

for the government to insist upon too much direct taxation. The majority won't stand for it. Politically, the government may dig heavily into the property of the wealthy few. But just let the government try to dig heavily into such property as may be owned by those citizens who constitute a voting majority! If the government expects to take a very high proportion of national income, it usually will search for methods of raising revenue which are more ingenious than direct taxation. And the social security tax is loaded with ingenuity.

Why Wage Earners Have To Pay

GOVERNMENT has become very expensive in the United States. The financing of government currently takes more than a third of the total national income.

When government was less expensive, it was possible to finance it through property taxes or levies against the income from property. But that is no longer true. Less than one-sixth of the national income of the United States is derived from the returns to capital; the other 85 per cent represents the price paid for current wages or for their equivalent to the self employed and to management. Therefore, it is clear why the government seeks ways and means of taxing wages. Even if there were no

promises of social security benefits, barely half of the other costs of government could be met out of a total confiscation of the income from private property. The only thing left to tax is the current productivity of those who work for wages and salaries.

Let no one be persuaded that the social security program is the only reason why the government finds it necessary to tax wages. But also let no one deceive himself that there is any way of financing the social security program and similar "benefits" from the welfare state except through proportionately heavy taxation of wages and salaries.

The Weak And Dependent

WHEN a government scrapes the bottom of the barrel of personal savings and private property, then its final recourse is to the daily production of those who work for a living. The promise of social security is like an anesthetic which temporarily relieves the pain of those workers whose earnings are being taxed away. But if the patient regains consciousness, it will be to discover that the operation took something from him which was vital to life and liberty—destroyed some of his potential as an individual, leaving him more dependent upon government than before.