LA Times* article, "They Invested Years in Private Accounts":

Back in 1997, proponents of overhauling Social Security met with the man who would become their most powerful convert: Texas Gov. George W. Bush, whose presidential ambitions were beginning to gel.

The governor dined with Jose Piñera, architect of Chile's 1981 shift from government pensions to worker-owned retirement accounts, in a meeting that helped bring Bush a big step closer to embracing a similar plan for Social Security in his emerging presidential platform.

"I think he wanted to support the idea but needed to be convinced," said Edward H. Crane, president of the libertarian Cato Institute, who was at the dinner. "I really think Jose convinced him."

This week, President Bush's plan to allow younger workers to divert Social Security taxes into personal investment accounts will be a centerpiece of his State of the Union address and a barnstorming tour of the country. It is a tough sell to an uncertain public, but Bush has a secret weapon: A generation of free-market conservatives like Crane and Piñera has been laying the groundwork for this debate.

"It could be many years before the conditions are such that a radical reform of Social Security is possible," wrote Stuart Butler and Peter Germanis, Heritage Foundation analysts, in a 1983 article in the *Cato Journal*. "But then, as Lenin well knew, to be a successful revolutionary, one must also be patient and consistently plan for real reform."

Now, Bush is drawing on a deep reservoir of resources -- including policy research, ready-to-hire experts and polling on how to discuss the issue -- that conservatives have created over the last 20 years. (*Los Angeles Times*, 1/30/05)

**Heritage analysts' article headlined "Achieving a 'Leninist' Strategy."** In their *Cato Journal* article, Butler and Germanis wrote:

As we contemplate basic reform of the Social Security system, we would do well to draw a few lessons from the Leninist strategy. Many critics of the present system believe, as Marx and Lenin did of capitalism, that the system's days are numbered because of its contradictory objectives or attempting to provide both welfare and insurance. All that really needs to be done, they contend, is to point out these inherent flaws to the taxpayers and to show them that Social Security would be vastly improved if it were restructured into a predominantly private system. Convinced by the undeniable facts and logic, individuals supposedly would then rise up and demand that their representatives make the appropriate reforms.

**Cato Institute and Heritage Foundation experts frequently appear on Beck's show.** According to a Nexis search, Cato and Heritage experts have appeared on Beck's show a total of at least 14 times in the past six months.