

U.S. Government is Borrowing to Pay Social Security Benefits

by Dave Nelson

About a year and a half ago, the Social Security Administration announced that for the first time in 36 years it would have to dip into its trust fund to pay benefits. If current trends continue, it estimates that the Social Security Trust Fund will be depleted by 2034. Why is dipping into the trust fund ominous news at this time?

Because it reveals that there isn't any cash in the Social Security Trust Fund, only special non-marketable Treasury Securities.

Working Americans contribute to the trust fund through their payroll taxes: 6.2 percent of citizens' paychecks (up to the first \$132,900) goes to Social Security, and employers chip in another 6.2 percent.

For 36 years, tax revenues coming in were greater than benefits paid out. The accumulated surplus makes up the trust fund (about \$2.9 trillion at present). The trust fund's assets are "invested" in special U.S. Treasury securities, and the cash is used to fund current expenses of the U.S. Government. These securities are stored in binders in a filing cabinet at the "Bureau of Public Debt" in Parkersburg, West Virginia.

Many citizens and politicians fail to realize that these paper bonds don't represent real money that can be used to pay Social Security benefits, but instead they represent debt owed by the United States Government.

We have been warned. President George W. Bush stated clearly on a visit to Parkersburg in April, 2005:

"A lot of people in America think there's a trust, in this sense — that we take your money through payroll taxes and then we hold it for you, and then when you retire, we give it back to you. But that's not the way it works.

"There is no 'trust fund,' just IOUs that I saw firsthand, that future generations will pay — will pay for either in higher taxes, or reduced benefits, or cuts to other critical government programs.

"The office here in Parkersburg stores those IOUs. They're stacked in a filing cabinet. Imagine — the retirement security for future generations is sitting in a filing cabinet."

While the public is generally unaware of this, those in the government have always known. The government spends all the excess Social Security tax money in the year it is received, replacing it with paper IOUs that now sit in the filing cabinet in Parkersburg.

Previously, President Bill Clinton's 2000 budget proposal included a description of the Social Security Trust Fund similar to that of President Bush:

"The Social Security Trust Fund does not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures."

This is why the U.S. Government must borrow to pay for Social Security benefits.

I am particularly disappointed by conservative elected officials who refer to the Social Security trust fund as an asset instead of the liability it really is, a \$2.9 trillion liability.

Congress needs to patch the holes in Social Security so that there are sufficient funds to pay out full benefits. Although it has not passed yet, the "Retirement Security and Savings Act of 2019" seems to be the frontrunner floating around Congress right now. It is not without controversy as it does not resolve the Social Security funding problem.

Dave

September Meeting Notes

Brown County District Attorney David Lasee spoke about his office and the criminal justice system in Brown County and Wisconsin. The State funds 14 attorneys in his office and the County funds two more. The office gets about 10,000 referrals per year and prosecutes about 2,000 cases. More attorneys and support staff are needed.

He is a member of the Brown County drug court. He represents his office in that capacity. Each of those treatment courts has staffing that includes a judge, the prosecutor, the defense attorney, a corrections officer from the Department of Corrections, probation case manager, and the law enforcement representative and the representative that works to provide support to the people that are members of those courts.

There are two different types of jail/prison inmates in Wisconsin. There are 23,000 people in our state prison population. There are another 13,000 people that are incarcerated in county jails. Jail is really intended to be short term stays. It's for either short term incarceration or

pretrial confinement. These are people who are awaiting trial or they're for people who are serving short term jail sentences for lower level offenses and misdemeanor offenses, or violating conditions of probation.

Minnesota has a prison population of about 11,000 and a jail population about half of ours. That is something we need to investigate. We have similar demographics and populations.

If you believe that we have 23,000 people incarcerated and 15,000 of them are there for possession of THC, that's simply not the case. Most of the people that are in the prison system are there for other reasons. Drug use can lead to different offenses. Drug use leads people to do some really crazy stuff. So you see people engaging in dangerous conduct as a result of their drug use or people who engage in violence or serious property crimes in order to support their drug habits.

