



Written by [Wallis W. Wood](#) on September 30, 2011

America's Favorite Ponzi Scheme

It's called the third rail because, just like a subway line, touching it usually proves fatal.

In the book Perry published last year, which he called *Fed Up!*, the Texas Governor referred to Social Security as "a Ponzi scheme." Nobody made much of a fuss about it at the time. Outside of Texas, who cares what the Governor there says?

But now that Perry has taken the top spot in the Republican race for the White House, the poor guy is really getting pounded for it — and for a bunch of other "crazy, right-wing" sentiments he expressed there as well. Or at least so saith the *New York Times* and *Washington Post*.



Oh, and lest we forget, also so saith Mitt Romney, who just happened to be the front-runner in the race for the Republican nomination before that upstart Texan entered the race. Romney isn't content to make sure Perry touches that third rail. He wants to make him ride it like some hapless tourist on the bucking bronco at Mickey Gilley's place.

I confess, I haven't read *Fed Up!*. But I have read a ton of condemnations of what's in it. And guess what? I agree with Perry's arguments.

What about you?

[Ruth Marcus](#), one of the less rabid liberals who writes for the *Washington Post*, told her readers that the book "makes George Bush look like George McGovern." That's all the typical *Post* reader had to read to accept that the Texas Governor is an irresponsible wild man.

What did Marcus find so horrifying? His most egregious sin, she wrote, is that he would repeal the 16th amendment. That's the one that foisted a progressive income tax on this country in 1913, something that had been ruled unconstitutional for the previous 130 years. Yes, the United States government existed and managed to pay all of its bills without an income tax for more than 130 years.

Knowing how her inside-the-Beltway readers would react (there isn't a single government giveaway they aren't convinced deserves more of your money), she wrote, "Raise your hand if you believe, as Perry suggests, that it is wrong to ask the wealthiest to pay a greater share of their income than the poor."

Remember, this is what passes at the *Post* for intelligent, fair-minded commentary.

Next on her horror list is that Perry "lambastes the 17th Amendment." This is the one that "instituted direct election of senators" in each state. Perry rightly says that taking this responsibility from State Legislatures was a "blow to the ability of states to exert influence on the federal government." Can anyone quarrel with that or argue that this country is better off because of it

After condemning Perry for his concern about Social Security and other New Deal programs, Marcus



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goes for the jugular. Here's how she presents Perry's most outrageous opinion: As much as he dislikes the New Deal, Perry is even less happy about the Great Society, suggesting that programs such as Medicare are unconstitutional. "From housing to public television, from the environment to art, from education to medical care, from public transportation to food, and beyond, Washington took greater control of powers that were conspicuously missing from Article 1 of the Constitution," he writes.

From where I sit, that's one of the most moderate descriptions I've read this year of what Big Nanny government has been doing for most of my life. But to Marcus and her Beltway banditos, they are nothing short of heresy. She went absolutely ballistic, declaring, "Whoa! These are not mainstream Republican views."

They aren't? They are actually pretty moderate, compared to what I hear every day from Republican friends and neighbors. Do you think it's possible the folks in Washington are out of touch with mainstream America?

Don't get me wrong; all of this fake controversy still hasn't made me Perry's biggest fan. I'm concerned about many of his past actions and attitudes. This is the guy who was Al Gore's campaign manager in Texas in 1988. That shows a lack of discernment that I find very worrisome.

Having said that, hearing Romney denounce the guy as a flippier flip-flopper is a hoot. Talk about a pot calling the kettle black. I, for one, am glad to see both candidates taking off the gloves and starting to duke it out. This country is desperate for some bold, manly leadership. So far, the closest we've come to it is Sarah Palin and Michele Bachmann.

Ah, well, political contests do seem to bring out the craziness in a bunch of people. One of the shockers I heard last week is that the Barack Obama campaign expects to raise — and spend — [more than \\$1 billion](#).

Remember, every single penny of that gigantic sum will go into smearing Obama's Republican opponent, whoever that may be. And it will go toward promoting socialism at home and internationalism abroad. That's a lot of money to spend on taking us down the wrong road.

There will be no Hillary Clinton around this time, forcing him to spend most of his time, attention and money winning the nomination. I think it's safe to say he's got a lock on it this time. So look for a really nasty campaign once it really gets going. A lot of folks who feed at the public trough are desperately afraid that their good times might come to an end.

All of which brings me back to Perry's description of Social Security as a Ponzi scheme. In the sense that it requires taking money from new contributors today to pay off retirees whose own contributions were spent years and decades ago, of course he's absolutely right.

But considering that Charles Ponzi's financial ruse was entirely voluntary, it depended on the greed and gullibility of its participants to make it work and Ponzi wasn't able to use the threat of force to extract a single dime from his participants, I suggest that Perry owes Ponzi an apology. In his wildest fantasies, Ponzi couldn't do as much damage to American independence and self-reliance as Social Security has done.

What's even worse, however, is how demagogues and power-seekers have used this issue to frighten and mislead a huge number of American voters. Obama, Nancy Pelosi, Harry Reid, and their minions know they can count on the vast majority of their followers to be "too damned dumb," as one politician put it, to understand how they are betraying the trust they have been given.



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Yes, we probably owe Ponzi an apology. He was never this despicable or this greedy. But, oh, how his successors have learned from his example.

Until next time, keep some powder dry.

Chip Wood was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his *Straight Talk* column appears weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



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