

## Social Security Administration Assures People It's Not in Red

By LOUIS CASSELS  
 United Press Correspondent  
 Washington—An organization with \$22,500,000,000 in liquid assets is being kept busy these days assuring its clients that it is not going broke.

The organization is the Social Security Administration. The clients who are concerned about its solvency are oldsters and not-so-oldsters who have built their retirement plans around monthly social security checks.

They have been telephoning, writing and calling in person at social security offices to inquire about published reports that the government's huge old age and survivors' insurance program is "running into the red."

Their inquiries would be easy to answer if social security officials could dismiss the whole thing as a wild rumor. But the truth, as usual, is a good deal more complicated than that—even if no more alarming.

It is a fact that social security, for the first time in its 20-year history, is paying out more money for benefits this year than it is collecting in payroll taxes.

**Interest Bridges Gap**  
 Interest payments on the \$22,500,000,000 worth of government bonds in the social security trust fund will bridge the gap between income and outgo during 1957, and will leave a surplus of about one million dollars to be added to the trust fund at the end of the year. So there's no red ink on the social security books yet.

Next year, however, the old age insurance system may actually show a small deficit, even after interest payments from the trust fund are figured in.

By 1959, it will be necessary to dip into the trust fund reserves for perhaps as much as 750 million dollars to balance the books.

Obviously, if this trend continued very long it would lead to bankruptcy—even in an organization with more than 22 billion dollars in reserves.

But social security officials say there is no danger that it will continue past 1959. A law already on the books provides

that the social security payroll tax, now 2 1/4 per cent each on employers and employees, will go up to 2 3/4 per cent each at the start of 1960.

This increase in revenue will put social security safely back into the black. And although benefit payments will continue to rise in the future, so will the payroll tax.

**Provide Automatic Increases**  
 Congress has provided for automatic increases every five years through 1975, if the law remains as is, the tax will finally level off in 1975 at 4 1/4 per cent for employers, 4 1/4 per cent for employees, a total of 8 1/2 per cent.

With this kind of money coming in, social security and its clients can face the future with confidence. Projections by chief actuary Robert J. Myers indicate that social security will show a surplus every year after 1959 until at least 2010. By that time the trust funds is expected to reach \$115,962,000,000.

Myers' figures show the trust fund interest payments combined. But a Congress meeting 60 years hence could avoid the downward by another slight upward revision of the payroll tax.

Social security benefits for retired workers now range from a minimum of \$24 to a maximum of \$108.50 a month for an individual. For a couple, both of whom are over 65, the monthly check may be as high as \$162.80. If a future Congress should decide to raise these benefits—without a compensating increase in the payroll tax—that would of course throw the actuaries' computations out of gear.

The temporary dip into red ink which lies directly ahead of social security was foreseen by the actuaries when the present schedule of tax increases was enacted by Congress in 1956. But it has come a little sooner than the experts figured.

**Farmers Qualify**  
 The reason is that about 375,000 self-employed farmers—considerably more than social security expected—have qualified for retirements benefits since Congress extended social security coverage to them in 1954.

Following the same formula which has been applied to all newly-covered groups in every extension of social security coverage since 1937, Congress provided a short-cut to benefits for farmers who were already approaching or past 65 when the laws was passed. They could qualify for lifetime benefit checks by paying social security taxes on their farm earnings for two crop years.

This was a windfall for many elderly farmers. For example, a farm couple past 65 could pay as little as \$24 in taxes in 1955 and 1956, and start drawing checks for \$142.50 a month in 1957.

Although the resulting rush of over-65 farmers to social security offices has raised costs above expectation in 1957, officials point out that this is a "one-time" problem which will have no significant effect on the long-range financial soundness of the insurance system.

Social security is not likely to encounter a similar problem in the future, because there are no more large groups of people to be brought under coverage. About 90 per cent of the nation's work force is now covered by

social security, and another 5 per cent by other government programs.

Washington—Chairman Francis E. Walter (D-Pa.) of the House Committee on un-American Activities entered Georgetown University hospital Monday for treatment of a broken hip. Walter, who slipped on the steps of the House Office Building Friday, was reported in satisfactory condition.

## Registration Set For Jacksonville

Jacksonville schools will open for registration and first day classes on Monday, September 9 at 8:34 a.m.

High school students may register on Sept. 5 through 7 from 1 to 4 p.m. The cafeteria will open the first day with meals costing 20 cents for grades one to eight and 25 cents for grades nine through 12.

First grade students will be asked to bring health and birth certificates. Children six years old by Nov. 15 should contact Francis Guidry, grade school principal, before school starts.

New students entering should

bring old report cards and transfer slips. Grades one to three will meet in the main buildings. The Jacksonville faculty will meet Sept. 5 and 6 to work on in-service program and devise ways of putting new ideas into operation.

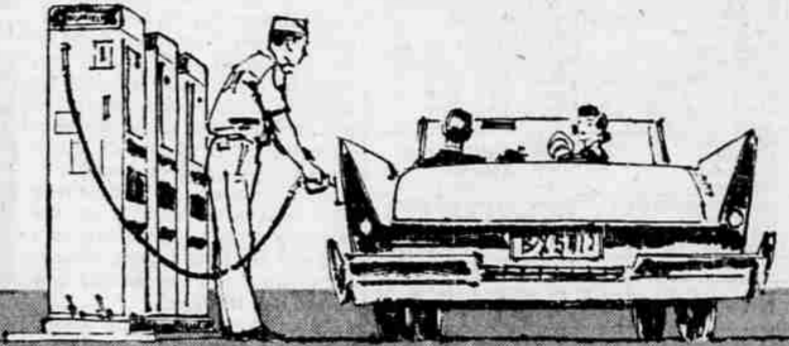
**HEAT ON PIGEONS**  
 New York—The heat will be on for pigeons if the American Museum of Natural History has its way. The museum Monday asked the city planning commission to approve \$65,000 for an electrical system to shoot pigeons.

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## Ike Signs Public Works and Water Bill

Washington—President Eisenhower reluctantly signed Monday a public works and water development bill packed with 700 million dollars worth of projects added by Congress over administration protests.

He went on record with a special statement criticizing the legislators' inconsistency in adding the unbudgeted local projects while demanding economy in other fields.

The bill appropriates \$858,094,323 for civil functions of the Army Corps of Engineers and units of the Interior Department to start or continue work in the current fiscal year on reservoirs, rivers and harbors and flood control projects.

Elkhart Lake, Wis.—Officials of the Road America 500-mile race, planned for Sept. 6, indicated today a deer in the bush is worth two in the road. They will shoot an overabundance of deer away from the four-mile circuit with a special "hunting" party a few days before the race.

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