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William Raspberry / Syndicated columnist

## Private Social Security accounts: Is that your final answer?



William Raspberry

WASHINGTON — A math teacher might have an encouraging word for a student who keeps adding the numbers until he gets the answer right. But what would he make of the kid who starts with the answer and keeps *changing* the numbers to make that preordained answer "right"?

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What, in other words, would our math teacher make of the four Republican congressmen who are attempting to fix Social Security by transforming the assets of the Social Security Trust Fund into personal IOUs for the 110 million Americans who pay into the system?

"The American people believe there is something out there ... with their names on it," Rep. Clay Shaw of Florida said at a news conference last Thursday. "There is not now — but there will be when we pass this bill."

The reference was to the more or less mythical nature of the trust fund that is supposed to hold the difference between what is collected in Social Security taxes and what is paid out to retirees. There will be a surplus pay-in for another dozen years or so, experts say.

But in fact, that money is used for general government expenditures. And the IOUs the trust fund receives are not marketable bonds.

The four Republicans (Shaw, Jim McCrery of Louisiana, Sam Johnson of Texas and Paul Ryan of Wisconsin) would change that — a little. The government would still spend the money for general purposes, but the IOUs would be assigned to individual accounts and invested in Treasury bonds.

It's an interesting approach — but it's hard to see what it would fix. It wouldn't solve the real long-term problem, which is that, several years from now, the system will be paying out more than it takes in. It wouldn't protect the trust fund from being raided (as critics describe it) by a greedy government. It wouldn't make retirement more secure for future retirees. All it would do, as far as I can see, is produce the preordained "right answer" — private accounts.

"It's a gimmick, a vehicle to keep alive a plan that has fallen flat with the American public," Brad Woodhouse, of Americans United to Protect Social Security, told Knight-Ridder/Tribune News Service. "They are searching for any vehicle, any bill, anything that can keep their hopes to privatize Social Security alive."

That, I must say, is how it looks to me. Still, there is a piece of last week's proposal that strikes me as interesting — the notion of transforming the minimal-interest trust fund into marketable Treasury bonds.

Why, indeed, shouldn't the trust fund be allowed to earn a reasonable interest on the money it lends the government? The earnings could extend the viability of the system. And if the administration is right, permitting the surplus to be invested in the stock market would make the system even more secure. So, by the way, would raising the income level on which Social Security taxes are paid.

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There are a lot of ways to make the program viable, but that isn't the right answer. The answer President Bush wants — and the answer the newest effort tries to deliver — is: private accounts.

I confess that I have no idea *why* he so desperately wants to privatize Social Security, beyond winning a fight he promised to make. The system doesn't need it, the public doesn't want it, and virtually every proposal for shifting toward privatization leaves unaddressed the question of how to make up the revenue shortfall that would result.

And that's without even considering the additional administrative costs of managing individual investment accounts.

If the president really does believe that the market is safer than the government, let him accept the suggestion of last week's proposal and allow a carefully chosen panel of overseers to invest a portion of the Social Security surplus as a pooled investment fund. If he is right, the additional earnings should soon make up for the lost revenues and, soon after that, clinch the security of the system — perhaps even allowing it to be more generous.

The problem is that such an arrangement — even assuming the near-term difficulties could be resolved — would not logically lead to private Social Security accounts.

And that, by the administration's math, makes it the wrong answer.

*William Raspberry's column appears Tuesday on editorial pages of The Times. His e-mail address is [willrasp@washpost.com](mailto:willrasp@washpost.com)*

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