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America's Future

Robert D. Kaplan's piece about Tucson, Arizona ("[Travels Into America's Future](#)," July *Atlantic*), was hostile in tone and content.

Tucson, with less than three percent unemployment, was portrayed as indifferent and uncaring, writhing at the bottom of the economic barrel. In fact next year we will struggle to find people to fill the jobs available. Over the past two years the city poured \$1.5 million into job training to supplement federal funds. Over the next five years \$15 million will be spent to enhance city neighborhoods. The city allocates \$1.2 million a year for free after-school and summer recreation programs to provide added supervision for our children. The total budget for children's programs, more than \$11 million, also includes summer job training for youths, library services, recreational sports, and special services for working parents.

National surveys include Tucson as a great place to live, and we are in the top one percent of U.S. cities in addressing the problems of domestic violence and among only fourteen American cities that offer first-rate companies in all four performing arts -- symphony, opera, drama, and ballet.

When I was asked to cite Tucson's most pressing problem, I suggested that it might be easy to tag water, transportation, or crime, but I believe that the disparity of income, with 20 percent living below the poverty line, is most daunting. We are well aware of our serious shortcomings.

George Miller
Mayor
Tucson, Ariz.

I just read Robert Kaplan's drive-by journalism about Tucson and Nogales and was shocked. I hardly think that a bus ride from Mexico City to Nogales qualifies him to make sweeping (and racist) assumptions about Mexican society, architecture, and character.

As for the Tucson portion of the article, Kaplan apparently never interviewed the real leaders and visionaries of the city. Instead he quoted idiots like Roy Drachman and David K. Taylor, and filled the piece with misinformation. Contrary to Drachman's assertion, downtown is neither dead nor dangerous and has one of the best restaurants in the United States -- Janos, created by Janos Wilder, who invented nouveau Southwest cuisine. There are more than twenty art galleries downtown, and not a single one caters to Western art.

Although the article was supposedly about the melding of Mexican and American cultures in Tucson, the only source of Mexican ancestry quoted is a supposed ex-gang member who doesn't even know that Barrio Hollywood and El Rio are on the west side of town, not the south side. As for the retired cop, Arturo Carrillo Strong (it's Carrillo -- not Carillo, as you misspelled it), to print his statements that fancy wrought iron on a Mexican's house means that it was built with drug money, and that all tire shops on the south side are fronts for drug operations, is so irresponsible that I wouldn't expect to find it in the *National Enquirer*.

Finally, Kaplan quoted at great length Emil Franzi, Jeff Smith, and John C. Scott, all certified nuts and local embarrassments. If Kaplan really wanted to discuss the relationship between Tucson and Mexico, why did he not interview easily accessible locals such as Raul Grijalva, a visionary politician who has long represented the south side; Salamon Baldenegro, who led the Chicano protest movement here in the 1970s and is now the head of the Mexican-American Studies Department at the University of Arizona; Alfredo C. Marquez, a U.S. district judge born and raised in a nearby mining town, who has been dealing with drug and immigration cases from the border for the past twenty years; Lina S. Rodriguez, another local from a nearby community who grew up in a working family to become one of our most respected local judges; and Joel Valdez, another local guy, who used to be the city manager and knows the problems of Tucson hands-on, not from some theoretical perch in the foothills?

Sean Bruner
Tucson, Ariz.

In "Travels Into America's Future," Robert Kaplan refers to the land dispute between the Navajo and Hopi tribes, stating, "It is the federal government that to this day keeps the peace between many Indian tribes."

In fact the federal government is responsible for the disputes that occur between the Navajo and the Hopi. The government designated the original Hopi and Navajo boundaries, which placed the Hopi reservation in the middle of the Navajo reservation. Many Navajo families have lived on what is technically Hopi land for generations. These people were undoubtedly unaware of the boundaries that were drawn by politicians far off in Washington (reservation lines were drawn and changed several times from the 1860s to the 1930s). In the 1950s coal was discovered beneath the Hopi reservation in the area populated by many Navajo families, and the federal government was prompted to enforce the exact demarcation between the Navajo and Hopi lines. Congressional legislation in 1974 authorized the removal of some 10,000 Navajos from land known to have been worshipped as their mother for generations. This decision, motivated by hopes of mineral wealth, is what has caused much of the dispute between the two tribes.

Christa Robertson
Tuba City, Ariz.

Robert D. Kaplan replies:

I do not believe that George Miller read my piece in context. My piece depicted Tucson as an example of America's bifurcation into two societies -- one global and upper-middle-class and increasingly free of the nation-state's constraints, as emblemized by Tucson's Catalina foothills; and the second stagnant and unable to compete in a global economy, as emblemized by Tucson's South Side. These two Americas talk less and less to each other, as evinced by the lack of contact I found between the South Side and the Catalina foothills. A glance at Tucson's downtown shows undeniably that it is hollowed out, as are downtowns across America. And many public spaces in Tucson are empty even in the cool and comfortable late-autumn weather. Though Mayor Miller's figures add texture to my own reporting, they are but footnotes to the continent-straddling forces I portrayed. The total amount of money he cites for alleviating the problems to which I alluded makes up about four percent of Tucson's city budget (\$724.7 million) for 1998-1999. The low unemployment figure is not as significant as Miller suggests, because many of the jobs emerging are in the

low-paying service sector. Also, the transient nature of Tucson's population -- which I wrote about -- means that many people without jobs simply leave Tucson, keeping unemployment in check. Federal and municipal job-training funds, apparently, will not encourage multinationals to hire locally rather than recruiting more-talented people overseas -- people who will become American citizens in the process.

