

this reason, the so-called Federal Old Age and Survivors' Insurance Reserve Fund is actually nonexistent. The legal illusion of such a fund was conjured up to dissolve popular resistance to one of the most cruel and unjust systems of taxation ever imposed upon the American people.

The fraud of the great deception is the deliberate and official misrepresentation of social security *taxes* as payments of insurance premiums for the right to get back specified benefits at a specified time. There is no such right. The government is under no contractual obligation to make any return payment at all. From the very beginning, the Social Security Tax Act has carried this provision: "*The right to alter, amend, or repeal any provision of this act is hereby reserved to the Congress.*"

Pursuant to that reservation, Congress has revamped and changed the taxes, benefits, and the coverage of social security many times during the past 15 years. When the Act was first passed in 1935, it expressly exempted nine separate classifications of people ranging from agricultural labor to the self-employed. One after another, each of these exempted classifications has been forced into the system until under the current pending resolution, only medical doctors are left out.

The original tax rate was 1% on the first \$3,000 of earnings. Under the pending resolution, the present tax is raised to 2½%, or 25% above the present level. Since both employer and employee must pay this tax, this means that 5% of every pay check under \$4,200 a year will be funneled into the federal treasury. The next step will be to increase both the tax and the level of salaries taxed to include the first five thousand and then the first six thousand of annual earnings.

THERE IS no limit to the high range of this money-raising escalator except the complete confiscation of all salaries by the government.

Meanwhile, the popular illusion of a Federal Old Age and Retirement Insurance system enables the federal spenders to roll up billions of dollars in additional tax revenues through social security wage withholding that they never could collect if they called these extortionate taxes by their right name. Through 1950 to the beginning of 1955, the federal government collected \$18.97 billion in social security taxes. Throughout the same period, the government paid out social security benefits totaling \$11.72 billion.

What happened to the difference, the "profit" so-called, of \$7.25 bil-

lion? It was spent as fast as it came in for foreign aid, national defense, and other current expenses of the government. What was put aside for the ultimate retirement of those who paid the \$18.97 billion in taxes between 1950 and 1955? Merely \$7.25 billion worth of government I.O.U.'s.

At the end of last March the much advertised reserve fund contained \$20.4 billion — *all in government I.O.U.'s*. This accumulation is not an asset. On the contrary, it costs current taxpayers \$500 million annually in maintenance or interest charges. Eventually all these bonds must be paid by *additional taxation*.

Testifying before the Ways and Means Committee of the House of Representatives in 1952, the chief actuary of the Social Security Administration said: "The present

trust fund is not quite large enough to pay off the benefits of existing beneficiaries"—those already on the receiving end, in other words. This was before the 1954 "liberalized coverage" was enacted into law. The same witness now believes that it would take \$35 billion just to pay the people *now receiving benefits*.

If you are *paying* social security taxes now, there is thus \$15 billion less than nothing in the fund that you are supposed to be accumulating against your retirement and old age. Small wonder that the Secretary of the Treasury recently testified that "under the present provisions of collections and disbursement the Old Age Survivor's Insurance system is actuarially unsound."* That is the great understatement of the current fiscal year.

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Seven Amish bishops appealed to Congress today to exempt members of their church from receiving any benefits of the Social Security program. They are willing to continue paying Social Security taxes, however. . . . The bishops made it clear that no elder of the church would think, today, of applying for Social Security or any other government benefits. They want the law changed, they said, to "remove temptation" from their children and grandchildren.

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