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Democrat tells truth about Social Security trust fund; Now let's discuss real reform, says Harry Browne

WASHINGTON, DC — A top Democratic politician has done the unthinkable: He has admitted that there is no Social Security trust fund — the system is effectively bankrupt.

Bravo, says Harry Browne, the Libertarian Party's 1996 presidential candidate.

"Finally, a politician who admits that the emperor has no clothes — and that the fraudulent, dying Social Security system has no money," said Browne. "Perhaps now we can start talking about real solutions."

In a discussion last week about the Social Security trust fund, Senate Democratic Leader Thomas Daschle (SD) admitted that "there is no such fund per se."

The confession was shocking because politicians claimed for years that Social Security was solvent thanks to that trust fund — which stockpiled surplus revenues to pay recipients when the system moves into the red in 16 years.

"But Daschle admitted what every economist knows: The trust fund is nothing more than a pile of IOUs *from* the federal government *to* the federal government," said Browne.

"Keep in mind, the Social Security administration spends almost every penny it takes in, as fast as that money comes in. And, in 2012, when revenue no longer covers expenses, an economic meltdown will occur," he said.

Why? "Because politicians use the surplus Social Security revenues to fund other government programs," said Browne. "In exchange, Social Security gets Treasury bills, which it puts in the so-called trust fund. In 2012, Social Security will start cashing in those government IOUs. But the federal government has no money to pay those Treasury bills."

But there is a solution, suggested Browne.

"Perhaps Daschle's candid admission that the system is bankrupt gives us an opportunity to talk about real solutions," said Browne. "Perhaps it's time to admit that the *only* way to avoid the coming collapse is to get the government out of Social Security. As I proposed during my presidential campaign, we should sell trillions of dollars worth of unneeded federal assets to finance the liquidation of Social Security through the purchase of private retirement annuities for senior citizens," he said.

"Daschle's comments provide a window of opportunity to start talking about real solutions," said Browne. "But the economic time bomb is ticking — and we need to act now. A privatized retirement system is the *only* way to put the trust back into America's retirement trust funds."

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