Camerique

What You Should Know About SOCIAL SECURITY

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■ THE VERY words Social Security sound so reassuring that they could almost be included with motherhood, apple pie, baseball, and Chevrolet. But even this most soothing of "Liberal" phrases has begun to lose its magic power. Discussions of Social Security are now likely to be characterized by anxiety concerning its financial crises and the increasingly deep bites it is taking from the earnings of some 114 million workers now paying Social Security payroll taxes to provide benefits for 36 million recipients.

In 1960, the maximum amount of tax per worker paid to Social Security was $144 a year. Ten years later, in 1970, it had risen to $405 annually. In accordance with legislation passed

Like you, American couples looking forward to retirement are shocked at what is happening to Social Security taxes. The maximum tax in 1960 was $144 per year, by 1970 it was $405, and last year it was $1,588. These same Social Security taxes are scheduled to bleed more than $5,118 per worker in just ten years.

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by Congress in 1977, payroll taxes for Social Security took an enormous bound on January first of this year. Wage earners are now being taxed at the rate of 6.65 percent on the first $29,700 of their annual wages. This amounts to a maximum tax of $1,975 this year, which is twenty-four percent higher than the top payment for last year of $1,588 (6.13 percent of the first $25,900), and a stunning forty-one percent increase over the 1979 tax bite. Indeed, the Social Security tax is scheduled to be increased dramatically by stages every year through 1990.

An examination of the table here reveals how alarming this burden on American workers is to become. Not only is the tax rate escalating, but the maximum taxable wage is going up as well. As you can see from the table, by 1987 the maximum taxable salary for Social Security will have leaped to $51,900, with 7.15 percent of that ($3,711) going to Social Security alone! Lest that salary seem impossibly high to you, remember that with inflation it will be the equivalent of earning less than $18,000 a year today. And by the year 1990 (assuming the system lasts that long in its present form), the Social Security tax base is set to rise to $66,900, and the tax rate to 7.66 percent, bleeding off a full $5,118.

Taxes for Social Security will have more than *tripled* over the next ten years for middle-income workers. And, of course, all other taxes — income, sales tax, *etc.* — will also be climbing to the stratosphere. In the meantime, if by 1984 your annual wages are raised by inflation to $39,000, you will be paying more than $2,600 to Social Security. In addition, your employer will be paying a matching amount. You will also be paying for your boss's "contribution" because such taxes are a labor cost that he would otherwise be paying you directly.

YEAR	MAXIMUM COVERED WAGE	TAX RATE	MAXIMUM AMOUNT OF TAX
1980	$25,900	6.13%	$1,588
1981	$29,700	6.65%	$1,975
1982	$32,700	6.70%	$2,191
1983	$35,700	6.70%	$2,392
1984	$39,600	6.70%	$2,653
1985	$43,500	7.05%	$3,067
1986	$47,700	7.15%	$3,411
1987	$51,900	7.15%	$3,711
1988	$56,400	7.15%	$4,033
1989	$61,500	7.15%	$4,397
1990	$66,900	7.65%	$5,118

These taxes are escalating so fast that revenues for Social Security are now expected to equal one fourth of all federal Budget receipts this year, up from less than twenty percent in

More than half of American families pay more in Social Security taxes than in income taxes, yet those who must rely on Social Security are impoverished by it as their savings are lost to inflation. Worse lies ahead as the main "trust fund" will be bankrupt next year and Congress is still trying to tax and patch.

1970, and less than ten percent in 1955. More than half of all American families now pay more in Social Security taxes than they do in federal income taxes.

Michael Boskin, professor of economics at Stanford University and an advisor to President Reagan, warns that unless changes are made and made quickly the Social Security system will require even greater amounts be taken out of our paychecks in order to provide the benefits now being planned. Professor Boskin observes: "We cannot sit passively by and expect future taxpayers to pay 23 to 25 percent of their payrolls in Social Security taxes before they pay a dime of federal or state income tax." There is a limit to what the people will bear. The politicians can't keep raising taxes to pay for ever-larger Social Security deficits without facing a workers' revolt at the polls.

Still, with the present heavy tax load on American wage earners, and the planned increases in Social Security taxes for the next decade, you might at least assume that Social Security "benefits" are secure. The fact is that, even with these huge, life-stealing tax hikes, the compulsory pyramid scheme called Social Security is growing faster than its revenues.

