

# Bumbling Baby Boomers

By [The Mogambo Guru](#)

04/18/05 Although the Social Security crisis has caused countless debates and much serious thinking, the Mogambo Guru points out that this is by no means the country's biggest problem – if it's truly a problem at all...

Nursing a killer hangover and flipping through the TV dial in my boredom, I ended up watching C-SPAN 2, which is this strange television station that shows what is supposed to be the floor of the U.S. Senate, and they have these actors portraying elected officials in this weird format where everybody is a nitwit.

In this episode, I vaguely remember watching what is, I assume, a formal debate between two Republicans and two Democrats about the Social Security "crisis." It was painfully obvious that the Democrats, as is their brain-dead wont, are idiots, and they do not have the slightest comprehension of the issue, or, if they DO have the slightest comprehension of the issue, are not the least bit embarrassed to conceal the fact. The Republicans, although they were much more well-informed as to the problem, are equally moronic about how the stock market works, as is a crucial tenet of the Social Security Privatization, for which they are so hot to get passed into law.

## **The Social Security Surplus: This Is a Crisis?**

To clear this up, the Mighty Mogambo (MM) will take some of his precious Mogambo Time (PMT) to explain that the "crisis" in Social Security is that the Congress is aghast that they will have less and less money to spend on their collective idiocies for the next 45 years. This is because the Social Security tax (and it is a tax, regardless of what anybody tells you) to fund the Social Security welfare program (and it is a welfare program, no matter what anybody tells you) produces more than enough money to fund this welfare program for the next forty or fifty freaking years! They all agree on this one point. This is a "crisis?"

Now, for normal people like me, a "crisis" is something bad that is either happening right now (such as my wife banging on my head with a skillet, screaming "Maybe this will knock a little sense into your damn thick head!"), or a crisis is something bad that will happen very soon (such as my wife planning to hit me on the head with a skillet as soon as she gets back from the kitchen with it). So Social Security, for the next forty or fifty years is in fine shape, which is more than you can say for me. Or the skillet.

But this is not about me and my comic misadventures with kitchen cookware. So, and follow closely here, I swerve to get us back to the topic, and reiterate that more money is coming in from SS taxes than is needed, and money will continue to come in for, as we recall from a previous paragraph, the next forty or fifty years. But Congress takes the rest of the money, calls it a "surplus," and spends it on their collectivist/socialist stupidities! Thus, a surplus is reduced to, in round numbers, zero! It's all used up! But they act as if there is actually some money to "protect!" Hahahaha! I told you this was funny stuff!

Like waking up in the morning and looking in the mirror, this is the ugly fact of the matter: The Social Security debate is NOT about saving the Social Security welfare program in the future by boosting some mythical "credit balances" in the "trust fund," because there is no freaking money in the trust fund and there never will be. Some is spent by giving it to the current Social Security beneficiaries, and the rest is spent by Congress, which thinks that (and this is proof of their incompetence) because they put a "special IOU" in the "trust fund", that it is as good as money! Hahahaha! Even President George Bush, who has every incentive to lie, admitted, "The trust fund is just an empty IOU, just a piece of paper. You pay your payroll tax; we pay for the people who have retired, and if there's any money left over, we spend it on government. That's how it works."

So where is the crisis? The "crisis" is, therefore, that this glorious "surplus" will be gradually reduced, year after year, as more and more seniors start collecting their Social Security welfare checks, and fewer and fewer workers contribute a larger and larger portion of their wages. At this point, if you think that this is still not a crisis, then you are right! Allow you gaze to follow the Mogambo Pointing Finger (MPF) to the real "crisis", which is that the Congress will then have less and less to spend on themselves, their friends, and their socialist idiocies, as year after year they will have even less and less to spend. Then, finally, after the forty or fifty years have passed, they will have nothing, zero, zip, zilch to spend, because that is when the "surplus" disappears.

### **The Social Security Surplus: Where the "Surplus" Went**

The problem is that erstwhile "surplus" was not spent on a pleasant day at the beach. No, it was spent on creating enormous, permanent programs, all staffed by people who went out and bought houses, and are raising families because they think that this program is permanent, and there is also a whole cohort of the "private" economy that is selling goods and services to these programs, and all of THOSE people went out and bought houses and are raising families because they, also, think that the programs are permanent. But it is impossible to keep these programs permanent when you know you will have less and less money coming in.

