

# Opinion

## GUEST EDITORIAL

### Will Iran 'behave' in wake of the latest deal?

**THE LAS VEGAS REVIEW-JOURNAL**  
**T**he on-again, off-again peace deal with Iran is on again. President Donald Trump is taking a leap of faith that the pact will normalize relations between the United States and Tehran.

The details remain murky, but reports indicated that American and Iranian leaders on Monday signed an agreement intended to end hostilities between the countries. Stocks soared on news that Iran would open the Strait of Hormuz and the United States would end its blockade, potentially freeing energy transport.

Iran's nuclear program, in particular — are not fully resolved and will be the subject of future talks, which could ignite additional conflict. Iran would have to also meet various conditions before the United States will lift sanctions or consider unfreezing billions in frozen assets. That makes sense.

Other potential roadblocks remain. Iran is apparently still seeking to charge tolls on the strait, something the United States should never allow. And, at this point, nothing short of U.S. military action will prevent Iran from exploiting access to the vital waterway in the future for political or economic gain. And absent a provision that Iran's proxies drop their attacks on Israel, the likelihood remains that the Jewish state will be forced to continue to defend itself, which will stress any peace agreement.

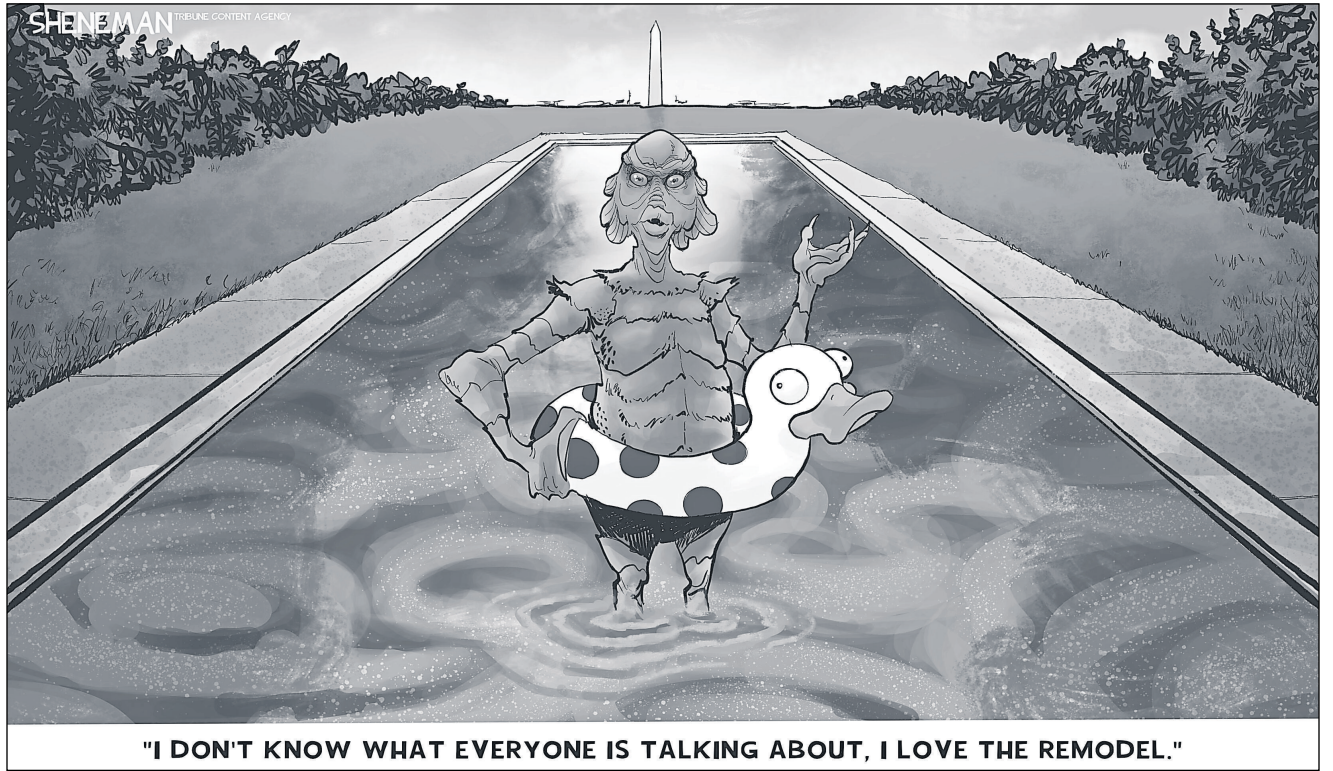
"I think they want to get it done," Trump said about

Iran, according to the Wall Street Journal. "This has never happened to them before. ... We'll see how they behave."