When Congress passed the enormous Social Security tax increase in 1977, it was claimed this would at last put the program on a sound financial basis. After all, the legislation would add a colossal $227 billion in additional revenues for the system over the succeeding decade, the largest single tax increase in U.S. history. In fact, when President Carter signed the bill into law on December 20, 1977, he stated: "This bill insures the solvency of these funds for the balance of this century." We should have known he was lying the minute we saw him move his lips. Still, in April of 1979 we were again given assurances of the financial integrity of all this when Social Security Commissioner Stanford G. Ross said at a press conference: "The system is financially sound for well past the turn of the century."

But a study of the program by the Congressional Budget Office soon revealed that the primary "trust fund" would "drop to a level in 1984 that would be insufficient to maintain the cash flow of the program." As has happened so many times in the past, the Social Security bureaucrats have made "miscalculations." More recent analyses indicate that the program's liquidity problem will become acute as soon as 1982 or 1983, depending on economic conditions.

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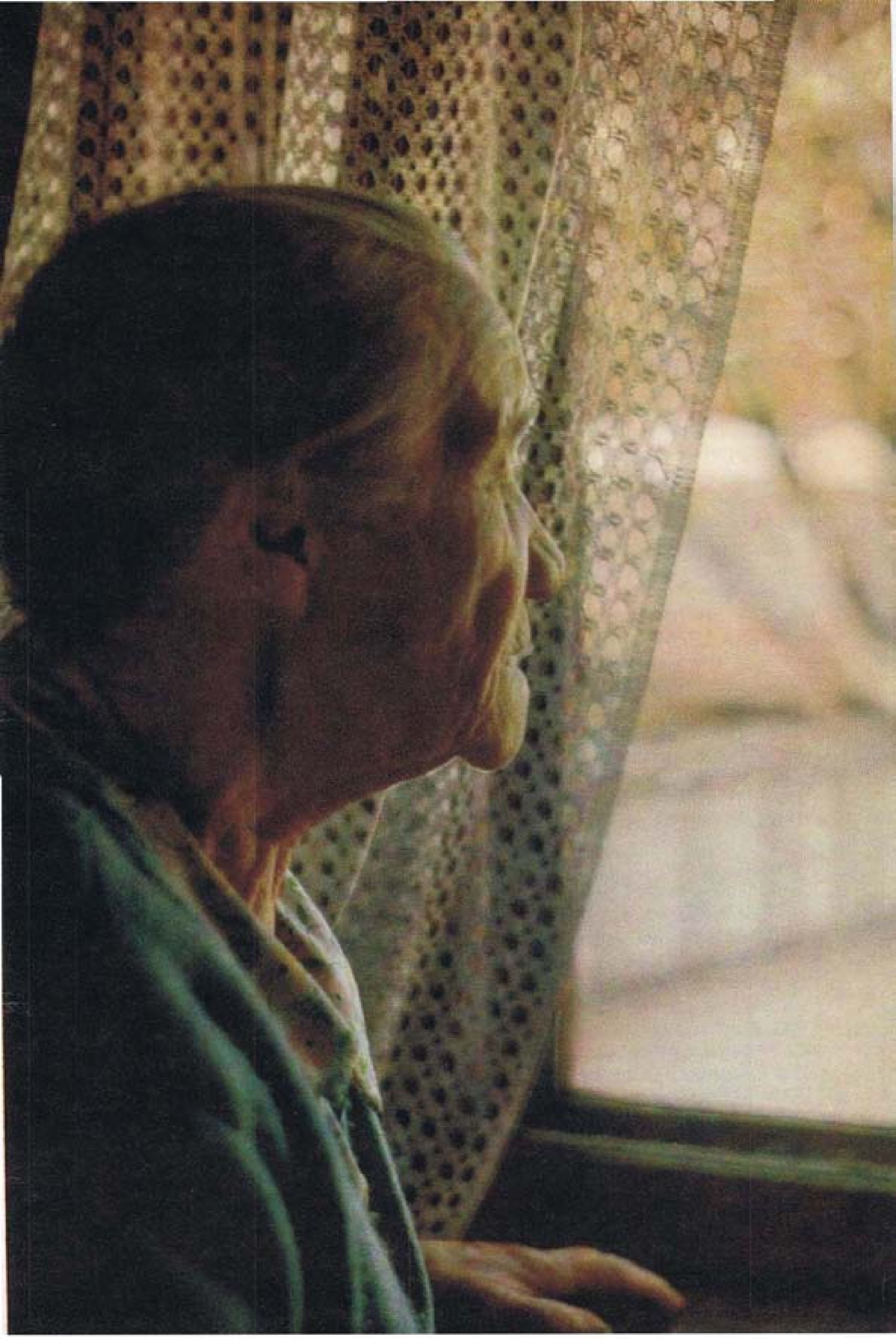

This means that — unless something is done — a couple of years from now retired people will not receive the promised benefits on which most of them depend if they are to eat.