Dave Nelson - Secretary

Thing That Make Us Wonder

In case you haven't been reading the papers or watching TV the past few months, 2020 will be a Presidential election year the results of which could result in major changes in this country. The media generally has been doing its best to influence the coming election with any articles and polls to their favor while beating the drums calling for impeachment as if that would make things better for all of us.

While polls are intended and useful for gauging public opinion as of a certain time, they can also serve as an influence to undecided voters. It depends a lot on who authorized and takes the poll in the first place. Although prepared by reputable firms who take pride in their accuracy, it is still best to vote for who you feel best for the

entire country, regardless of what the polls say.

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How does one become a whistleblower? They seem to have a lot of power while remaining anonymous. We all have gripes against the government or certain politicians who may think a little different than the rest of us at times but nothing like the efforts to impeach Pres. Trump brought about by an unnamed "whistleblower." We can understand the Democrats' dislike for the President, but is this the time or the reason to tie up our government with endless hearings and theatrics when there are many other pressing issues affecting all of us to attend to?

As I understand it, the Ukraine, what this is really all about, and represented a large chunk of Russia which broke off with some oth-

er countries and became independent a few years ago. Now Russia wants them back, even if it means going to war.

Unfortunately the Dems, who couldn't prove their charges of Russian involvement after the last Presidential election seem more obsessed with their agenda of disruption for the 2020 Presidential election.

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Many of you probably watched the recent debates between the Democratic candidates for President. While they all had ideas that could prove popular with voters, there was no mention from any of them about what to do about the National Debt which is now just short of \$70,000 for each and every U.S. citizen. Unpaid interest on the debt is compounded annually and added to the total

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October Meeting Notes

Several topics of taxpayer interest were discussed by the members present.

Richard Parins reported that he spoke with Representative David Steffen and his office regarding the proposal to move the remnants of the Reiss Coal piles just south of the Mason Street bridge to a site yet to be prepared at the current deconstruction site of the old Pulliam structure at the mouth of the Fox River. Richard mentioned to him that some of the coal using businesses have converted to natural gas. Richard questioned the wisdom of placing a known groundwater contaminant at the mouth of the main bay estuary which has already been partly removed as a functioning wetland and more as a cement producer and construction company depot. Using the site as a container depot/port is less polluting (maybe) and would continue to grow local to international trade. Lastly, there is an existing railhead to the old Pulliam site.

The proposed security entrance on the north side of the Brown County Courthouse was discussed. County Supervisor John Vanderleest has reported that no action has been taken, but a historical site review by the Wisconsin State Historical Society needs to be completed. No comment has been received from the Sheriff's Office. Supervisor Pat Evans agreed with the suggestion that the south side, already updated and added on, with more parking should be considered for the security entrance.

Glen Schwalbach presented a detailed state legislative update. As of October 14, 2019, the Wisconsin Assembly has introduced 549 bills and the Senate has introduced 500 bills. Nineteen including the Budget Bill have been signed into law by the governor. When the governor signs a bill, it becomes an Act.

Some samples of 2019 Acts are:

Act 7, which eliminates tax deductions for moving expenses for businesses that move out of the state.

Act 9, which is the Budget Bill and the most significant one. Governor Evers made a number of line-item vetoes which in those cases changed the intent of the legislature.

Act 14c, which limits the authority of the state, counties, cities, villages, and towns to regulate wireless communication facilities. This is the result of heavy lobbying by communication companies in anticipation of 5G cellular expansions.

Act 18, which requires the Department of Transportation to create an inventory of five highway projects for eventual processing as design-build projects. This is a pilot to consider this alternative in lieu of selecting design firms by qualifications-based selection and contractors by low bid. Some other states have tried design-build with mixed results.

Dave Nelson - Secretary

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along with the spending deficit from the current years spending.

