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Social Security Scare is Big Lie

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This just in. The office of the president of the United States is telling colossal lies again!
Don't fall asleep on me here. I know politicians tell lies, small and large, all the time. And I know our current president tells more than most, or has more told for him.

That's partly because he's got so much more to hide. After all, he's a guy who's spent most of his adult life stumbling around the boundaries of the law. He's committed all kinds of securities and tax fraud, gobbled insider tips like pork rinds, and delivered illegal payback on political gifts as big as baseball teams. He's only started on payback for his biggest gift ever: the government of the United States. Lord knows how many more laws he'll break, or what lies will be told in the cover-up.

But I'm not talking here about ordinary political lies, or lies to obscure the president's illegal activities. I'm talking about the abuse of the office of the president to propagate lies about the most basic facts of public policy. I'm talking about just making stuff up out of thin air, in knowing contravention of the truth. And by "colossal" I'm not talking olives. I mean lies about matters that directly and deeply affect the lives of millions.

Take the president's most recent contribution to debate on the future of Social Security, as conveyed in remarks by his press secretary, Ari Fleischer.

A few days ago a straight-faced Fleischer declared that opponents of the president's proposed "privatization" of Social Security were playing a "dangerous" con game on young workers, making them "pay a lifetime of high taxes for a Social Security benefit that under current projections they'll never receive." He said Social Security was "going bankrupt" and that young workers now paying into the retirement system would "get nothing back" in the end. The president, by contrast, had a plan to make their retirement secure.

Fleischer's claims were carried without corrective comment on national TV. Conservative networks like Fox TV were especially delighted to drill the frightening news into their audience. "President declares Social Security bankrupt! Young workers to get nothing!"

But of course what Fleischer said is just a lie, or pack of them.

Social Security's own trustees show no shortfall of any kind in scheduled payments until 2041. At that point, assuming no interim correction, benefits would fall below currently promised levels, but nowhere near to "nothing." In fact, they'd be higher in real (inflation corrected) terms than most payments today.

A worker retiring in 2045 with an average earnings history, for example, would get an annual benefit of today's equivalent of \$16,810 a year; a similar worker retiring in 2055 would get \$18,307. Both are substantially more than the average annual benefit today, about \$10,000. So junior stands to do better than grandma and grandpa, not worse, even if no correction is made.

And it could be made, without undue pain. A 0.1 percentage point annual increase in Social Security taxes in the intervening years would more than fix the system, meeting the old promised benefit schedule and generating a nice surplus for the grandchildren of current boomers. Or we might repeal some of last year's tax break for the rich, even half of which would make Social Security "whole" for the next 75 years.

These facts are all well known. Upon pain of perjury, there is not an actuary in the world who'd tell you otherwise.

And here are the facts of the president's plan, also beyond dispute.

He wants first to create a private account option within Social Security, so instead of giving the money to the government you can put it in stocks and bonds. Sounds nice enough, but he also wants to cut all guaranteed benefits. They will be cut to triviality for those taking this private option, but cut as well for those not taking it - by 25 percent or more for workers now in their 20s; up to 45 percent for future workers; deeper still for the disabled and surviving children. Presto, a popular social insurance program would be "privatized."

Now it may be that Americans want to go that route. That's our choice as a people. I think it'd be a stupid choice. You might think it a smart one. But that's not my point here.

The point is that it is shameful that our president, with the complicity of the mass media, is now using truly Big Lie tactics to sell his point of view. Colossal lies, in fact, and I'm not talking olives.

This is the first in a series of articles on privatization in Wisconsin by Joel Rogers, director of COWS, the Center on Wisconsin Strategy, at the UW-Madison. COWS is sponsoring "Sustaining Wisconsin," a statewide dialogue about the future of Wisconsin. Go to www.sustainingwisconsin.org for more information.

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