In other words, the Social Security Administration's announced goal of achieving financial stability for the beleaguered program will not be attained — despite the tremendous tax increases. The fact is that Social Security, as a "system," has been officially bankrupt since at least 1975, when it took in $1.2 billion less than it paid out in benefits. It went $3.2 billion in the red in 1976, and $5.6 billion in hock in 1977. It was the extrapolation of these ominous figures into the future that led the experts to realize that, unless something was done, the system was on its way to being *seventeen trillion* dollars in the hole!

The tax measure passed by Congress in 1977 was supposed to take care of the situation. But it hasn't. The main "trust fund" of the Social Security program will likely run out of money in 1982, will be more than $3 billion in the hole by 1983, and by 1985 will be operating at a $27 billion deficit. And that's a look at just the next four years!

Obviously, the federal planners miscalculated. What went wrong with their actuarial prognostications?

The Welfare State planners clearly neglected the factor of inflation — and how it tends to feed on itself in an economy saddled with Keynesian policies and monetary manipulation. Since increases in Social Security benefits are linked to the rise in the Consumer Price Index, the outlays of the program have grown much more than the planners expected because they drastically underestimated inflation. Total outlays have increased from $32 billion in 1970 to $104 billion in 1979. Benefits are running at about $150 billion for this year. By 1984, expenditures will have gone up to more than $184 billion in annual outlays.

Last June, disbursements to beneficiaries jumped $1.3 billion a month — triggered by an automatic cost-of-living hike in benefits of 14.3 percent. The consulting firm of Towers, Perrin, Forster & Crosby estimates that benefits could increase by at least another eleven percent this coming June due to inflation-fueled rises in the Consumer Price Index.

The planners were thrown off in their calculations even more by "stagflation" (inflationary recession). While old age and survivor benefits have soared along with the Consumer Price Index, high unemployment due to recession has *at the same time* reduced the amount of revenues collected from payroll taxes. It is calculated that Social Security loses about one hundred dollars a month in receipts for each unemployed worker. Stagflation is a two-edged sword that is cutting the Social Security system to pieces.

Meanwhile, more people are retiring earlier rather than continue working beyond the age of sixty-five. In fact, increased joblessness and recession encourages people to abandon the job market and seek benefits sooner. Another reason for the escalating drain on the system is the way some Social Security regulations work. Persons who are less than seventy-two years old, and are on Social Security, lose their benefits by law if they earn more than a very modest sum. That is the main reason why, in recent decades, the number of people over age sixty-five working in the private sector has decreased from forty-five percent in 1950 to less than twenty percent today. The federal planners apparently did not an-

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ticipate the consequences of paying people not to work.

Greater life expectancy means that those who do get benefits upon retirement will receive them longer, and the number of people of retirement age is increasing. By some estimates, the number of persons over sixty-five will increase from some 26 million today to about 35 million by 1995, and to 65 million by 2030. Ironically, every medical breakthrough is a dagger in the moribund back of Social Security.

While people are living longer, there has been a tremendous drop in the birth rate in recent years. This means that fewer and fewer young workers will be out there paying for the benefits of more and more elderly retirees. This reality contradicts one of the assumptions on which the Social Security system is based and depends — that the number of potential contributors will continue to expand. In 1957 the U.S. birth rate was 3.7 children per woman of child-bearing age. That figure has fallen to about 1.7 today. The post-World War II "baby boom" is over. Contrary to the propaganda we were hearing from the Rockefeller population controllers just a few years ago, the population "bomb" has turned out to be a dud. Factors include the commercial availability of The Pill and other contraceptives as well as abortion on demand.

