Washington Digest

Social Security Need Of Low-Income Farmers

Amazingly Small Cash Marketings of Large Group Leaves Little to Be Put Aside; State Units Carry Relief Burdens.

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(This is the first of two articles on "Social Security for the Farmers.")

When the navy announced its plan for the biggest postwar boom in history—to announce to have a 97-ship fleet skyhigh with the atom bomb—I couldn't help recalling the answer which a little girl gave to a reporter before the war ended. He asked her: "What do you want to be when you grow up?" The youngster replied, "Alive."

In this atomic era, it's pleasant to note, then, that there are at least two groups of people in this country who not only assume that most of us will stay alive for a reasonable period, but who are making plans based on that assumption.

One group comprises the radio experts who earnestly promise we'll be motoring to the moon and back by 1960—stopping to refuel along the highway at filling-up stations suspended in space and perhaps playing moondrivers in a hanging garden.

The second group is the National Planning association — specifically its agriculture committee—which expects the farmer not only to grow up, but to live at least to the age of 65, at which time he will want to retire. Making that retirement possible is the subject of a new 97¢ bulletin by Murray R. Benedict, professor of agricultural economics at the University of California.

Why is the farmer so favored? Is he the only worker who wants to retire and live out his old age in reasonable financial security? What about the tired-out tippers? Isn't the weary worker worthy?

Be that as it may, Mr. Benedict's retirement plan is based solely on bringing the farmer into the federal social security system. Most industrial and white collar workers like typists, soldiers and butlers, are already covered by social security. When the time comes for them to quit work for good, they can count on a small, but regular monthly income from social security benefits.

But as the farmer. When he can work no longer, he has to live off what he's saved or by selling the south forty—and if he hasn't saved anything, that's his hard luck—or whoever has to take care of him.

Administration Process Problem

The farmers were not included in the social security setup when it was inaugurated in 1935, because the lawmakers and administrators felt they couldn't cope with his peculiar problems at the time. For the same reason, they passed over the self-employed worker, the domestic employee, the government and railroad worker, the employee in non-profit organizations. Such workers passed by much of an administrative problem, the legislators felt, so they left them out, as far as social security was concerned.

Now, however, the system has been operating for more than 10 years, and it's high time, Mr. Benedict thinks, to clip farmers in on its benefits. He feels the other unbenefited groups mentioned above should be included, too, but he concentrates on the case of the farmer.

The farmer, like everyone else, faces the grim prospect of dependency and want in old age. Like everyone else, he strives to guard against such contingency by working hard and trying to save money. But in 1930, more than half the farm owners of the country mortgaged less than $5 worth of products from their land. Dudart Hoos that the producs the farmer's wife used at the table, the farm equipment he has to buy, shoes for the children, and an occasional Saturday night trip to the big city—and it's plain there is going to be precious little money left to stow away under the mattress or in the bank.

Hired farm workers have an better in this matter of saving money than does the man who owns the farm. The hired man may earn $75.35 a month if he eats "in." If he boards out, his monthly wage may be $55.65—when he works. It's quite possible he'll a seasonal worker—shifting from job to job as crops mature and orchards blossom, which means his annual income is far from fixed or steady.

So the farmer and the hired farm worker, no matter how hard they work, may find it impossible to save money toward the time when they can no longer wield the scythe and hay fork. Not in the former able, in many cases, to put by a little money to provide for his wife and family, should he die prematurely or be disabled.

Consequently there are more and more aged persons in rural areas who have to be cared for by county and state on a charity basis—a procedure which is not only expensive but unfair, since it treats thrifty and shiftless exactly alike. The charity or "old age assistance" as it's called, brings together the persons who prove to take care of themselves during their working years but failed, with those who squandered their earnings.

Mr. Benedict guesses there'd be fewer such charity cases and fewer farmers hounded by the spectre of becoming such charity cases were workers in agriculture allowed to participate in the social security system. As everyone knows, the system is really a huge mutual insurance company. Each person makes a regular contributory payment which is geared to his ability to pay.

Twelve Plus For Payments

If the farmer were covered by social security (and Mr. Benedict isn't the only one who thinks they should be, most of the important farm organizations have obeyed the idea; both presidential candidates in the last election endorsed it, and the social security board on January 28 once again importuned congress to include farmers in), it would work something like this:

Farmer Jake Dumm adds up his pop's sale of farm products and finds he has marketed less than $75 worth. That's his gross cash income. Under Mr. Benedict's plan, Jake would be brought into the social security system as a self-employed worker on an assumed net income of $600 a year.