On the other hand, the idea to force personal savings accounts down the ravenous maw of the gluttonous American population is a blatant attempt to force people to put money into the stock and bond markets. And it will be done, one way or the other. If we do not, then these two ridiculously overpriced markets will "revert to the mean" and fall to their true values, which would wipe out the entire American economy, as financial services and government ARE the economy nowadays.

So, when you cut through the lies, stupidities and outright frauds, the entire "Saving Social Security" exercise is to 1) get at least the same, and hopefully more, money for the Congress to spend since the Social Security program will be throwing off smaller and smaller "surpluses", and 2) funneling lots of money into the financial services sector of the economy, since it already produces 40% of the corporate earnings in the whole freaking country. That is all there is to it. Simple, huh?

Even AFL-CIO President John Sweeney criticized the Bush privatization plan, calling it "a risky scheme for America, but a sure bet for the financial services industry."

## **The Social Security Surplus: The Stupidity of the Baby Boom Generation**

But it is also another blistering indictment of the stupidity of the Baby ("We Love Everybody!") Boomer generation, as once again try and pump up the economy via mandating that people put more and more money into retirement plans, so that we can get a little short-term pleasure from watching our assets go up in price, and maybe that will make our houses go up in price, too, so that we can take some of that additional equity and borrow it, which we will because interest rates will be low, low, low as a result of our buying so damned many bonds with this forced investment, then we can take all that wonderful, glorious money and go shopping! And we will buy more consumables and gobble them up, gobble gobble slurp!

How embarrassing to be a Baby ("It Takes A Village") Boomer.

From another perspective, namely the Up Close And Personal view, Social Security is like when I tell my kid to get a paper route and start making some money mowing lawns and babysitting somebody's brats. And I will, as the benevolent father who loves her and wants to protect her, will take – poink! – a sixth of everything she makes, off the top. She starts yelling and screaming, "Mom! Daddy took a sixth of my money, and he won't give it back!" and so my wife yells up the stairs for me to give the money back, and so I go out into the hall and patiently and calmly explain my terrific new plan to Save Our Daughter's Future, which I cleverly call The Mogambo Plan To Save Our Daughter's Future (MPTSODF), by yelling back, "Shut yer hole, ya crazy old bag, before I come down there and shut it for you!" Which was apparently the wrong thing to say, because the next thing I know, I hear shells being loaded into a pump 12-gauge shotgun and she is yelling, "You stay right there, mister! I have had all of the Mogambo crap I am going to take!" Deciding to test whether the window is a good emergency fire exit, I quickly found myself outside, and so I went to the bar and had a few rounds, and then everything started looking better. I wrote an IOU on a bar napkin, which I thought was really poetic in its own way, but I probably won't get any credit for THAT, either!

But sitting there on that barstool, hour after hour, gave me time to think about how I will tell them that I am taking this money ONLY to save it for her college and eventual retirement, and how this is in her best interests, and how everything will be wonderful, if you trust me. I mean, I give a little of the money to her older sister, who is obviously closer to needing an education and a retirement, and the rest I spend on myself and my hoodlum friends. But instead of admitting that I am stealing her money outright, because it sure as hell LOOKS like I am stealing her money outright, and since everybody knows the kind of dirty, treacherous back-stabbing gutter-rat that I really am, I will leave the aforementioned IOU in the piggy bank! Then it will NOT be stealing, see?

Then when she gets ready to go to college, and she looks into the piggy bank, and all that is in there are these IOUs that smell like stale beer and cigarette smoke and one of them has the phone number of someone name Trixie written in lipstick, which is a lot harder to explain than you would think. Then, when she is grown and banging on the door, shouting, "Daddy! Wake up! Where is all my money?" then all I have to do is tap her younger sister on the shoulder, hustle her lazy butt out the door to get a paper route, pick up some extra money mowing some lawns, and babysitting somebody's brats. Then I will take a FIFTH of HER earnings, which is more

than enough to pay back some of the IOUs, and there is still plenty still left over for me to spend on myself and my hoodlum friends! Whoopee! And then I can take my new-found expertise onto the campaign trail, so that I can get elected as a Congressman from one of the blue states, which actually believe this kind of crap, and then I can parade around and explain how I want to Save Social Security by doing this exact same thing, and everyone will love me, and re-elect me year after year after year.

Regards,

The Mogambo Guru  
for The Daily Reckoning