In addition, more and more wives are leaving child bearing and the home for the job market to help shore up the dwindling economic prospects that American families are experiencing thanks to Big Government. It is ironic that while the federal government rewards the Welfare Class for producing ever more offspring, it penalizes productive Middle Americans for having children. In any case, one result is that there will be fewer and fewer wage earners being taxed more and more to pay the benefits for an increasing number of retirees.

To sum up: Because people are living longer, retiring earlier, having fewer children, experiencing increased joblessness, and being victimized by inflation, old age and survivor outlays have grown like the creature that ate Cleveland and there will be fewer people in the work force to bear this increasing burden. In 1960, for everyone receiving Social Security benefits there were five workers paying Social Security taxes. Today, there are about three persons paying the taxes to support one beneficiary. By the time the young people entering jobs today retire, there could be as many as sixty-three beneficiaries for every one hundred workers — or only about 1.6 workers per beneficiary. The burden will thus grow heavier and heavier for those still employed in the work force.

Obviously the biggest myth behind the Social Security pyramid scheme is the notion that it is an "insurance" program. This false notion has been encouraged by millions of pieces of literature put out by the Social Security Administration containing misleading and false statements. Thus many people view the Social Security payroll tax as a "premium" for a government-run insurance program; they see Social Security benefits as something they've paid for and are entitled to upon retirement. Many naïvely believe that their "contributions" go into a "trust fund" account with their name on it and that they will receive benefits according to their payments when they retire. Unfortunately, that is not so.

When the question of Social Security's constitutionality was raised before the Supreme Court in 1937, the Social Security lawyers admitted to the Court that it was not insurance but a Welfare plan, saying: "Moreover, the Act creates no contractual obligation with respect to the payment of benefits. The court has pointed out the difference between insurance, which creates vested interests, and pensions and other gratuities involving no contractual obligations. The Act cannot be said to constitute a plan for compulsory insurance within the accepted meaning of the term 'insurance.'"

The so-called "trust funds" contain no cash, but only bonds — pieces of paper signed by politicians representing promises to pay in the future. The money taken from millions of people for Social Security has already been spent by the government. It's gone. The promise that you will get something out of the program later when you retire relies entirely on the government's power to tax the next generation to its knees. As Abraham Ellis explained ten years ago in *The Social Security Fraud*:

"In the government-oriented plan embodied in Social Security, the Social Security taxes are spent by the Government, an I.O.U. is substituted, and a bookkeeping entry is made as a record of the taking. The money is never repaid; it is gone forever. To add insult to injury, the suckers who 'contributed' the Social Security taxes in the first place, must now pay taxes to cover the interest on the I.O.U., besides providing the cash to make good on the future Social Security payments as they become due."

The government securities residing in the Social Security "trust funds" represent a colossal debt to be paid by and by. And these mounting debts must somehow, some way, be paid as workers reach advanced age. They aren't likely to be.

Meanwhile, practically nobody understands how the system works. Nobody is *supposed* to understand. The idea is to keep the American people in the dark and confused about the actual nature of the Social Security scheme so they will trust the politicians in Washington. In fact, *Barron's* quotes an obviously anonymous Social Security official as admitting: "Continued general support for the Social Security system hinges on continued public ignorance of how the system works. I believe that we have nothing to worry about because it is so enormously complex that nobody is going to figure it out."

Since Social Security is based upon deception and fraud, you would think that some of the government's "consumer protection" agencies would be warning us victims about its false advertising and corrupt practices. As a matter of fact, an official of the District of Columbia Office of Consumer Protection (a local agency) has issued just such a warning. His name is Victor Simon and his article, "National Debt Is Four Times Bigger Than The U.S. 'Deficit,'" appeared in the Business Section of the *Los Angeles Times* on January fourth of this year.

Mr. Simon points out that the officially announced federal deficit for 1980, some $59 billion, greatly understates the true increase in federal indebtedness. Says Simon: "The government finished the year at least $250 billion deeper 'in the hole' than it began — four times the reported figure." He explains how the federal confidence men have distorted the language so that the word "deficit" refers only to the cash deficit by which spending exceeds revenues for one Fiscal Year, but does not include

debts incurred for the future. Simon explains that the huge debt of Social Security constitutes the major difference between the "cash" and "balance sheet" deficit. The "unfunded liability" of the Social Security system is the amount by which future benefit commitments exceed receipts to cover them, and this figure has been estimated in current dollars to be $5.6 trillion! That is the estimated total deficit over the next seventy-five years for Social Security alone. According to Victor Simon, this number is "greater than two years' gross national product, and 175 times the $32 billion now in the pension and disability funds."

