



Sparing Entitlements

BY ROBERT B. REICH
Tribune Media Services

The president and a few other prominent Democrats are openly suggesting that Social Security payments be reduced by applying a lower adjustment for inflation, and that Medicare be means-tested.

This is even before Democrats have begun formal budget negotiations with Republicans — who still refuse to raise taxes on the rich, close tax loopholes the rich depend on (such as hedge-fund and private-equity managers’ “carried interest”), increase capital gains taxes on the wealthy, cap tax deductions or tax financial transactions.

It’s not the first time the administration has led with a compromise, but these particular pre-concessions are especially unwise — economically and politically.

Consider the economics. The Social Security fix the administration is touting — technically called a “chained CPI” for an alternative way to compute changes in the Consumer Price Index — is based on the common-sense notion that when prices rise on certain products, consumers switch to lower-cost substitutes. If steak becomes more expensive, for example, some will switch to hamburger.

According to this view, when it comes to adjusting Social Security payments for inflation, retirees don’t really need as much of an increase as they’ve been getting — since, like most people, they can just substitute lower-cost products.

But this leaves out a major piece of reality. Unlike most other Americans, seniors pay 20 percent to 40 percent of their incomes for health care. They can’t switch to lower-cost alternatives because they either don’t exist or seniors aren’t in a position to shop for them.

In addition, health-care costs have been rising much faster than inflation. So even the inflation adjustment now utilized for Social Security underestimates how badly inflation is eating away at the meager savings of most seniors.

The fact is, Social Security is more important than ever. Private pensions providing a certain monthly benefit have all but disappeared. The homes many retirees had assumed would become their nest eggs when they stopped working are worth far less. Most retirees haven’t saved nearly enough — which is why so many people are postponing retirement (and clogging the pipeline for younger people).

Social Security is just about the only thing many seniors can count on.

Social Security isn’t even responsible for the budget deficit. It’s been in surplus for decades. Those surpluses have been used by the federal government to pay its other bills.



Robert REICH

The Social Security trust fund could be flush for the next 75 years with only minor changes that wouldn’t reduce payments to seniors. A simple fix would be to raise the ceiling on income subject to Social Security taxes. That ceiling is now \$113,700.

Given how much income and wealth have now concentrated at the top, why not get rid of the ceiling altogether and exempt the first \$15,000 of income from Social Security payments?

The case against “reforming” Medicare by reducing benefits flowing to higher-income beneficiaries is almost as weak.

The only way to reap significant savings from “means-testing” Medicare would be to cut benefits that would otherwise flow to many middle-income retirees. But these people are almost as vulnerable to rising health-care costs as are lower-income retirees.

Means-testing Medicare also runs the risk of transforming Medicare into a program for the “less fortunate,” which would undermine its political support.

Besides, Medicare isn’t the real problem. Medicare costs are projected to soar because overall health-care costs are rising so fast.

Medicare’s administrative costs are a fraction of those of private health insurance. So rather than think of Medicare as the problem, it could be part of the solution. Medicare for all, or even a public option for Medicare, would give the program enough heft to demand that health providers move from a fee-for-service system to one that paid instead for healthy outcomes.

With health-care costs under better control, retirees wouldn’t be paying a large and growing portion of their incomes for health care.

Social Security and Medicare are the most popular programs ever devised by the federal government — and among the most successful. Together, they have dramatically reduced poverty among the nation’s elderly, one of the great triumphs of modern times.

Yet ever since Social Security’s inception in 1935 and Medicare’s 30 years later, Republicans have been trying to get rid of them. If average Americans have trusted the Democratic Party to do one thing over the years, it’s been to guard these programs from the depredations of the GOP.

Why should Democrats now lead the charge against them?

Robert Reich, former U.S. Secretary of Labor, is professor of public policy at the University of California at Berkeley and the author of “Aftershock: The Next Economy and America’s Future.” He blogs at www.robertreich.org.

