grams. We would then be in the position of requiring greater contributions for welfare from the wage earner than from the general taxpayer." [6]

It is also argued that the present financing system, relying only on payroll taxes, provides a restraint on expenditures that would be removed by a shift to general revenue financing. Representative Wilbur D. Mills, chairman of the House Ways and Means Committee, once said:

> I do not believe there should ultimately be a contribution from general revenues. If there is such a contribution, there is no real deterrent to demand for extremely high payments.[7]

The present system of payroll tax financing contains an important fiscal control device. Whenever increase benefits are proposed, the House Ways and Means Committee, under whose jurisdiction social security falls, must also consider the long-range financing of such benefits as well as administrative costs. When the benefits schedule is revised, the contributions schedule is also revised to insure that sufficient revenues will be forthcoming to meet all benefits and other costs. This is a device that does not operate in the general budget, although similar procedures have been proposed for administrative budget programs.

The effect of this fiscal control device on the level of expenditures in the past may be questioned. Other countries have social insurance systems in which the same type of fiscal procedure operates, except that a general revenue contribution is a part of the additional levy that goes with increased benefits. A recent study comparing social insurance systems in different countries shows that partial reliance on general revenues in social insurance systems is not associated with higher expenditures: "* * * the proportion of national income devoted to social security is higher in some of the countries that rely less on general revenues for financing these expenditures." [8]

Over the last two decades in the United States, the tendency of social security benefit increases to be associated with election years suggests that the benefit increases have been of more concern to the public than the payroll tax increases. Until recently the payroll tax was relatively small, and people appear to have had an exaggerated idea of the extent to which they were paying for their own benefits. After surveying the opinions of various groups in the United States, Robert M. Clark concluded:

> Most Americans are enthusiastically in favor of old-age, survivors, and disability insurance. They feel that this is their program and not something the Government does for them * * * most people have a highly exaggerated idea of the extent to which they have or will have paid for their benefits.[9]

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[6] Representative Barber B. Conable, Jr., *New York Times*, Aug. 14, 1967.
[7] Statement in an interview quoted by Robert M. Clark, *Economic Security for the Aged in the United States and Canada*, a report prepared for the Government of Canada (Ottawa: Queen's Printer, 1960), vol. I, p. 155.
[8] Henry Aaron, "Social Security: International Comparisons," in Otto Eckstein, ed., *Studies in the Economics of Income Maintenance*, Washington, D.C. The Brookings Institution, 1967, p. 20.
[9] *Op. cit.*, p. 179.