

# **Sokolsky**

## **Pensions**

***By Geo. E. Sokolsky***

It is amazing how small a part simple arithmetic plays in the lives of our people. For instance, a young fellow the other day was telling me how much cheaper it would be to run a family if a boy and a girl, both at college, got married, and continued to draw their money from the GI Bill of Rights and at the same time continued to draw the allowances that their parents gave them. I could not help asking, "cheaper for whom?" I tried to get some figures on the cheapness, and, of course, the expenses finally settled on the shoulder of one of the fathers—probably the one who could least afford it.

It is that kind of reasoning that goes into the varieties of pension schemes now being thrown into the hopper of the Congress. Old Dr. Townsend is polishing up his campaign to get pensions for the old and there is the plan of Senator Owen Brewster to give every man and woman reaching 65, \$100 a month—everyman and woman, John D. Rockefeller jr., Jesse Jones, Bernard Baruch, the rich as well as the poor, the competent, as well as the incompetent, everybody.

And then there is Rep. Rankin's plan. He has a plan to give veterans another pension. The bill is really simple: It would apply the Spanish-American pensions to the 18,000,000 veterans of World Wars I and II. And like Senator Brewster's bill, it would apply to everybody, whether the recipient needed it or not. That would save the bookkeeping and investigation. Of course, no one can estimate how many billions that would add to the \$42,000,000,000 we are to spend this year. In fact, it seems apparent that addition is the only arithmetic they know.

This is the Rankin proposal:

"1. For non-service disability: Monthly payments ranging from \$20 to \$90 a month for disability ranging from 20 per cent to total, or \$120 a month for veterans so disabled as to require regular attendance.

"2. For all veterans reaching the age of 60: A pension of \$60 a month, to be raised to \$90 a month at the age of 65. These pensions would be paid in addition to compensation for service connected disability, but veterans with non-service disabilities would be limited to drawing disability payments or old-age pensions, not both."

Now let's go back to simple arithmetic. A government has no money of its own. The only money it can use for pensions or anything else is what it takes from the productivity of its own people. In a word, the people produce, they work, they build, they make, they earn. If they can keep a part of their earnings, if they can save, if they can be thrifty, a reservoir of private capital is created to take care of the rainy day, of illness, of old age, of marrying off a daughter, of looking after an aged parent or a son who is ambitious. Also, those who have saved can, if they choose, invest in a business of ~~their~~ own, or help to finance a friend who has an idea or has invented something, or they might buy stock in an existing or expanding enterprise.

If, on the other hand, the government finds it necessary or purposeful to take a large share of the earnings and if at the same time it keeps prices up by subsidies and other artificial means, then savings become impossible. A generation is growing up which knows not thrift, which believes in dependence upon the government. Thus, a vicious circle appears in our society: Everybody pays taxes, an increasing number of people get government checks, and they themselves pay taxes while their money depreciates in value. Thrift has been lost for individuals; thrift has ceased to be a national characteristic. The government abhors thrift; it discourages it among its citizens. By act of Congress, it makes thrift illegal. And when there is no thrift, there is no independence. A dependent people is an enslaved people.

Maybe, the Congress ought to hire an elementary school teacher to show them how one minus one equals zero.