A Monument To Reconciliation

BY KATHLEEN PARKER
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CAMDEN, S.C. — It isn’t often that one gets to hear both the strains of “Dixie” and an African drum concert in the same public square. Nor, usually, are statue unveilings the riveting stuff of storytelling.

That is, unless one happens to be in the oldest inland city, population 7,000, of one of the oddest little states in a nation of oddness.

The unlikely combo of a brass band invoking the rebel anthem and a couple of dreadlocked musicians pounding drums provided the soundtrack for an Easter weekend unveiling of life-sized, bronze statues celebrating two Camden-born national figures — African-American baseball legend Larry Doby and Jewish financier and presidential adviser Bernard Baruch.

The two men, an unlikely twosome not so long ago, both transcended racial and ethnic challenges that provided inspiration for subsequent generations.

Baruch, born in 1870, urged racial and religious understanding and counseled six presidents across party lines, setting an example few today seem willing to follow. Doby, born in 1923, conquered racial barriers by becoming the first black baseball player in the American League (for the Cleveland Indians) and the second African-American manager in baseball history (for the Chicago White Sox).

The sculpture featuring the two statues, brilliantly crafted by local artist Maria Kirby-Smith, is aptly titled “Reconciliation.”

The ceremony was a feast of ironies, cognitive surprises and the sort of historic gestures that permit respite from the political cynicism that dominates our day. The lineup of native-born speakers was its own commentary on the status of South Carolina’s evolution and quest for reconciliation, including businesswoman Darla Moore. Real leadership, said Moore, doesn’t happen in Washington or the state capital but in communities such as Camden where citizens embrace diversity “as a force to improve quality of life for all citizens.”

It wasn’t always so, of course — and some would argue that it isn’t yet — but art often expresses what we aspire to, and symbolic gestures count for something. Legislated correctives can do only so much in the service of racial equilibrium without the voluntary assent of willing neighbors.

The two statues, commissioned by local benefactors John and Anne Rainey, are such a gesture. Strategically placed along the town’s main drag, they depict Doby



Kathleen PARKER

standing behind home plate autographing a baseball for Baruch, who is seated a few feet away on a park bench, his favorite perch for contemplation.

John Rainey began his own remarks with none other than Robert E. Lee. Oh dear. Must we Southerners always invoke the leader of the Confederacy’s army? But Lee had something to say about the future and reconciliation, and these were on Rainey’s mind.

Rainey recounted that after the Civil War, while president of Washington College (now Washington & Lee University), Lee urged one Southerner: “Madam, don’t bring up your sons to detest the United States government. Recall that we form one country now. Abandon all these local animosities, and make your sons Americans.”

Almost a century and a half later, these words sound freshly minted and aimed at a state where the tea party thrives. Lee the conciliator likely would be disappointed by today’s rancorous rhetoric, which Rainey placed at the feet of “most of our leaders in the South since the end of the war, and you know who they are.”

“They have not adhered to Lee’s warning or followed his example, but instead have based their politics on division and disrespect. ... They have failed us.”

Rainey, a Vietnam vet, attorney and Republican activist, who once marched to protest the Confederate battle flag atop the state’s capitol dome, has the bona fides to speak of Lee’s legacy. A great-grandson of two Confederate soldiers who surrendered at Appomattox, he also is kin to a signer of the South Carolina Ordinance of Secession.

Who better to lead the charge for reconciliation than a descendant of those who started this fine mess? What will it take for South Carolina to gain recognition beyond comedians’ punch lines and the state’s benighted, racist past?

Let’s see, says Rainey, mentally checking diversity boxes: Gov. Nikki Haley is of Sikh Indian descent. U.S. Sen. Tim Scott, who spoke on behalf of Doby, defeated the sons of Strom Thurmond and former Republican Gov. Carroll Campbell for a seat in the U.S. House of Representatives. Scott is the first African-American senator from the South since Reconstruction.

We still have a way to go, but the old Southern stereotypes don’t fit as well as they once did. Reconciliation, like evolution, is a process, not an event. And the band wasn’t just playing “Dixie.”

