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The Social Security WMD Story

By Dean Baker

t r u t h o u t | Columnist

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We all remember President Bush's false claims about Saddam Hussein's weapons of mass destruction. These claims were the basis for getting the country into the Iraq War, a disaster with no obvious end in sight. The same sorts of claims are being made about Social Security, with the goal of inflicting a similar disaster on the country's workers and retirees.

Just to get the facts straight, according to the projections from the non-partisan Congressional Budget Office (CBO), Social Security can pay all scheduled benefits until 2046 with no changes whatsoever. CBO projects that even if nothing is ever done, the program could continue to pay almost 80 percent of scheduled benefits forever, providing retirees in the second half of this century with benefits that are far higher than today's seniors receive. In short, the idea that Social Security is about to go bankrupt - that there will be "nothing there" for young workers - is nonsense, as everyone familiar with the projections knows.

But, we keep hearing the drumbeat about Social Security's looming bankruptcy for the same reason that we heard the stories about Saddam's weapons of mass destruction: powerful interests - who, in this case, want to gut and/or privatize the program. The financial industry could make a fortune in fees and commissions if they could ever get their hands on Social Security.

Also, because the program is progressive, high-income workers, the folks who finance the presidential campaigns of both political parties, don't get a good deal from Social Security. These people would likely do better putting their money in the stock market. And, they have no qualms about gutting the country's most important social program to increase their returns, just as they don't mind giving the country a huge

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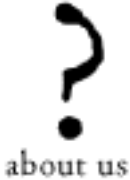
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While the Bush administration is likely to lead the charge on any renewed effort to cut and/or privatize Social Security, because of the power of the constituencies behind the gutting of Social Security, he is likely to find allies among leading Democrats in Congress. Remember, when President Bush was spinning his scare stories about Saddam's WMDs he also had plenty of assistance from top Congressional Democrats.



Similarly, the media can be counted on to help sell the Social Security scare stories, including so-called "liberal" outlets like the New York Times, CBS, National Public Radio, and Jim Lehrer's "News Hour." In the lead-up to President Bush's invasion of Iraq, these outlets gave ample time to the administration and its allies to promulgate their tales of WMDs, while almost completely excluding the experts who tried to point out the flaws in their arguments. There is no reason to believe that the media has become more responsible in the last four years. In short, it is entirely possible that we will see the same kind of massive attack on Social Security as the "shock and awe" campaign that President Bush launched on Iraq four years ago.

But an informed public can defend the program.

First, know the numbers. The [CBO report is readily available](#).

Second, listen carefully for the tricks. Even those who knew nothing about the Middle East could recognize that President Bush had no real evidence for his claims about Saddam's WMDs, because he was pushing stories that were obviously bogus. For example, he had British prime minister Tony Blair present a compilation of intelligence reports that was largely based on a grad student's research paper. People with real evidence don't put forward such nonsense.

One can find similar cues in the Social Security debate. All budget experts know that Medicare is projected to pose a huge problem because health care costs in the United States are projected to rise out of control. Those planning the attack on Social Security routinely talk about the costs of "Social Security and Medicare" and report huge numbers. Of course, the cost of mowing the White House lawn and Medicare will also be enormous. The problem is not the cost of Social Security or the cost of mowing the White House lawn. The problem is the cost of health care in the United States: let's fix it.

The other standard trick is to question the integrity of the Social

Security trust fund, which is now approaching \$2 trillion, more than \$13,000 for every worker in the country. The trust fund is routinely derided as an accounting entry. Of course it is an accounting entry. Almost all claims to wealth in a modern economy are accounting entries - few people carry around gold these days. The Social Security trust fund is a legal obligation to our country's workers that is supposed to be paid out of the government's general budget. This money, in turn, comes primarily from progressive personal and corporate income taxes, which are paid primarily by the wealthy people who pay for political campaigns. In other words, the trust fund is an obligation to tax rich people to pay for workers' retirement benefits. Now you understand why so many people say it doesn't exist.

Social Security is a hugely successful and popular program. The people can save it if they refuse to buy another WMD story.

Dean Baker is the co-director of the [Center for Economic and Policy Research \(CEPR\)](#). He is the author of [The Conservative Nanny State: How the Wealthy Use the Government to Stay Rich and Get Richer \(www.conservativenannystate.org\)](#). He also has a blog, "Beat the Press," where he discusses the media's coverage of economic issues. You can find it at the [American Prospect's web site](#).

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