Now Jake is "self-employed"—and at the present time there is no provision in the social security act for insuring the self - employed, either in agriculture or in private business. The way it works now, the employed worker who IS covered pays into the trust fund 1 per cent of his wages; his employer contributes 1 per cent in his behalf.

Since Jake has no employer, Mr. Benedict suggests that Jake contribute both the employer and employee share, in other words, 2 per cent of his net income.

And his net income, as stated earlier, is $600. So Jake would pay $6 a year. If he makes these payments consecutively for 40 years, he will have paid into the social security trust fund $240. At retirement, he would be entitled to approximately $25 a month. Not a munificent sum by any means, but perhaps just the plus he owns which, added to whatever other assets he has, may keep him from going to the poorhouse in later years. And his social security contributions pay off rapidly. In a little more than two years after he has retired, Jake will have received back every cent he paid in, plus interest. Not only that but during the 20 years he will have had the protection of survivorship insurance. That is, if he should die prematurely, his widow would not be left completely penniless. She would get three-fourths of the monthly sum to which he was entitled at the time he died.

Suppose Jake finds it hard to scrape together eight dollars at one specific time? In that case he might use a stamp book. A book perhaps similar to war stamp books. Jake's social security stamp book would probably be issued by the post office or by the social security board. Whenever he had a little extra money, he could buy stamps to paste in it. When the time came for him to make his annual eight dollar payment, he would turn in the stamp book plus whatever cash was needed to make up the balance.

Jake would have a social security account number and he'd have to report his yearly earnings but the report would be very simple. All he'd have to do would be to state how much gross cash income he received for the year, sign his name, and that's all there'd be to it.

BARBS . . . by Baukhage

At the rate we are demobilizing, we ought to be on an equal footing with Nicaragua before long—and of equal influence in international affairs.

* * *

Tegucigalpa, capital of Honduras, is the only city in the world without an air railroad connection. But it's just as much fun to watch the plane come in.

The Triple "A" says that landing strips which once dropped tanks or fat army sissies' beaches may be used as safe havens. They could carry a hundred autos per trip—and still strippers wouldn't be afraid of burning peanut stalls.

* * *

Poor Richard would probably say today: Take off price controls and you lose your price-control.

WINTER IN FLORIDA OR NEW HAMPSHIRE . . . Regardless of the weather, the younger generation finds plenty of amusement and body-building activities. At North Conway, N. H., the Eastern Slope Ski school, five more than 34,000 ski lessons annually to youngsters who contribute 45 annually and write a school composition on skiing. At a cabana club pool in Miami Mary Jane Cassel, New York, goes overboard, while Enid Merkle, Washington, and Mary Jane's sister, Shirley, watch in their "doughnuts."

PARIS . . . Look out your window in a modern Paris hotel and this is what you will see. Scores of crazy architecture and modernistic chimney pots. George Alexander, Los Angeles, was so much in love with Paris that he reproduced it and brought it home in miniature. Eiffel steels and blocks of the picturesque quarters of the French capital are included in his collection. He fled Paris in 1940 without his "baby" which, by underground routes, finally caught up with him in Los Angeles.

HANDY WRENCH . . . Weighing 161 pounds, this wrench has been declared complete by the U. S. army at the Londstown (Ohio) ordnance plant. Ed Dolan of Warren, standing by the wrench, is not tall. (Civilians may purchase such gadgets as these—to fix their watches.

MORE POWER TO THE DRAGON . . . China is to pump new life into the old dragon by building the biggest concrete dam, irrigation project and power plant ever known. Yangtze gorge project, with co-operation of the U. S. bureau of reclamation, builder of Boulder and Grand Coulee dams, is drafting actual plans. The mechanical look facilities are shown above. They are capable of locking a loaded vessel of several thousand tons displacement capacity. John Lucian Savage is consulting engineer.

INTERNATIONAL COURT . . . Green H. Hackworth, 61, Chevy Chase, Md., has been elected one of 15 world judges by UNO. A native of Pittsburg, Ky., Hackworth served at the Hague.

HORSEBACK POKER LOOT . . . During the strike of the Los Angeles Union Stock yards, the pickets resorted to true Western style to picket the enforcers in the yards. Mounted picket line, left to right: Margie Terra, "Jay" Harrison, Tex Glover and Steele Evans. This union was seeking a 15-cent-an-hour pay increase. Horsemen took turns at the entrance to stock yards.

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