Kathleen Parker’s email address is kathleenparker@washpost.com.

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OPINION | OUR VIEW

Neb. Bill Addresses Climate Change

Several lawmakers in the Nebraska Legislature want to do something that is rather intriguing and, we would say, commendable. They want to understand climate change. Let’s be clear on this point. That desire does not reflect a political stand, which this topic all too often seems to generate. Instead, they want to know what’s going on with our climate and how it may impact Nebraska.

A bill was introduced recently in Lincoln that calls for the creation of a state climate-assessment commission to come to grips with the wild weather patterns and what they could possibly mean to the state’s economic future.

Given what Nebraska has seen in recent years, the curiosity (shall we say) is understandable. Last year alone, Nebraska was racked by wildfires as a historic drought settled in across a large swath of the nation.

It could be easy — and it may yet happen — to derail this bill and/or this conversation with climate change denial, which has practically become a political industry in some quarters. We suspect that any opposition to this measure will readily tap into this skepticism.

But that’s actually putting the cart well in front of the horse, so to speak.

This proposed commission will study what is already happening and assess the potential impact.

“What we want to ask is, ‘What does science say?’” said Sen. Ken Haar of Malcolm. “We have to make our own choices in this state, but climate change will likely have an impact on the temperature in Nebraska and the water that we get from the Rockies.”

And that’s just for starters. Without question, our weather patterns have been undergoing changes in recent years. You’ve all at least heard about the heat records that have been set almost annually around the world. You are well aware of the outbursts of extreme weather that have appeared in many places — indeed, we’re living through one such extreme right now. We are also seeing the impacts of these weather trends.

On one hand, the cause of this extreme weather is important to know so that we may act accordingly.

But on another hand and at a more local level, the cause is practically irrelevant. What’s more pressing is the impact of this extreme weather.

And that’s what this commission would investigate. After all, it’s only Nebraska’s economic foundation at stake.

This idea is well worth pursuing, and not just in Nebraska. South Dakota would also benefit from such an investigation, if for no other reason than to give us a vision of what may come and some ideas of how we can adjust for it. (Frankly, when the *Press & Dakotan* posed this question to local legislative candidates last year during the election, some of the responses came off as disinterested or dismissive of the whole notion.)

Whatever the reason for the weather, the key is trying to understand it all — and especially, what it may mean for us.

The Nebraska lawmakers are on the right and prudent track. Let’s hope they can see this measure through to reality.

kmh

TODAY IN HISTORY

By The Associated Press

Today is Wednesday, April 3, the 93rd day of 2013. There are 272 days left in the year.

Today’s Highlight in History: On April 3, 1973, the first handheld portable telephone was demonstrated for reporters on a New York City street corner as Motorola executive Martin Cooper contacted Joel S. Engel of Bell Labs using a Motorola device that, according to an AP story, looked like “a small, domesticated version of military walkie-talkies” and weighed less than three pounds.

On this date: In 1776, George Washington received an honorary Doctor of Laws degree from Harvard College.

In 1860, the legendary Pony Express began carrying mail between St. Joseph, Mo., and Sacramento, Calif. (The delivery system lasted only 18 months before giving way to the transcontinental telegraph.)

In 1869, Edvard Grieg’s Piano Concerto in A Minor, Op. 16, premiered in Copenhagen.

In 1882, outlaw Jesse James was shot to death in St. Joseph, Mo., by Robert Ford, a member of James’ gang.

In 1913, British suffragist Emmeline Pankhurst was sentenced to three years in jail for inciting supporters to bomb the home of the Chancellor of the Exchequer, David Lloyd George. (Pankhurst, known for staging hunger strikes in prison, was repeatedly released and reincarcerated, serving roughly 30 days total behind bars.)

In 1936, Bruno Hauptmann was electrocuted in Trenton, N.J. for the kidnap-murder of Charles Lindbergh Jr.

