



Committee On Finance

Max Baucus, Chairman

NEWS RELEASE

www.senate.gov/~finance

For Immediate Release
Monday, July 2, 2001

Contacts: Michael Siegel, Joshua LeVasseur
202-224-4515

WASHINGTON – Sen. Max Baucus, Chairman of the Committee on Finance, today sent a letter to Treasury Secretary Paul O’Neill expressing concern about comments the Secretary has made regarding the assets of the Social Security Trust Fund. In particular, Senator Baucus expressed concern that current and future beneficiaries could be confused and worried by Secretary O’Neill’s comments that the Trust Fund has no assets.

The text of the Baucus letter follows.

July 2, 2001

The Honorable Paul H. O’Neill
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Secretary O’Neill:

As you know, over 49 million people rely on Social Security benefits today. For many of these people, Social Security is their only source or their primary source of income. I am writing to express concern about some recent statements that you have made that the Social Security Trust Fund has no assets. Such statements could confuse and worry current Social Security beneficiaries, as well as those people who will be drawing benefits in the future.

There are many controversies regarding potential changes to the Social Security program at this time. I believe that it would be helpful to avoid unnecessary disputes where possible. The 2001 Trustees Report for Social Security that you signed in March indicates that the Social Security Trust Fund has more than \$1 trillion of assets. I am concerned that statements that the Social Security Trust Fund has no assets will only increase the amount of controversy and thus reduce the potential for useful dialogue.

The confirmation hearing of Brian Roseboro to be Assistant Secretary of the Treasury for Financial Markets on June 21st provided a good opportunity for Treasury to state or clarify its views about whether the Social Security Trust Fund has assets. Mr. Roseboro explained that the Social Security Trust Fund does have assets in the form of Treasury securities that are backed by the full faith and credit of the U.S. Government. Although Mr. Roseboro went on to qualify his answer somewhat by describing the assets and liabilities of the federal government as a whole, I thought that his initial explanation clarified the issue and facilitated additional discussion.

I think that the dialogue at Mr. Roseboro's hearing can help to reduce the controversy on this issue. I hope that in the future, you might take a similar approach regarding this important topic. I look forward to working with you in the coming months as we all seek to strengthen the Social Security program.

Sincerely,

Max Baucus, Chairman
Committee on Finance