And remember that $32 billion in the "trust fund" is in the form of government bonds — not cash. If those bonds were liquidated there would not be enough money to pay out more than a few months of benefits at the present time. By 1982 (unless something is done) even this will be gone.

The $5.6 trillion figure for Social Security debt is in fact a conservative estimate, because it is based on the unrealistic assumption that price inflation will level off in a few years to about four percent! Since benefits are indexed to increases in the cost of living resulting from inflation, any significant increase in the Consumer Price Index beyond the assumed numbers means that the actual total deficit would be far greater than $5.6 trillion.

If the government tries to finance that debt through more taxation, it will have a workers' revolution on its hands. If it pays the debt off in phony inflation money, as is increasingly likely, the resulting loss of purchasing power in the currency could spell destitution and permanent misery for many elderly Americans. Those responsible will be the politicians, going back to F.D.R., who initiated and expanded the system; the Social Security bureaucrats who lied to the American people; and, the socialist planners who sought to make Americans more and more dependent on government, and less and less responsible for their own lives.

Mr. Simon, who worked on the Consumer Price Index staff for a year and a half, is a careful man. And he said of Social Security in a telephone interview: "Without doubt and without hyperbole, it is the biggest ripoff in history." This from a bureaucrat who now works for the D.C. Office of Consumer Protection.

Social Security differs from other pyramid schemes only in its giant proportions and the fact that unlike a chain-letter game it is a compulsory rather than a voluntary venture. Even if you don't want to play the Social Security game, and even if you have made other provisions for your retirement years, you are required to pay the F.I.C.A. taxes now being spent. The implicit premise is that you do not own yourself, but are owned by "society" and are a ward of the federal state. This socialist notion was openly admitted by British Fabian leader George Bernard Shaw several decades ago in his book, *The Intelligent Woman's Guide To Socialism And Capitalism*. Shaw wrote: "Under Socialism . . . you would be forcibly fed, clothed, lodged, taught, and employed whether you liked it or not. If it were discovered that you had not character and industry enough to be worth all this trouble, you might possibly be executed in a kindly manner." And if that doesn't send a shudder down your spine you are made of steel.

That the politicians and bureaucrats know something is very wrong with Social Security is indicated by the fact that they arranged carefully to exempt themselves from it. The politicians and government administrators who have arranged Social Security for the rest of us are not about to settle for a subsistence retirement.

In 1977, Representative Joseph L. Fisher, a "Liberal" Virginia Democrat whose District covered a suburban area outside Washington, D.C., discovered that the most explosive issue among his constituents was that of preventing Congress from forcing federal workers into the Social Security system and forfeiting their own lucrative retirement plan. At that time, under the Civil Service pension fund, federal employees contributed seven percent of their pay (compared to Social Security's rate then of 5.85 percent), but received much better benefits.* A $15,000-a-year government employee could, after thirty years, retire at $703 per month — not bad in 1977 dollars. A worker in private industry, on the other hand, would labor for many years longer but receive thirty-five percent less — only $460 a month. If the government retiree worked a few years under Social Security he would also get a *minimum* Social Security payment of $122 a month.

Congressman Fisher soon found to his dismay that firemen, policemen, sanitation workers, teachers, and other state and municipal employees — as well as the federal bureaucrats — were also fiercely opposed to being dragooned into Social Security as Fisher had proposed. Although he was joined in his efforts by such political heavyweights as House Speaker Tip O'Neill, Ways and Means Chairman Al Ullman, and Post Office and Civil Service Chairman Robert Nix, the House overwhelmingly rejected the measure as

*And remember that the amount paid by the worker in private business is matched by the employer. As far as the employer is concerned, this amount paid to Social Security is part of the worker's salary. It is part of any employer's cost of providing a job for the worker. So, the private-sector employee was really paying 11.7 percent for Social Security and getting less than the bureaucrat paying seven percent.

Congressman after Congressman was lobbied by public employees to oppose the proposed outrage. It would, of course, have produced in two years at least another $25 billion for the bankrupt Social Security scam. Meanwhile, we've all been paying more money than necessary in income taxes to protect "civil servants" from reliance on the "benefits" of Social Security. After all, our bureaucrats are a privileged class. They certainly don't want to be treated as mere citizens.