In 1942, during World War II, Japanese forces began their final assault on Bataan against American and Filipino troops who surrendered six days later; the capitulation was followed by the notorious Bataan Death March.

In 1946, Lt. Gen. Masaharu Homma, the Japanese commander held responsible for the Bataan Death March, was executed by firing squad outside Manila.

In 1948, President Harry S. Truman signed the Marshall Plan, designed to help European allies rebuild after World War II and resist communism.

In 1968, the day before he was assassinated in Memphis, Tenn., civil rights leader Martin Luther King Jr. delivered his famous “mountaintop” speech to a rally of striking sanitation workers.

In 1974, deadly tornadoes struck wide parts of the South and Midwest before jumping across the border into Canada; more than 300 fatalities resulted.

In 1996, an Air Force jetliner carrying Commerce Secretary Ron Brown and American business executives crashed in Croatia, killing all 35 people aboard.

Ten years ago: Moving with a sense of

wartime urgency, the House and Senate separately agreed to give President George W. Bush nearly \$80 billion to carry out the battle against Iraq and meet the threat of terrorism. Atlantic magazine editor Michael Kelly, 46, became the first American journalist to be killed while covering the Iraq war. Cuban security forces arrested the hijackers of a passenger ferry, rescuing nearly 50 hostages.

Five years ago: NATO allies meeting in Bucharest, Romania, gave President George W. Bush strong support for a missile defense system in Europe and urged Moscow to drop its angry opposition to the program. Model Naomi Campbell was arrested at London Heathrow Airport after getting into an altercation with police during a dispute about lost luggage. (Campbell was later sentenced to 200 hours of community service and fined 2,300 pounds.) Ohio State defeated Massachusetts, 92-85, for the National Invitation Tournament title.

One year ago: Mitt Romney tightened his grip on the Republican presidential nomination, sweeping primaries in Wisconsin, Maryland and Washington, D.C. In a speech to the annual meeting of The Associated Press, President Barack Obama accused Republican leaders of becoming so radical and rigid that even the late Ronald Reagan could not win a GOP primary if he were running today. Baylor finished off an undefeated season with an 80-61 win over Notre Dame in the NCAA women’s basketball championship game.

Today’s Birthdays: Actress-singer Doris Day is 90. Former German Chancellor Helmut Kohl is 83. Conservationist Dame Jane Goodall is 79. Actor William Gaunt is 76. Actor Eric Braeden is 72. Actress Marsha Mason is 71. Singer Wayne Newton is 71. Singer Billy Joe Royal is 71. Singer Tony Orlando is 69. Comedy writer Pat Proft is 66. Folk-rock singer Richard Thompson is 64. Country musician Curtis Stone (Highway 101) is 63. Blues singer-guitarist John Mooney is 58. Rock musician Mick Mars (Mötley Crüe) is 57. Actor Alec Baldwin is 55. Actor David Hyde Pierce is 54. Rock singer John Thomas Griffith (Cowboy Mouth) is 53. Comedian-actor Eddie Murphy is 52. Rock singer-musician Mike Ness (Social Distortion) is 51. Rock singer Sebastian Bach is 45. Rock musician James MacDonough is 43. Olympic gold medal ski racer Picabo Street is 42. Actress Jennie Garth is 41. Actor Jamie Bamber is 40. Actor Adam Scott is 40. Comedian Aries Spears is 38. Actress Cobie Smulders is 31. Rock-pop singer Leona Lewis is 28. Actress Amanda Bynes is 27.

Thought for Today: “Nothing spoils a good party like a genius.” — Elsa Maxwell, American socialite (1883-1963).

FROM THE BIBLE

Blessed is the man who remains steadfast under trial, for when he has stood the test he will receive the crown of life, which God has promised to those who live Him. James 1:12. Portals of Prayer, Concordia Publishing House, St. Louis

YOUR LETTERS

Needing Sporting Goods

Fran Johnson, Yankton

Attention Yankton and surrounding areas:

It’s that time of year again. It’s time to clean out the attic-garage-

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