



## Official Lies

Let's expose presidential prevarication. Earlier this year, President Barack Obama warned that Social Security checks will be delayed if Congress fails to increase the government's borrowing authority by raising the debt ceiling. However, there's an issue with this warning. According to the 2012 Social Security trustees report, assets in Social Security's trust funds totaled \$2.7 trillion, and Social Security expenditures totaled \$773 billion. Therefore, regardless of what Congress does about the debt limit, Social Security recipients are guaranteed their checks. Just take the money from the \$2.7 trillion assets held in trust.



Which is the lie, Social Security checks must be delayed if the debt ceiling is not raised or there's \$2.7 trillion in the Social Security trust funds? The fact of the matter is that they are both lies. The Social Security trust funds contain nothing more than IOUs, bonds that have absolutely no market value. In other words, they are worthless bookkeeping entries. Social Security is a pay-as-you-go system, meaning that the taxes paid by today's workers are immediately sent out as payment to today's retirees. Social Security is just another federal program funded out of general revenues.

If the congressional Republicans had one ounce of brains, they could easily thwart the president and his leftist allies' attempt to frighten older Americans about not receiving their Social Security checks and thwart their attempt to frighten other Americans by saying "we are not a deadbeat nation" and suggesting the possibility of default if the debt ceiling is not raised. In 2012, monthly federal tax revenue was about \$200 billion. Monthly Social Security expenditures were about \$65 billion per month, and the monthly interest payment on our \$16 trillion national debt was about \$30 billion. The House could simply enact a bill prioritizing how federal tax revenues will be spent. It could mandate that Social Security recipients and interest payments on the national debt be the first priorities and then send the measure to the Senate and the president for concurrence. It might not be a matter of brains as to why the Republican House wouldn't enact such a measure; it likes spending just as the Democrats.

I believe our nation is rapidly approaching our last chance to do something about runaway government before we face the type of economic turmoil seen in Greece and other European nations. Tax revenue has remained constant for the past 50 years, averaging about 18 percent of gross domestic product. During that interval, federal spending has risen from less than 20 percent to more than 25 percent of GDP. What accounts for this growth in federal spending? The liberals like to blame national defense, but in 1962, national defense expenditures were 50 percent of the federal budget; today they are 19 percent. What accounts for most federal spending is the set of programs euphemistically called entitlements. In 1962, entitlement spending was 31 percent of the federal budget; today it is 62 percent. Medicare, Medicaid and Social Security alone take up 44 percent of the federal budget, and worse than that, it's those expenditures that are the most rapidly growing spending areas.



Written by [Walter E. Williams](#) on January 30, 2013

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Our federal debt and deficits are unsustainable and are driven by programs under which Congress takes the earnings of one American to give to another, or entitlements. How long can Congress take in \$200 billion in revenue per month and spend \$360 billion per month? That means roughly 40 cents of every federal dollar spent has to be borrowed. The undeniable fact of business is that a greater number of people are living off government welfare programs than are paying taxes. That's what's driving Europe's economic problems, and it's what's driving ours. The true tragedy is that just to acknowledge that fact is political suicide, as presidential contender Mitt Romney found out. We can't blame politicians. It's the American people who will crucify a politician who even talks about cutting their favorite handout.

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