Some the ideas presented by various candidates included forgiveness of student loan debt, free college tuition for all, free or low cost medical coverage or health care insurance for all, a \$15.00 minimum wage, more gun control, open borders for all who want to come here, easing of voting restrictions, and on and on. All proposals which sound good but could be costly to implement. Details for payment of

all these goodies can wait until after the election. Yah!

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According to a study by the Kaiser Institute, the average cost of family health insurance provided by employers to employees now exceeds \$20,000 annually, usually split between the two parties. If one carries their own insurance, it is likely somewhat more expensive yet. Any medical bills are covered by exclusions, etc., regardless of how paid, but at the expense of the patient.

Under any circumstances, the cost of even routine medical care, procedures, and prescriptions seems to have risen more dramatically than other cost of living items. I think most of us can agree the availability and quality of health services we receive is tops.

Heaven forbid, but is it possible that some medical providers have adjusted some of their rates with full knowledge that they will be approved due to government backed insurance?

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We have seen all kinds of protests discouraging people from buying coats and other articles made from animal fur. While we could agree that to raise an animal just to harvest its skin and fur is a bit cruel, but is it any different than raising cows or pigs, slaughtering them while they are in their prime, cooking and then eating them? Their hides are then used to make things like shoes, jackets, and briefcase's. Yes, it's a strange world we live in.

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According to Gov. Evers, et al, vaping is a dangerous substitute for smoking and should be outlawed while he has gone on record to consider legalizing small quantities of marijuana for "recreational" use and pain killers as other states have done.

While this could be an idea whose time has arrived, we would like to know more about the "other states" experiences, including the policing of sellers, conduct of users, and if it attracts new users to the habit or just makes being called a "pothead" more acceptable and legal.

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We all can take some of the blame for the destruction of the earth's atmosphere and resources. It's probably part of living in a civilized nation and modern technology. Is it possible that the

rapid growth of humanity is what will lead to our downfall?

I googled some numbers to think about. At the time of Christ, or year A.D. Zero, the earth's entire population was estimated to be about 170 million. Then as now, the most populous countries were China and India. It took about 1160 years for the population to double to 340 million, and until 1740 to double again to 780 million. Most of the earth's resources were still in place at that time and the word "pollution" was yet to be invented.

Despite a few wars, plagues, and natural disasters, there weren't a billion people on board until the early 1800's. It took until the late 1920's or so for the 2d billion to join the crowd, and billion #3 was added in about 1960. Estimates are that there are now about 7.7 Billion of us sharing available resources. The rapid growth in recent years can be attributed largely to our much longer life span but will leave many problems to be solved

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The Democrats and their allies are really serious about their campaign to impeach President Trump, and are starting to smell blood. If they are successful or not, or even keep promoting the issue it will likely make a mockery out of our entire system of government from top to bottom, and cause chaos which will be difficult to justify. The loser will

be the American people and their faith in our system of government.

We can all acknowledge the President has been an embarrassment at times, so have other more recent previous presidents, even those who haven't had a press corps putting a negative spin on their every word and action, and late-night "comedians" using him for hate material.

One factor which could complicate matters for better or worse if an impeachment trial materializes, it would be under the control of the senate. Also, the President's attorneys would have the power to subpoena and question anyone they want, which could cover a lot of material even the Democrats are trying to hide.

We can honestly assume that any president, including Trump, uses his advisors when making decisions, and picks or dismisses these advisors carefully. Also, he has information relative to National Security which does not necessarily have to be shared with everyone, especially hostile wannabees who think they can do things better.

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for Details.**

Articles and views appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We want to encourage discussion and input on current issues of taxpayer interest and invite your comments or articles suitable for future "TAX TIMEES." Please send them to the BCTA, P.O. Box 684, Green Bay, WI 54305-0684 or email BCTaxTimes@gmail.com

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It is more obvious daily, and should be no secret to anyone, that the real goal is power, and the imposition of an agenda America really doesn't need and definitely can't afford.