Tucson, as I reported after interviewing a wide variety of its citizens, comprises a dynamic, multiracial, and transnational hub on one hand, and a poorer half melding with the problems of Mexico on the other. The detailed statistical portrait I drew was of a city with one of America's higher crime indexes and a median household income that has actually decreased over the past quarter century, even as, thanks to a global economy, untold wealth is on display in the foothills. Then there is the problem of water, which the development-oriented culture of Tucson, like previous civilizations in the Southwest that have come and gone, has yet to face up to.

Sean Bruner feels that a traveler has no right to comment on a place he passes through. But that is the essence of travel writing: to notice the obvious -- those characteristic, often uncomfortable first impressions that locals often miss precisely because of their familiarity and the psychological need to have a good opinion of the place one inhabits. I visited Tucson twice: once during my initial journey and once for backup reporting in late 1996. Concerning his comment on Barrio Hollywood, perhaps he did not notice that South Side was capitalized in the article: it is the local name of an area that is actually in southwestern Tucson. I apologize if I spelled someone's name with one "r" rather than two. Mr. Bruner's other remarks seem to me a bit hot-tempered. He calls one of the Southwest's leading real-estate developers, Roy Drachman, and one of Tucson's leading planners, David K. Taylor, "idiots." He calls two well-known local radio personalities and experienced political operatives, Emil Franzi and John C. Scott, "certified nuts." He belittles a former gang member of Mexican ancestry who has succeeded in climbing his way out of trouble.

The federal government's historical involvement in the Hopi-Navajo dispute is covered in my book *An Empire Wilderness*, from which July's cover story was excerpted. Still, were there no federal government, the uneasy peace between Navajos and Hopis could easily be threatened.

Social Security

Dean Baker's "[Nine Misconceptions About Social Security](#)" (July *Atlantic*) corrects some of those misconceptions but introduces arguments about the future of Social Security that merit further examination.

Baker says that "if Social Security benefits are left unchanged," the necessary growth in Social Security tax rates will be modest, because growth in workers' incomes will fund the increases in tax revenues necessitated by the increase in the ratio of retirees to workers. It is counter to historical experience, however, to expect that Social Security benefits per retiree will be left "unchanged" at their current levels rather than rising along with average wages. A democratic society is unlikely to freeze the absolute value of the benefits of the retired population as the incomes of the working population grow; it is more likely to raise them in step with the average level of workers' wages. Baker also implies that U.S. workers' incomes will grow faster in the future than they have over the past quarter century. The historical record makes me doubt that they will.

The Social Security payroll-tax rate necessary for the support of the retired population is determined by the multiplication of two ratios: the ratio of average retirees' benefits to average workers' wages, and the ratio of recipient retirees to taxpaying workers. To take a simplified example close to our current situation: Social Security benefits per retiree of \$10,000 and an average worker income of \$25,000 yield a ratio of 40 percent, and one retiree for every 3.3 workers yields a ratio of 30 percent; the resulting tax rate on wages is 12 percent (0.4×0.3). To finance current benefit levels with current demographics, the Social Security tax rate has risen from one percent at the inception of the program, in 1935, to the present level of 12.4 percent of wages (producing a slight surplus that goes into the Social Security Trust Fund).

Baker's assumption of no change in average Social Security benefits per retiree implies that several decades in the future -- when the average worker is earning more than \$40,000 a year -- we will still be spending \$10,000 a year per Social Security retiree. Highly improbable! If the present ratio of retiree's benefits to worker's wages were maintained at 40 percent, then the increase in the ratio of workers to retirees from 1:3.3 to 1:2 (Baker's numbers) would increase the required tax rate on wages from 12 percent to 20 percent (0.4×0.5), an increase of eight percent -- more than double the 3.6 percent Baker posits.

Further, Baker restricts his analysis to Social Security. Medicare expenditures per retiree are currently about half

those for Social Security benefits and growing much more rapidly than Social Security. Social Security and Medicare taxes are currently 15.3 percent of payroll and would increase to more than 25 percent even if current levels of Medicare expenditure were to be maintained -- because of the effect of the projected rise in the median age of the Medicare-eligible retired population. As payroll taxes to fund transfer payments rise, we could reasonably expect a decrease in participation rates (not to mention payroll-tax evasion), which would exacerbate the funding problem.

