

Social Security's empty Christmas stocking

By TOM McCLINTOCK

The Ghost of Christmas-Future was more sullen this year than I've seen him in the six that he's been trying to reform me. He's usually a grim fellow, but this time he looked downright worried. Instead of taking me to my grave, which gets pretty monotonous, this year he took me to a Social Security branch office. And now, I'm worried too. Like little-Tiny Tim, it was gone.

It took many poor souls with it, bellowed my mentor. And I believe it.

As originally envisioned, Social Security was to protect the elderly by guaranteeing some minimum level of income — to alleviate the insecurity of old age. Today it is distributing \$69 billion annually, every cent of which is desperately counted on by senior citizens who have worked most of their lives to provide others with Social Security benefits, and now depend upon these promised funds themselves. Those of my generation who are just entering the

labor force must now support them.

And that's the problem. Like so many debts which have already been placed upon us, this one can't be met. Because of a declining birth rate, because of increased longevity by those collecting benefits, because of earlier retirements, more and more people are collecting funds which must be paid by fewer and fewer workers.

Consider these startling figures. In 1975 the benefits to one Social Security recipient were paid from the taxes levied on three workers. But 25 years from now these benefits must come from only two workers. That means raising the payroll tax by 50 per cent on my generation to receive the same benefits being paid to others now. Even if no new recipients were added to the rolls, but existing taxes were still levied, Social Security will be \$2.5 trillion in debt by the middle of the next century. You can see why my friend the ghost was a little disturbed.

If Social Security, born of compassion in

the greatest humanitarian administration of the last generation, is allowed to continue as it has, many innocent people are going to suffer. It would be both tragic and ironic if that were the epilogue to the presidency of Franklin Roosevelt.

If this is to be avoided, the Social Security system must be completely redesigned to ensure an actuarially sound and fiscally stable system of real security.

One possible solution was recently suggested by economists Charles Hobbs and Stephen Pollesland, and amplified by our own congressman Barry Goldwater. It requires phasing out the current system with the sale of long-term bonds to guarantee existing benefits, and the requirement that future workers invest a certain amount of their earnings either in a federally insured private savings plan or in U.S. government retirement bonds. Such a plan would place Social Security on a firm economic base, plow more money into the economy, and provide for a three-fold increase in pension benefits.

As it works now, an 18-year old entering the labor force will pay about \$24,000 before he reaches age 65, for maximum benefits of \$94,000 over his remaining years if younger generations can pay. If this same amount of money were invested in an insured savings account at 5.5 per cent interest, however, the worker would enjoy total benefits of \$216,000, instead of only \$94,000 — and this without the requirement to stop working and without the gimmickry of chain-letter funding.

Old Social Security, like the old horse and buggy, has served its purpose. To obstinately cling to it in an era of jet planes is a mistake, and a cruel one when it hurts people.

If we cling to it out of some misplaced deference to the past, I hope that next year the Ghost of Christmas-Future, if he hasn't given up on me, takes me back to the graveyard. It's cheerier than the Social Security office of the next generation.