There are assuredly countless savings plans and insurance programs which outperform Social Security to provide a much greater nest egg by age sixty-five. A person might enroll in such programs now, but if he does so he must pay for them *in addition to* what he is already forced to pay Social Security. Most cannot afford to do both. Besides, a citizen might not want to save for his old age at all, preferring to stake every penny on a business enterprise which requires capital goods in the present but will provide amply for the investor's old age. The government doesn't give us this option. And since everything that one is made to pay into the Social Security system is forfeited to the government, one cannot draw a cent of it for investment purposes during his younger years. Instead, we are taxed heavily by this program just when we need the money most to provide for current needs. The whole thing is as nonsensical as it is destructive.

Not that this scam has anything to do with good sense. The Welfare characteristic of Social Security becomes even more obvious when we observe that the amount of benefits one may receive depends on factors other than the amount of one's "contributions" to the system — factors such as marital status, sex, and the amount of income one receives from other sources. For instance, a married woman is entitled to receive benefits as a dependent of her husband if he is on Social Security. But, if she has been working and contributing to the system for years she will get no more than if she had never worked outside the home at all. That is, she will get the same amount as a wife who never paid Social Security taxes from her salary.

It gets worse. Under Social Security regulations, a widow with children cannot go to work without losing the benefits paid for by her deceased husband. A 22-year-old widow with no children receives only a small burial "benefit" from Social Security — and then doesn't get another cent for forty years. Furthermore, if an otherwise eligible widow remarries, she loses her previous husband's Social Security — which puts some in the position of having to choose between losing the benefits and living adulterous lives. Unlike those in private insurance programs, we are not even permitted to declare our beneficiaries under Social Security. And these are but a few examples of a great many inequities.

In contrast with the Social Security ripoff, a 21-year-old man working at an average salary could purchase an insurance policy that would give him a much better retirement income if he were free to invest the money which he is now required to pay into the government system. A young worker who earns at least $29,700 in wages is paying $1,975 a year to Social Security. He could pay *nothing* until he is thirty-five and still take out a private policy that would provide him with more than Social Security — if he were free annually to invest that $1,975 instead of losing it forever in taxes. And, remember, this does not include his boss's matching "contribution."

Compounding the problem is the tremendously negative effect Social Security has had on the American economy. The system seriously discourages private saving and investment, drastically reducing America's capital accumulation. Productivity, economic growth, and the general standard of living all depend, in the long run, on capital formation resulting from saving and investment. The U.S. now has the lowest capital formation rate in the industrial world. From 1960 through the 1970s, private investment in our country averaged less than eighteen percent a year of our G.N.P. By comparison, investments averaged thirty-five percent a year of the G.N.P. in Japan, twenty-six percent in Germany, and twenty-five percent in France. Our productivity has been declining in recent years, and our economy has experienced much slower economic growth than it once did. No one knows how much higher our standard of living would be today had the American people been permitted to keep, save, and invest the money they were forced to throw down the federal rathole into Social Security. This is because no one can accurately predict how much of their money people would save or spend if free to do so. It has been calculated however that if the aggregate savings of the U.S. economy are reduced by the full amount of Social Security taxes, then private savings for 1979 were reduced by about forty-five percent. Even if we assume that Social Security takes away from private savings only thirty-five percent, it means that the G.N.P. in 1979 was decreased by more than $450 *billion* because of the Social Security program alone. The loss in production, economic growth, job creation, and national income is simply enormous.

And bear in mind that before the enactment of Social Security, people saved for their old age or continued to work past the age of sixty-five. At the time Social Security was passed in 1935, the great majority of the elderly were either supporting themselves by continuing to work, many of them on farms, or were living with their children or other relatives. Some others lived on their accumulated savings or pensions. In 1929 only about seven percent of America's senior citizens were dependent on some form of charity.

Today, if given the option of I.R.A. accounts or other private retirement alternatives to Social Security, people could have a much more secure future without worrying about economic crises, and they could do so in a way that would no longer contribute to debt and inflation. Most of the remedies being proposed to meet the crisis in Social Security are merely short-term attempts at the "quick fix." For example, the Social Security Administration itself suggests that the Old Age and Survivors "trust fund" could borrow from other parts of the program such as the Disability Fund or the Hospitalization Fund. This proposal for inter-fund borrowing may, indeed, work for a while. But in a very few years the huge demands of O.A.S.I. will also deplete the other funds. Such a "solution" amounts to putting a Band-Aid over cancer.

