news chronicle
opinion

The Top 30 are stacked, 29 to 1

THAT'S QUITE a list of ılifornia's big-time spenders vealed in the "Top 30" lob- ıists for 1975-76. The gross ;ure of $40 million aside for e moment, it is the com- nents of the list that give us use.

Five of the top spenders dur- ; those two years are public encies — the county super- sors' association, for in- ance, and the League of ılifornia Cities, as well as the parate counties of Los ıgeles and San Diego and the y of Los Angeles as well. The oney they spent is taxpayers' oney, collected from us, and ent to influence legislation ıng drafted by officials who

tice Reform. That $14,423-a-week spending pace in Sacramento led the parade of professionals that included realtors, state employes, Teamsters, teachers (midway on the list but higher than any other educational group), builders and contractors, and attorneys. Since many of the legislators being influenced are lawyers anyway, the paucity of state bar spending ($301,475) should not indicate a lack of clout, however.

There are three business firms — Standard Oil and Union Oil, and Kaiser Industries — also on the top 30 list, as well as the California Chamber of Commerce, and two oddballs

Social Security:

Why not substitute a private retirement fund instead?

By TOM McCLINTOCK

When Juanita Kreps took a job as Jimmy Carter's Secretary of Commerce, I'm afraid she passed up a brilliant career selling retirement swamps in the Florida Everglades.

But she's showing promise, nevertheless. Her latest project is a sweet little scam to fleece American workers out of three years of Social Security checks by raising the minimum age for benefits from 65 to 68.

She's palming it off as a plan "to add flexibility to the lives of workers," by forcing them to work three years longer. It's a clever rip-off of the American people to save a morally bankrupt system from becoming a financially bankrupt one as well.

Social Security has had a long history of official bunco, dating back to its first sale in 1935 as a "retirement fund" — a safe nest egg built up over many years by employer and employe, for the worker to count on in his years of old age. It's not that at all.

The carefully "set aside" money the worker steadily pays into his Social Security "account" is steadily paid right out again to someone else. His only guarantee of benefits is that hopefully, 20 or 30 years from now, somebody might return the favor.

Because the retiree has no claim to his money, he's forced to stop working at 65 to receive his rightful returns. It's addicting, too, because the retired person who wants to return to work will find his hard-earned "account" suddenly disappear.

And worse, it numbs people into resting their dreams on an unstable and dangerous gimmick whose funds could dry up in the first prolonged recession.

And that's where we get to financial bankruptcy. This year, Social Security is running a $4 billion deficit. At the current rate of spending, disability benefits will be totally exhausted in two years. The main retirement fund — and with it, the hopes and dreams of millions of elderly — will collapse into ruins in 1982.

Juanita's offer is hard to refuse, for without it, something equally drastic will have to be done. Current unemployment has depleted Social Security reserves to the critical level. The proportion of the young is shrinking, and that of the old is growing. Whereas today, the Social Security taxes of three workers pay the check of a single recipient, in 25 years, two will have to support him. That means raising the payroll tax 50 per cent on the young, or siphoning $2.5 trillion from the Treasury over the next 75 years.

Or, we could simply default in our obligations to the 65-68 year age group, and add loads of "flexibility" to their lives.

There's one other alternative.

We require a driver to carry insurance against accidents. Why not require a worker to carry insurance against old age by establishing a retirement fund of his own with a federally-insured and regulated investment firm? Pro-rated benefits for those who have already paid into Social Security could be covered through the sale of long-term bonds and supplemented through the general fund.

If an average worker paid into his retirement fund the same amount he now pays into Social Security, he'd collect between three and five times what the current system provides.

Since this money would legally be his, he wouldn't have to stop working to collect it. He and his estate would receive every penny, plus 45 years of interest.

This plan would eliminate the immense bureaucracy which administers the largest program in the federal government, and would replace it with a compact retirement insurance commission. A retirement fund would be safe from the fateful whims of the employment market, and from the changing character of the population.

And finally, the additional capital pouring into investment would provide enormous sums for new enterprises — insuring there will be abundant jobs for the future.

But Washington has been in a rut for 40 years, and bold steps in new directions are as unlikely as a breakthrough in the Korean bribery probe. The hot potato of Social Security will be passed from politician to politician, each taking stop-gap measures until the system finally crashes down upon the nation's elderly.

So, until the system is replaced, I'm putting my retirement dollars into Florida land.

It's a safer investment.