Ronald Reagan famously said, "Trust but verify." Any deal must incorporate this vital concept. Iran has historically failed to follow through on promises, instead simply stalling and buying time. Trump is banking on the fact that the damage done by U.S. and Israeli airstrikes, along with the American blockade, will provide an impetus for Iran to adjust its actions accordingly. There are signs to support this.

"The war against Iran has been a limited war, and its outcome is likely to be inconclusive," former Secretary of State Condoleezza Rice recently noted in Journal commentary. "But it has achieved enough to produce a far better Middle East. The three-month military campaign degraded Iran's ability to project power by significantly damaging its conventional forces, missile stockpiles and proxies." In sum, she concluded, "Iran is far weaker today than it was in February."

It's a credit to Trump that the U.S. and Israeli military action was undertaken with minimal loss of life for the two countries and successfully inflicted significant damage, weakening Iran's military capability and stunting Tehran's efforts to become a nuclear power. But the success of this deal will hinge on Iran's understanding that it risks additional attacks if it doesn't take future negotiations seriously.



### Needed — A bipartisan approach to fix Social Security

**O**nce again, the Social Security system's managers are warning that the nation's main retirement fund is running out of money so that, without action, benefits will have to be cut for millions of retirees.

We've ignored such warnings for many years, and it's been more than 40 years since something significant was done to bolster Social Security's viability. Now, the need to do so again is getting uncomfortably close.

The report said that, without action, benefits will have to be cut in 2032. That's just six years away, within the term of the next president — the one being elected in 2028.

And yet, even those in power who understand the need to do something have done little to lay the basis for what would have to be a bipartisan approach to achieve anything of significance.

Certainly not President Donald Trump, whose main contribution to the problem has been to make things worse by gaining congressional approval of his proposal to reduce the amount of Social Security income that is taxed.

Interestingly, one of the first proposals for creating a bipartisan panel to craft a plan came from Sen. Rand Paul, R-Ky., a GOP maverick on spending issues.

For the most part, however, those discussing the issue are floating proposals that appeal to their ideological followers, not the broad bipartisan majority that will

be needed.

House Speaker Mike Johnson, R-La., did so during a recent radio interview, in which he stated the obvious fact that soaring entitlement costs are the main factor in the increasingly intractable federal budget deficit.

"The reason we're in trouble is because over 74% of federal spending is on autopilot — mandatory spending, that is your entitlement programs like Medicare, Medicaid, and things like Social Security — they have to be adjusted and fixed," the GOP speaker said.

"We have a plan to do that next year, and it's critical, because we're at \$40 trillion-plus in debt," he said.

Johnson didn't say how he would "adjust and fix" it. But it's a safe bet any House GOP plan would call for cutting benefits. After all, that is how the Republican congressional majority opted to deal with the high costs of health care spending in last year's infamous Big Beautiful Bill.

Of course, Johnson may not be in position to do any adjusting and fixing next year, if Republicans lose the House.

Meanwhile, Vermont Sen. Bernie Sanders aimed a proposal at a frequent Democratic target, the nation's wealthy.

He said that removing the income cap on Social Security taxes, which exempts annual income over \$184,500 from payroll taxes, would make the system solvent and provide an additional \$2,400 per person in benefits.

But Jessica Riedl, a former

Senate aide now an analyst with the nonpartisan Brookings Institution, and other experts, said the Vermont Independent's proposal would only cover about half of the projected gap.

And that, she says, is "the rosier scenario" since it doesn't account for any lost revenues from the disincentives such an increase might create.

Still, raising the income cap is one of the proposals that the nonpartisan Committee on a Responsible Federal Budget says could be included in any bipartisan solution. Here is their list:

**Raise the earnings cap, as Sanders suggested.**

While doing so won't totally solve the problem, it is something that — as Riedl noted — could go about halfway there. And, because it basically means more payroll taxes from wealthier Americans, it would presumably be popular with voters, though not with Republican leaders, who have constantly sought to lower taxes on the rich, not raise them.

**Increase the payroll tax rate.** It's been 12.4% since 1990 — evenly split between employers and employees — and even a small increase would bring in a lot of revenue. While that would spread the burden broadly, payroll taxes consume a larger portion of income from those on the lower end of the income scale, a regressive aspect likely to provoke substantial Democratic opposition.

**Levy payroll taxes on employer-provided health benefits.** At present they are not included. Also, tax newly hired state and local workers. Another big revenue raiser

but another regressive one.