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"Political Correctness" is a fairly new and unwritten law of the land, whether we always abide by it or not. Sometimes it seems to go just a little too far.

A while back a group of citizens identified over 200 Wisconsin high schools using what they considered to be "offensive" nicknames for the mascots of their athletic teams, claiming they were exclusively related and offensive to Native American culture. They asked the schools change the names accordingly, which many did, even though they claimed no harm and in many cases considered it to be an honor.

Recently, it was disclosed that about 80 schools in the state were still using Native American mascot names, and those remaining are under pressure to do so. Some made changes acceptable to the group while others are still holding off.

This all raises questions to wonder about. #1-Although many of the names considered "offensive" were selected generations ago, and in good faith, the thought police objected, and today it is more important than ever to be careful when picking a name for a mascot, business, or whatever so as not to offend anyone. #2-While High School mascots were an easy target, and Native American words the subject, there are plenty of lakes, streams, landmark, even counties and municipalities throughout Wisconsin whose name must offend someone and #3-If this issue is so important, when are Kansas City and D.C. ever going to change the names of their NFL teams?

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Gov. Evers has been busy reworking the State Budget and whatever else he could get control of in order to install his agenda in Wisconsin. For example, he reportedly wanted \$2.5 Billion for building programs, including \$1.1 Billion for improvements at UW campuses, with \$1.4 B for other building projects around the state.

Trouble is, the budget presented the new Governor only provided for about a third of his ambitious plan which meant delay, cut back, borrow, seek donations, or raise taxes. Take your choice. In the meantime, our highways keep getting worse and our prisons more crowded.

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This is the time of year when our local governments present their budgets for next year's spending. We know they all realize what a burden taxes are for many people. Budget meetings are always held to answer any questions.

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As usual, plenty of things to wonder about.

"Things That Make Us Wonder" come from thoughts which come to mind while reading the daily news or watching TV. We use reliable, published information and statistics. Some items are unimportant and commenting about while others could be expanded to full length feature articles worthy of additional to protect our interests as taxpayers. We try to cover a wide number of topics in a limited space and perhaps a different spin on items from what you read in the papers or see on TV.

We acknowledge that our perspective of some items may contrary to views of our readers. One of our purposes is to encourage discussion and comments or suggestions are always welcome.
Jim Frink - BCTA

"Government does not solve problems, it subsidizes them."
Ronald Reagan

"I don't know jokes. I just watch Government and report the facts."
Will Rogers

Monthly Meetings @ The Village Grille

Monthly meetings are held at **The Village Grille, corner of Hoffman and East River Drive, Allouez.** The location has no stairs or steps, convenient parking, and a room to better accommodate speakers and conversation. There will be three selections from which to choose lunch - each one will be priced at \$12 (including tip.) Lunch is at 12:00 noon with monthly speakers presenting.

The TAX TIMES

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Meeting Location

The Village Grille, Allouez

BCTA Meeting and Events Schedule – MARK YOUR CALENDARS.

Nov - Dec 2019

- Thursday - Nov 21, 2019** BCTA Monthly Meeting.
12:00 at The Village Grille, Allouez
**Speaker - Darrel Carlson and/or Kevin Nicholson
from No Better Friend, Inc.**
- Thursday - Dec 19, 2019** BCTA Monthly Meeting.
12:00 at The Village Grille, Allouez
- Thursday - Jan 16, 2019** BCTA Monthly Meeting
12:00 at The Village Grille, Allouez
Speaker - Brett Healy, President MacIver Institute

BCTA monthly meetings are held the Third Thursday of each month, 12:00 Noon, at , at The Village Grille, Allouez.

Meetings are open to the public. BCTA Members, their guests and other interested parties are cordially invited to attend and participate in our open discussions.

COST: \$12.00, Payable at meeting. Includes lunch, tax & tip.
Call Tom Sladek – 499-7701 for information or to leave message.

