

Commentary

Genuine lockbox

By Michael Tanner

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Do you know where your Social Security taxes are? Some of them went to pay for the National Cowgirl Hall of Fame and Museum in Fort Worth, Texas.

The same monies helped the State Historical Society of Iowa in Des Moines pay for developing exhibits for the World Food Prize. And we should all be happy some of our Social Security surplus funded a study of mariachi music for the Clark County (Nevada) School District.

As we know by now, Social Security faces many problems requiring long-term, comprehensive reform. But before a doctor operates on a patient, the first step is to stop the bleeding. And the first step toward Social Security reform should be to stop Congress from spending Social Security money on anything except workers' retirement.

The basic problem is Social Security is currently set up so workers don't own their Social Security funds. Because workers don't own their money, Congress treats that money like its own: free to spend on whatever the members choose. And spend it they do, on everything from the war in Iraq to the International Fertilizer Development Center. In return, the Social Security Trust Fund is given a bond, essentially an IOU, which will eventually have to be repaid out of future taxes.

It's the ultimate insult. Congress spends our Social Security taxes, then expects us to pay more taxes to repay its borrowing. To date, Congress has borrowed and spent more than \$1.7 trillion of Social Security taxes. This year it will borrow another \$60 billion.

This has been going on more than 20 years, under both Democratic and Republican administrations. Members of both parties have resisted all attempts to keep their hands out of the Social Security cookie jar. In fact, some seem proud of what they are doing. House Minority Leader Nancy Pelosi says: "There's nothing wrong with Social Security lending money with the prospect of returning it. ... There is a surplus in Social Security, and under the law Social Security can lend that money to the government for other purposes."

As long as politicians have that attitude, the only real way to keep Congress from spending Social Security taxes is to get that money out of Washington. If Congress insists on spending like a drunken sailor, it's time for an intervention.

Now, Sen. Jim DeMint of South Carolina and Reps. Paul Ryan of Wisconsin and Sam Johnson of Texas, all Republicans, and others have proposed legislation to put the whole federal government back on the wagon.

Their plan would rebate Social Security surpluses to workers as contributions to personal

accounts. The money would belong to the worker, in an account under his or her name. This would represent a true "lockbox," devoting that money solely to the worker's retirement. No politician could touch it.

The plan would have other benefits. Because workers would own their accounts, upon their deaths they could pass money on to loved ones. And, without Social Security surpluses to hide behind, Congress would have to choose to run higher deficits, raise taxes, or, preferably, spend less.

That's bad news for Mississippi catfish health research, but it's good news for Social Security reform.

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