

Union bashes investment firms on Social Security reform

By Sebastian Christ and Philipp Heinz

UNITED PRESS INTERNATIONAL

Washington, DC, Mar. 31 (UPI) -- Several hundred labor union members gathered Thursday in front of the offices of Charles Schwab Corporation and Wachovia Corporation in Washington, D.C. and around the country to demonstrate against the investment companies' alleged involvement in Social Security privatization.

The groups gathered armed with signs saying "Charles Schwab: Don't pick our pockets to line yours!" and "Social Security -- fix it, don't privatize it." Several thousand people took part in the protests, which took place in 70 cities including New York, San Francisco, Boston and San Antonio.

The demonstrations are part of a campaign by the largest U.S. labor union, the AFL-CIO, to force brokerage firms to leave the so-called Alliance for Worker Retirement Security, a lobby group promoting Social Security privatization. AFL-CIO's president John Sweeney said Schwab's and Wachovia's support for private accounts created a conflict between the companies' assets and their customers' interests.

"We want Schwab, Wachovia and Wall Street to know: They won't get away with it," said Sweeney, who participated in one of the biggest demonstrations, held in Washington. "This is the biggest mobilization in the history of our labor movement. We will put private accounts right there where they belong -- in the dumpster of our democracy."

He called Schwab and Wachovia "major backers" of President

George W. Bush's plan to divert some of the money in Social Security to private accounts.

"We are demanding them to stop supporting phony coalitions backing privatization," Sweeney said, adding that the White House "is financing a giant propaganda campaign" to convince voters to support privatization. "But the American voters already know, that privatizations means benefit cuts and exploding deposits, huge bills for our children and grandchildren and more corruption in Wall Street."

Congresswoman Eleanor Holmes Norton, D-D.C., said, addressing Bush: "Mr. President, more and more people understand that you have to admit we have got a problem, a problem we want to work on."

Creating private accounts, in her eyes, threatens the future of entire segments of society. "Does George W. Bush think we don't know that 50 percent of the elderly would live in poverty without Social Security? Does he think we are stupid?"

Holmes Norton compared today's situation with the Clinton Era and concluded that Bush is heading the wrong way. "Remember what we did during the Clinton Years. We took every dime of the surplus and put it in Social Security. What did President Bush in the moment he walked into the office? He spent the money on the Iraq war and on tax cuts for the rich. Hands off from our Social Security."

Nevertheless, the congresswoman made clear that the Democratic Party is willing to talk with the Bush Administration. "The Democrats are ready to sit down to the table so long as the president does not make the problem worse."

The President of the United States Student Association, Ajita Talwalker, called the intended privatization of Social Security a "threat for my future and the future of my generation", as she said. The members of her association, she said, intend to fight Bush's

plan.

"Young people will not be tricked into supporting a plan that leads our country further into debts and threatens the important social programs that we care about, like education. We won't be tricked into supporting a plan that will dramatically cut benefits that we work so hard for."

In her speech, she highlighted several times the historical dimension of changes in the system of Social Security. "We know that the decisions that are made now not only will affect today's workers but also our own futures as well. And as a part of today's youth we are committed to preserve and strengthen Social Security."

Wachovia's spokeswoman Carrie Ruddy denied any involvement in Social Security reform. "Wachovia believes in the fundamental importance of Social Security, and we think action to strengthen the system is absolutely necessary," she said. "While we do not have a position on private accounts, we encourage Congress to consider ways to expand retirement savings opportunities for all Americans."

A spokeswoman for Charles Schwab called the demonstration in front of their Washington office "misdirected" and "unfortunate."

"We are not a proponent of private accounts," she said. "We hope the dialogue can continue."

Steven Weingarten, analyst at AFL-CIO's office of investment, told UPI that the union had not received any direct reaction on the complaints they sent to Charles Schwab last December.

"It would be funny, if it wasn't so serious," Weingarten said about Charles Schwab's claim not to have a position on Social Security reform. "They are part of one of the organizations campaigning for privatization of Social Security," Weingarten said.

According to Weingarten, saying that private accounts would help Social Security is like "saying 'leeches will help a patient get healthy'."

PICTURES FROM THE CHICAGO PROTEST



Steve Tisza, President CWA Local 4250



Gene Condren, CWA Local 4250 Retiree



**Gene Condren, CWA Local 4250 Retiree & LaNell Piercy, President
CWA Local 4252**



**Dennis Gannon, President Chicago Federation of Labor Addresses
The Rally Outside Charles Schwab Office**



U.S. Congresswoman Jan Shakowsky, Democrat Illinois 9th District, Pledging Her Support!