IN ACCORD

AMERICAN
CITIZENS
COMMITTEE
ON
REDUCING
DEBT

INSIDIOUS
CHILD ABUSE

Winter Extra - 1991-1992

(Reprint)

WE GREEDY UNGRATEFUL GEEZERS

I'm 67, and I'm ashamed of my generation.

Americans who grew to adulthood around World War II - those of us who escaped disability or death in the war - are arguably the luckiest group of people in history.

During the 1950's we were the beneficiaries of an incredible half of the world's industrial output. Only with the emergence of OPEC about 1973 did a significant decline begin.

We are children of the Great Depression, when most of our parents generally condemned those "on relief". Yet we shamelessly accept the charity of our working youngsters for outpatient medical care which they're not eligible for.

Even worse, that charity is in the form of debt for future generations, without so much as an "I.O.U." from us. Obviously we won't be here to repay it. But we can pay as we go. We are relatively more affluent than the working generation.

Some of us are not at all affluent and this criticism is not directed at them.

But most seniors I know have more financial ease than in their working years, particularly those years when their children were growing up.

Oh, we may have smaller incomes, but our perceived "needs" are more modest, our possessions are largely paid for and many of us no longer feel the need to "save more money for our old age".

My youngest grandchild, Jenna, was born in 1990. At age 25, in 2015, she and two other workers - if she is in the work force - will be supporting one retiree. At about age 45, around 2035, there will be only one other worker to help her support that retiree. The baby boomers will have all retired.

When Jenna retires, about 2055, will there be someone to support her retirement?

Let me explain:

In 1967, the President's Commission on Budget Concepts recommended that trust funds and general funds be consolidated. This "unified budget" has the effect of swallowing up trust fund surpluses - needed for creating retirement reserves -thus making general fund deficits appear smaller.

The Social Security deductions from your paycheck are trust funds, supposedly earmarked for your eventual retirement benefits. But the accumulations are invested in government securities, which is the same as saying that they are loaned for general government operations.

If you lend your money to someone who must borrow to survive, then he or she must borrow more to repay you.

Last October the Treasury Department reported that the federal government took in 269 billion dollars less than it paid out in the 1991 fiscal year ending September 30.

But the Monthly Statement of the Public Debt of the United States, equally official, showed that the public debt of 3.665 trillion dollars as of September 30 was 432 billion dollars greater than it had been one year previously.

If we were counting the same things, the 269 billion dollar deficit and 432 billion dollar increase in debt should be identical. The deficit is reported in a manner advantageous to the government and we won't get into the intricacies.

But the major element is the expropriation of about 125 billion dollars - the 1991 residue of trust fund revenues, after pay outs.

The increase of the debt in our current 1992 fiscal year appears headed for a half trillion (500 billion) dollar figure.

(Continued)