

OPINIONS & LETTERS

## ECONOMIC POLICY OR FISCAL IDEOLOGY?

By Alon Barlevy Ph., Vice President, Hubert H. Humphrey Democratic Club

**R**emember the 2000 presidential campaign? Yes, the good old days when the campaign was about what to do with the record surpluses we had. At the time, candidate George W. Bush called for tax cuts, not to stimulate an economy already at record highs, but because surpluses were (by his definition) government's over-taxation of its citizens.

Now in Bush's second term, the Republicans are continuing to pretend that they have an economic policy in place. This time, an economic policy for saving Social Security. As usual, they are not employing any economic policies, but rather a fiscal ideology of starving Social Security of much-needed funds in order to reduce this government program (a program that

### COLUMN LEFT

After getting Congress to pass three huge tax cuts (with the majority of the tax cuts going to the top 1% of wage earners), Bush has turned record surpluses into record deficits. So does that mean he would like to raise taxes because the government is now under-taxing its citizens? No, of course not, as the over-taxation argument during the surplus was nothing more than a smokescreen.

Bush and his Republican allies do not really believe in an economic *policy*, whereby they would adjust the policy based on the state of the economy. They are guided by an *ideology* whereby they want the government to be as small as possible (eliminate all the departments, except for the departments of State, Defense and Justice). What better way to reduce the government, than to cut off its lifeblood - money, which is raised through taxes.

In order to sustain the smokescreen and create the illusion of having an economic policy, they had to change the reason for the tax cuts. The "returning over-taxed money" reason metamorphosed into "stimulating the economy," a stimulation that the economy has yet to see.

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While conservatives truly believe that the plan to privatize Social Security is what's best, they have already conceded that their privatization plan does not address the fundamental problem of Social Security paying more money out in benefits than it collects in taxes when the baby-boom generation goes into retirement. In fact, the current privatization plan only exacerbates the problem, as the transition to private accounts for future retirees will immediately take away money from current retirees - instantly sinking Social Security into deficits.

Just as with the tax cuts, the Republican plans for Social Security are not based on economics, they are based on ideology. Namely, that government is either evil or inept (perhaps both), so individuals should not trust it to handle their retirement money.

Mr. President, please do not attempt to fool the American people. Do not call your plan to privatize Social Security a plan to *save* Social Security. Call it what it is: a plan to *phase out* Social Security and replace it with a government-mandated IRA.

## Text if Article

Economic Policy or Fiscal Ideology?

Alon Barlevy, PhD.

Vice President, Hubert Humphrey Democratic Club

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