



Tom Davis, M.C.
Chairman

John Hishta
Executive Director

Memo

To: GOP Incumbents and Candidates
From: Steve Schmidt, NRCC Communications Director
Carl Forti, NRCC Deputy Communications Director
Date: 08/26/02
Re: Words matter in the Social Security debate

There has been much confusion in the press on the difference between privatization and personal accounts. This confusion periodically results in inaccurate reporting. Because of this, Republicans must educate reporters on the difference between personal accounts and privatization. We must expose the Democrat strategy to portray ‘personal accounts’ and ‘privatization’ as identical. And in conveying our principles on Social Security, we must insist that the press accurately describe our positions.

In politics, words matter.

‘Personal accounts’ is not synonymous with ‘privatization.’ The term ‘personal accounts’ does not imply that Social Security would no longer remain a publicly administered system. Neither does it imply that individuals who do not opt for the accounts would experience any change in how benefits are provided.

Personal accounts are a means by which a portion of an individual’s contributions would be saved within the Social Security system to fund future benefits, instead of being collectively loaned to the remainder of the federal government as under current practices. They are not unlike the Thrift Savings Plan (TSP) retirement model currently in place for federal employees. The federal TSP is not a “privatized” retirement plan, although it utilizes personal accounts. Neither Democrats nor Republicans describe the TSP model as a privatization plan because it is wholly under the domain of the federal government.

Democrats are doing all they can to blur the very important distinction between ‘personal accounts’ and ‘privatization.’ They are employing the word ‘privatization’ for the specific purpose of eliciting negative reactions among seniors because it carries connotations of dismantling the publicly run Social Security system. ‘Privatization’ is a false and misleading word insofar as it is being used by Democrats to describe Republican positions on Social Security.

Despite this, some reporters — even some national reporters — continue to inaccurately describe the concept of personal accounts as privatization. To the extent that reporters are wittingly or unwittingly complicit in the Democrat strategy to make ‘personal accounts’ and ‘privatization’ one in the same, they are using the power of the press to promote inaccurate Democrat spin and taking sides in the midterm elections.

Reporters have historically rejected partisan spin phrases as descriptors of policy proposals. They have done this because semantics matter. In the past, reporters have not used inaccurate or politically loaded descriptions in reporting because it violates a critical component of the journalistic code of ethics —

reporters must distinguish between advocacy and news reporting. That is precisely the reason that most newspapers use 'estate tax' as opposed to 'death tax' and 'minimum wage' instead of 'living wage.'

It is very important that we not allow reporters to shill for Democrat demagoguery by inaccurately characterizing 'personal accounts' and 'privatization' as one in the same.

The Democrat Party's entire campaign strategy depends on the success they will have in convincing the mainstream media that words do not matter. But words do matter.

Former Senator Daniel Patrick Moynihan, who is among the most respected members of the Democrat Party, recognized this when he insisted that 'privatization' is "not a proper characterization." He called it "a scare word" and characterized it as a "semantic infiltration" designed to contort debate.

During sworn testimony before a House Committee, Democrat Rep. Charles Stenholm (TX-17) said, "I happen to be an individual very supportive of personal accounts. To those that continue to use the word privatization, that's less than honest a description of what we're talking about."

Republicans and Democrats who favor personal accounts, do so because insolvency of the Social Security system is imminent. The only alternative to increasing the rate of return on Social Security contributions is to raise taxes, cut benefits and raise the age of retirement. We reject the notion that Social Security should be privatized in the same way that we are opposed to payroll tax increases, benefit cuts and age of eligibility changes.

We must insist that reporters fairly and accurately describe our positions.