

Here is the big area of social endeavor, the retirement of the people of the society. We can finance it completely on a pay-as-you-go basis. You can finance some of it through this kind of saving that we have developed, or you can have any mix.

Mr. GAINSBROUGH. That is quite a problem as you present it. One of the points I think that you might want to consider is what the funding would have to be in the aggregate, if the social security program were either fully or partially funded.

Representative CURTIS. I can give you that figure. It was given to us—

Mr. GAINSBROUGH. It would be a rather amazing figure.

Representative CURTIS. \$350 billion.

Mr. GAINSBROUGH. That is right.

Representative CURTIS. This was the figure Secretary Gardner has given us if we funded social security the way we require private pension plans to be funded.

Mr. GAINSBROUGH. I think when we look at what outlets we might have for \$350 billion of funded social security program we might face a problem similar to Switzerland where they had to seek outlets for the fund outside of Switzerland itself, where you had an overaccumulation of savings from the point of view of the domestic economy.

I have not been able to make up my own mind as to where I would stand or what the economic arguments are pro and con, funding versus pay as you go, as it relates to social security. I am impressed with the tax burden that some future generation is going to have to carry under an expanded social security program, using the same three-legged-stool approach that you mentioned earlier which applies to the cost of this program.

The three-legged arrangement you mentioned earlier was that we want to depend jointly upon the private sector, the public sector, and the individual in terms of amassing a competence for his old age.

The cost of the program as it was originally set forth was to be borne three ways, by the employee, by the employer, and through general Federal funds. It is becoming increasingly apparent that more and more of the cost in the future is going to be borne in the public sector rather than by the employer or the employee. And the cost of a fully rounded social security program in some of the countries that I have looked at, not just the 12 or 15 percent that has been quoted to you, but may run as high as 18 to 20 percent. If all of this is borne out of general tax funds, you can begin to visualize what this may mean in the way of a tax burden at some later period.

Representative CURTIS. I am very much impressed with your concept of creating this broad commission. This is the kind of very broad problem that I would hope that such a commission would put its sights on.

I will yield to Senator Jordan.

INVENTORY OF GOVERNMENT EQUIPMENT

Senator JORDAN. Thank you, Mr. Chairman.

Pursuant to the previous hearings of this committee in prior years, calling attention to the great inventory of Government-owned machinery and tools of all kinds and description used by the private sector