Baker notes (correctly) that it is the dependency rate -- the ratio of dependent children and retirees per worker -- that determines the tax burden on workers for education and retirement spending. He notes that this ratio was higher thirty years ago than it is now, and that a lower birth rate would reduce the number of children supported by each worker. He fails to note that we are increasing the number of years each child spends in school and increasing real expenditures per student, so that the tax rates necessary to fund education are increasing simultaneously with the burgeoning cohort of retirees.

Dean Baker has articulately exposed some myths about Social Security, the national debt, and the benefits of privatizing retirement. However, demythologizing bad arguments does not alter realities. The likely continuation of current policies for Social Security and Medicare expenditures (plus additional education spending) will combine with demography to produce a mathematical necessity for an increase in the tax burden to support the longer-lived and more affluent retired population and to educate the labor force that will be carrying the tax burdens in the next century.

Gordon Bjork
Claremont, Calif.

Dean Baker argues that the Social Security Trust Fund is not an accounting fiction -- that the bonds held by the fund are every bit as real and valuable as those sold to the public. If the trust fund and the Treasury were separate, unrelated entities, rather than parts of the same system, this argument would be unassailable. But we all know this is not true: in 1968 President Lyndon Johnson "unified" the federal budget by consolidating receipts from the payroll tax that finances Social Security with all other federal revenues.

One may ask, Why, if all money over and above current pension needs is being spent for other governmental operations, go through the charade of placing Treasury

IOUs in a fund? Why not face facts and admit the obvious -- that Social Security is a pay-as-you-go operation? How did the trust-fund idea come about anyway?

As the ideas for Social Security were being formulated, in early 1935, a debate raged as to whether to emulate the European plan -- pay as you go, with a small reserve to smooth fluctuations of income and outgo -- or to build something uniquely American on the model of annuity insurance. A government annuity would involve "full reserves" -- meaning that the contributions over the years would be sufficient to pay for the retirement years of the retiree.

True annuity status was never achieved. What evolved was sold to the public as being "like" an annuity, not as "being" one. Actually, Social Security is more like a private company retirement plan -- or a union pension plan -- in which the employee pays into the company-operated fund in return for promised benefits upon retirement. Like company pension plans of the past, it is subject to the whims (and possible abuse) of management (meaning Congress). Being regulated by Congress, Social Security benefits have always been greater than would have been possible with a private insurance annuity based on prevailing life expectancies and funds accumulated at the time.

The Social Security Trust Fund is no more than a way of keeping track of how much more today's workers have contributed to Social Security than has been paid out in pensions. It is, in fact, an accounting fiction.

Willard A. Redmond
Fort Wayne, Ind.

Dean Baker replies:

On the fictionality of the Social Security Trust Fund, let's look behind the semantics and examine the reality. The Social Security tax is a regressive tax on workers. Most of the federal government's general revenue comes from individual and corporate income taxes, which fall primarily on the wealthy. Over the past fifteen years the Social Security tax has deliberately been set higher than necessary in order to help defray the costs of the Baby Boomers' retirement. This surplus has been lent to the government, with the idea that the fund will be repaid with interest from general revenue. There is absolutely nothing improper about this transaction. In fact, nothing else could legally have been done with this surplus.

The problem arises if the fund is not repaid from general revenue. This means defaulting on the debt to the nation's workers. More specifically, it means a multi-trillion-dollar gift to the wealthy individuals and corporations who would otherwise be providing most of the needed tax revenue. I can understand why the wealthy would argue that the trust fund is an accounting fiction. If I borrowed a thousand dollars from my neighbor and gave him a promissory note, I might try to persuade him that it was worthless and he should throw it away. But he would be a fool if he followed my advice.

Advice & Consent

Having written a lot of other people's books, I'd like to put in a word for those of us on the laboring side of "The Writing Life," by Ian Frazier (July *Atlantic*). I'm speaking about ghosts, as-told-tos, small-type "with"s, unacknowledged sharers of noms de plume, and the rest of us who linger in the stables where writers of great expectations and small change wait in hopes of being harnessed to a bombshell of a book and exploding into the financial stratosphere. Let me tell you, Mr. Frazier: it's great.

I used to be a real writer myself -- the kind who nibbles the ends of pencils, has bags under her eyes, smokes and drinks and wears the haunted look of one pursued by words ("magnanimous"! "labio-palatial"! "metempsychotically"!). I never made much money, got good reviews at first, later got hardly any notice, eventually stopped being published. I was miserable, impoverished. Then I turned to hustling -- offered my prose for rent, by the hour, overnight, incognito, fetishistic, you name it, I'll do it. Made boodles, bought cars, clothes, and attention, traveled all over the world. It was great. Would I trade all that for being a writer?

You bet.

Kathrin Perutz
Great Neck, N.Y.

I would like to point out an error in the article "Sculptures in Leather" (July *Atlantic*), by Jane and Michael Stern. Sheridan, Wyoming, is not in the Big Horn Basin, which is on the other side of the Big Horn Mountains, west of Sheridan. Sheridan is on the western flank of the Powder River Basin.

I am a petroleum geologist and a former resident of Casper and Laramie. I am also an occasional leather-carving hobbyist, and I am truly in awe of the talent depicted in the article.

Donald W. Lane
Houston, Texas

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