**Raise the full retirement age, at which retirees are eligible for their full Social Security benefits, from 67 to 68.** Raising the age from 65 to 67 was a major part of the 1983 bipartisan proposal, and another increase seems ultimately inevitable.

**Reduce annual Cost of Living Adjustments (COLAs).** One controversial long-standing proposal would adopt the chained Consumer Price Index, which adjusts the annual inflation increase for the likely adjustment on consumer buying habits and results in a lower COLA rate. Probably not politically feasible.

Any solution would probably require a combination of these ideas and the buy-in from the president and the leaders of both parties.

With Trump in the White House, that may be impossible for the rest of his term.

One constructive starting point might be for the major party 2028 presidential nominees to agree that whichever one is elected would appoint a new bipartisan panel — and commit to support its recommendations. That's essentially what happened in 1981 when President Ronald Reagan and congressional leaders chose economist Alan Greenspan to do it.

Given today's bitter partisanship, it might be wishful thinking to expect something like that to happen again. But perhaps — just perhaps — the fact that it is really necessary might make it happen.

Carl P. Leubsdorf is the former Washington bureau chief of the Dallas Morning News. Readers may write to him via email at carl.p.leubsdorf@gmail.com.



CARL P. LEUBSDORF

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227 W. John Rowan Blvd. • Bardstow, KY 40004  
 502.348.9003

Publisher: Scott Moore | smoores@kystandard.com  
 Editor: Peter W. Zubaty | editor@kystandard.com

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### Musk's new 'trillionaire' status is a good thing, actually

**I** am not a huge fan of Elon Musk as a political activist or commentator. I think he's made Twitter — sorry, X — worse. His support for the nationalist right in Europe has been ugly. His tenure leading the Department of Government Efficiency mostly amounted to a missed opportunity and often descended into little more than performative vandalism. His personal life is not exactly consonant with my preference for bourgeois family values. Though, one can hardly accuse him of being a deadbeat dad.

On the other hand, I am a huge fan of his accomplishments in business and engineering. He helped create the foundations of the digital economy with PayPal. At the helm of Tesla, he made the electric car into a viable industry (something climate activists once lionized him for). Starlink, his internet satellite business, has been transformative. And, finally, there's SpaceX, which went public last week. It's a testa-

ment to human ingenuity, immigrant success and American greatness, on a scale that is hard to describe.

If Musk is successful in his ambitions, he will be more responsible than any other human for making ours an interplanetary species. That would mean that long after nearly every name of every politician and businessman you can think of have been forgotten, people will still remember Elon Musk.

But none of that is very relevant to the explosion of outrage over his status as the world's first trillionaire. I offer my opinions about Musk only because a remarkable number of people think if you defend the morality or legality of him being so rich you must be on Team Elon. I am not. I am on Team Capitalism.

But the confusion hardly ends there. If you followed the reaction on social media to Musk's shattering of the trillionaire barrier, you'd think that he now has a trillion dollars in the bank. Indeed, indignant politicians

rushed to propose taxes on Musk's wealth as if it was a suddenly discovered treasure ship (with laughably questionable math). Many people talked about Musk "hoarding" dollars that rightfully belong to the poor, the people or perhaps Social Security beneficiaries.

That trillion dollars doesn't exist, save as a function of accounting. He owns a large number of shares in SpaceX. Those shares have an estimated book value of about \$1.03 trillion — as I write this. The stock price will change daily, and if it dips in the future, as I expect it will, he might not be a trillionaire for very long.

Let's say, heaven forbid, that SpaceX has a disaster on the launchpad, loses some major NASA contract, and the stock price tumbles. What happens to those dollars he supposedly hoarded? Do they vanish? No, because they never existed in the first place.

or demagogically pretend to — that the economy is a static pie. All of the wealth in the economy exists in the form of a finite number of dollars. This zero-sum fallacy is why people think he's

hoarding wealth. He's not. He's creating wealth, and I don't just mean for all of the SpaceX welders and cafeteria staff who now own more than a million dollars' worth of stock.

Increased innovation and productivity grow the pie, which means more pie for more people. That's what economic growth means. In 1969, the year I was born, the U.S. gross domestic product was about \$1 trillion, in nominal dollars. (If you adjust for inflation, U.S. GDP was around \$1 trillion a century ago.) Does Musk now own all of America's wealth? Of course not, because the economy has grown massively since then.

Other than dislike for Musk, the main driver of all this outrage is our obsession with income inequality. To some, it's just not right that anyone be so rich when others are so poor — or feel so poor compared with Musk. This is an aesthetic complaint masquerading as a policy position. In objective terms, no one was made poorer by Musk getting richer. Subjectively, however,

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