Advisors to President Reagan have recommended raising the retirement age to sixty-eight, and reducing benefits to an average of twenty-five percent of the worker's last paycheck (from the current forty-one percent). Cutting benefits by some thirty-seven percent during an inflationary period would doubtless be politically tougher than bringing back Prohibition. If enacted, however, these measures would help to reduce outlays — but, at the same time, they would hurt the very people most dependent on the program. And even these minor reforms only postpone the day of collapse.

As advanced as the problem has become, there is no painless solution to the Social Security dilemma. The system must be reformed down to its roots or it will impoverish us all. Such reform should assure that current retirees are not short-changed. At the same time, it should provide incentives for younger workers to invest in private alternatives which, in time, would stimulate production and jobs by infusions of new capital into the economy.

Congressman Jack Kemp (R.-New York) offers some suggestions in his book *American Renaissance*:

"One way to help make Social Security solvent is not to force people into early retirement, extended unemployment, and permanent 'disability' with onerous taxes on work. Another way is to ensure a growing prosperous economy so that there are enough present workers to finance Social Security without hardship. Third, for the benefit of those now working — the retired of the 1980s, 1990s, and beyond — we must be far more generous about letting people defer taxation on savings put away for retirement. After all, those savings then go into more and better tools to increase future production. In this way, retirement benefits are provided out of the economy's added potential rather than out of taxes levied on future workers."

Representative Kemp also advocates more-generous exemptions from estate taxes in order to motivate older professionals to continue producing, and "thus encourage people to accumulate shares in a growing economy for their own futures and those of their heirs." Since many pension plans depend on the health of the stock market, Congressman Kemp would eliminate policies such as taxes and regulations which form "a wedge between before-tax business earnings and after-tax stockholder returns . . . ."

Meanwhile, the goal of honest reformers must be the ultimate elimination of Social Security. It could be phased out in planned stages, for instance, gradually eliminating benefits for everyone except those now dependent on them for subsistence. A reasonable cut-off age should be established, and those under that age informed that they can no longer rely on Social Security for their old age — something which they cannot count on anyway. These people can then be encouraged by tax advantages to provide for themselves by saving in private pension or insurance programs. Since Americans now under thirty-five have virtually no chance of collecting Social Security anyway, they will have much incentive to leave the system, substantially reducing future liabilities. Participation must at the very minimum be made voluntary rather than compulsory; young workers must have the freedom to decide whether they can make better provisions on their own and be given an opportunity to tell the bureaucrats: "You can include me out!"

In time, there will be fewer and fewer retirees receiving Social Security, and more and more people covering themselves through private alternatives. Eventually, virtually everyone will have either private provisions for retirement or continue working past age sixty-five, as many are able to do. With the money they keep by not having to pay Social Security taxes, Americans will buy an insurance policy, a pension plan, invest in gold and silver — even put some of this money into the education of children in the hope they will support mother and father in old age.

As a result of phasing out Social Security, most paychecks will be thirteen percent larger, since this is how much the average worker and his employer now pay into the system. With that extra money, people will be able to afford to give more to private charitable organizations for the purpose of taking care of the truly needy and those who cannot (or will not) provide for themselves.

But even with a fairly gradual phase-out of the Social Security mess, there will still be tremendous unfunded liabilities — the legacy of political commitments. It has been suggested that this be dealt with over the long run by setting up a real trust fund from the sale of large tracts of the 742 million acres of land now owned by the federal government. The fund could be invested in the private sector and accumulate at a reasonable rate of return. In this way the huge debt might eventually be paid. If additional funds were needed, the federal government could be required to sell its government-run business to the highest bidder. The selling of public lands and socialist businesses would get the federal government out of those areas, save tax money, and open up vast areas of land in the West to development of new energy sources.

Former H.E.W. Secretary Wilbur Cohen once defended Social Security on the basis that it was "the exercise of social responsibility." That is the fascist-socialist notion on which all political redistribution schemes are based. What we need instead is more *individual* responsibility. In the meantime, we suggest that readers of this magazine not rely on the politicians to follow our advice. As difficult as it may be in these days when budgets are stretching tighter than jeans, prudent Americans must systematically invest to provide for their own future. The alternative is assuredly destitution. ■ ■