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White Paper on Social Security Reform

CLARK
PRESIDENT

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CLARK PRESIDENT

To the Reader:

If there is any issue that demonstrates the utter failure of the Establishment politicians to come to grips with the real issues, it is social security. There are hard choices to be made on social security, but all we hear from the three Establishment candidates is the same tired rhetoric of past campaigns.

The fact is that the social security system is bankrupt. The Commissioner of Social Security reported in June that even under the most optimistic economic assumptions the system will run out of money in 1982. The so-called trust fund has only enough money for three months worth of benefits. Clearly, it is time for major reforms of the social security system.

But what proposals have we heard from my opponents? Jimmy Carter, whose social security tax hike was the biggest tax increase in American history, has proclaimed his devotion to the social security system, refusing to address the system's problems. He has condemned Ronald Reagan for having said -- 16 years ago, in a flight of rhetoric -- that social security should be voluntary. And Reagan, that self-proclaimed supporter of free enterprise, has responded by denying that he wants to give individuals any freedom of choice with regard to their retirement plans. Instead, he has joined President Carter in ignoring the system's problems and promising -- without any acknowledgment of the difficulties -- that he will keep the system solvent. John Anderson, who professes to be the candidate of ideas who will talk straight to Americans about the hard choices facing us, has refused to acknowledge the hard choices on social security.

The American people deserve better. It is time someone had the courage to speak honestly about social security.

There are no easy answers to this problem. Candidates who pretend otherwise are misleading the American people. But there are answers; and the Chairman of my Task Force on Social Security, Peter Ferrara, has come up with a workable, practical program that I am pleased to endorse.

Under this program every American currently in or near retirement would receive all the benefits he or she currently expects from social security. Taxpayers under 40 would be freed from further social security taxes and would no longer be eligible for social security benefits. They would be able to take the amount they would have otherwise paid in social security taxes and invest it in individual retirement accounts. These accounts, like present day IRAs, would be tax-exempt. These accounts would provide better retirement benefits than social security promises.

This is the only program any candidate has proposed that solves the real problems of the social security system. I challenge my opponents to explain how they would meet the system's obligations in any other way. The American people should demand such answers.

Sincerely,

Ed Clark

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