

plans which would result in placing all such programs under a governmental straitjacket, thus depriving these plans of the inherent flexibility which, I believe, lies at the root of their success and value."

Mr. Basset's comments show the value of study needed in this entire area: "Until these studies are completed and until substantial consideration and evaluation have been given to them, I would urge the Congress not to take action. Private retirement programs, adopted by corporations for the benefit of their employees, constitute a unique and constructive American development which, on the whole, is serving the Nation extremely well. In light of the long-range nature of these programs and their past success, the Government has an obligation to move deliberately and cautiously in changing the ground rules under which they operate. Certainly to date, there has been no clear demonstration either of the need for, or constructive results that would result from, a program of Federal reinsurance for unfunded pension benefits."

ROGER FLEMING: STATEMENT ON BEHALF OF THE AMERICAN FARM BUREAU FEDERATION

Our official policy resolutions on this subject are limited to brief statements on social security and self-employed retirement plans. Social security programs should be designed to supplement rather than replace individual thrift and personal responsibility. Any increase in social security benefits should be limited to those which can be financed without an increase in taxes or the use of general tax revenue. A retiree's social security benefit should not be reduced because of his current earnings. Small employers should be permitted to pay social security taxes on an annual basis. The financing of the social security program by payroll taxes disguises the cost of the benefits and lulls the taxpayer into a false sense of well-being. We support a method of tax collection which will require people to pay their share directly rather than through withholding by their employers. In fairness to young workers, the social security taxes paid by individuals—but not those paid by employers—should be graduated on the basis of age. We strongly support the Self-Employed Individual's Tax Retirement Act as amended in 1966.

JAMES F. OATES, Jr.* PRIVATE PENSION PLANS IN THE UNITED STATES

The Equitable believes that as long as Government leaves to private initiative the negotiation of wages above specified minimum levels, it should similarly leave to private initiative the provision of retirement income above minimum (social security) levels. Further, the private pension movement, which has mushroomed within the past two decades from modest proportions to an accumulation of \$100 billion on behalf of 25 million people is entitled to the informed interest and support

* For the Equitable Life Assurance Society of the United States.