

# Reid opponent Sharron Angle stumps for military dictator's retirement program

By [Stephen C. Webster](#)

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To those who've actually studied recent history, former Chilean military dictator Augusto José Ramón Pinochet Ugarte was a cruel tyrant.

But to Sharron Angle, the tea parties' favorite U.S. Senate candidate from Nevada, he had at least one good idea: replacing the country's Social Security-like program with compulsory private retirement savings accounts.

Or, that's at least what she said -- that Medicare and Social Security must be "phased out" for "private" programs -- in a recent interview.

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Sound familiar? That's because José Piñera, Pinochet's former labor minister, has since become one of the world's leading advocates of privatizing pension accounts. After demolishing the nation's political stronghold, he went to work for the conservative-leaning Cato Institute to advocate around the world for private retirement accounts. He's even credited as the man who convinced former U.S. President George W. Bush to pursue an agenda of privatizing Social Security.

Angle, in [a recent interview with News 8 Now in Las Vegas](#), appeared taken aback when asked if her position on Social Security is a "flip flop". While she's been advocating privatization as of late, she's also released a television advertisement that would seem to convey quite the opposite message.

Confronted by a journalist with the apparent conflict in her messaging, she replied, according to the report: "It is when we have a \$2.5 trillion raid and pillaging going on and an empty trust fund and now we are upside down. As of last Friday, they said, (there was a) \$41 billion shortfall in Social Security. \$41 billion less going in than coming out. It's broken.

"When I said privatize, that's what I meant. That I thought we would just have to go to the private sector for a template on how this is supposed to be done. However, I've since been studying and Chile has done this."

And just what happened in Chile after the country's public pension system was taken private? Barbara T. Dreyfuss, [writing for \*Mother Jones\* in April, 2005](#), explained:

The transition was expensive and funded by slashing government programs, selling off state-owned industries, selling bonds to the new pension funds, and raising taxes. Privatization costs, which also included a government subsidy for workers unable to accumulate enough in their private accounts to guarantee a minimum income in retirement, averaged more than 6 percent of Chile's gross domestic product in the 1980s and are expected to average more than 4 percent of GDP each year until 2037. [...]

The [World Bank] found that exorbitant fees and other costs charged by private pension fund managers eat up as much as 15 percent of the contributions made by average Chilean workers, and even more for poorer workers. Investment returns have been far more modest than the hefty 11 percent return claimed by the private managers. The Chilean government's pension superintendent says actual returns for someone earning Chile's minimum wage were only 3.7 percent between 1994 and 2000.

A recent report by the Chilean government brought more grim news, forecasting that as many as half of all workers won't be able to save enough to receive the minimum pension when they retire—even after paying into their accounts for 30 years—and will therefore rely on government subsidies. More than 17 percent of Chile's retirees now continue working because they can't afford to live on their pensions, according to that study, and another 7 percent want to work, but can't find jobs.

A system that fails half of the population, says economist Dean Baker, codirector of the Washington-based Center for Economic and Policy Research, can't claim to have succeeded: "It hasn't provided security to people."

"Before her D.C. handlers put a muzzle on her, Sharron Angle spent her entire political career loudly and proudly denouncing Social Security and promising to dismantle the program entirely," Reid spokesman Kelly Steele said, *according to the Las Vegas Sun*. "At this point, she must believe that Nevada voters...are ignorant or they have amnesia."