

the social security taxes lower than they would have to be if the money in the trust funds were not invested; (2) they are assets to draw on in temporary situations when current income is less than current outgo."

The degree to which the trust funds are able to fulfill these purposes is indicated by the relation of the trust funds to the rate of benefit payments.

As to the benefit of interest income, we may first note that under a fully funded private retirement plan, investment income provides from 40 percent to 50 percent of the amount required to pay benefits. In the report to the Committee on Ways and Means for the proposed social security amendments of 1964 (H.R. 11865), interest on the existing trust fund is estimated to reduce the "level-cost" (constant tax rate requirement) of 9.80 percent of payrolls by 0.19 percent or only 2 percent. This 0.19 percent is of the same magnitude as the estimated actuarial deficit under the bill of 0.20 percent which is considered so insignificant that the actuarial balance is "well within acceptable limits."

The capacity of the trust funds to meet "temporary situations when current income is less than current outgo" is indicated by the following exhibit of actual and projected ratios of the respective trust funds to yearly rate of benefit payments:

Ratio of trust funds to benefit payments of the year

Trustees report	OASI TRUST FUND						H.R. 11865 report
	19th (1959)	20th (1960)	21st (1961)	22d (1962)	23d (1963)	24th (1964)	
Short-term projections							
1958	2.6	2.6	2.6	2.6	2.6	2.6	2.6
1959	2.2	2.1	2.1	2.1	2.1	2.1	2.1
1960	2.1	1.9	1.9	1.9	1.9	1.9	1.9
1961	2.0	1.8	1.7	1.7	1.7	1.7	1.7
1962	2.0	1.7	1.6	1.4	1.4	1.4	1.4
1963	2.1	1.7	1.6	1.4	1.3	1.3	1.3
1964		1.8	1.7	1.4	1.2	1.2	1.2
1965			1.7	1.5	1.2	1.2	1.0
1966				1.7	1.2	1.2	1.0
1967					1.3	1.3	1.0
1968						1.4	1.1
1969							1.2
Long-term projections (intermediate cost estimates)							
1970	3.4	2.9	2.6	2.4	2.6	1.9	1.3
1980	4.7	4.1	3.7	3.5	4.1	3.0	2.4
1990	4.9	4.3	3.9	3.7	4.4	3.3	2.7
2000	5.5	5.1	4.6	4.4	5.2	4.1	3.3

Trustees report	DI TRUST FUND						H.R. 11865 report
	19th (1959)	20th (1960)	21st (1961)	22d (1962)	23d (1963)	24th (1964)	
Short-term projections							
1958	4.7	7.0	7.0	7.0	7.0	7.0	7.0
1959	3.8	3.6	3.6	3.6	3.6	3.6	3.6
1960	4.8	3.8	3.8	3.8	3.8	3.8	3.8
1961	5.8	4.7	2.8	2.7	2.7	2.7	2.7
1962	5.8	5.3	2.6	2.5	2.2	2.2	2.2
1963	6.7	5.3	2.5	2.3	1.8	1.8	1.8
1964		6.0	2.5	2.1	1.6	1.5	1.4
1965			2.3	2.1	1.5	1.3	1.3
1966				2.1	1.3	1.1	1.3
1967					1.1	.8	1.3
1968						.6	1.2
1969							1.3
Long-term projections ¹ (intermediate cost estimates)							
1970	5.2	10.8	2.8	2.8	0.2	0.1	1.4
1980	4.9	15.9	1.5	1.5	(2)	(2)	1.1
1990	6.3	20.4	.4	.4	(2)	(2)	1.2
2000	8.3	35.3	(*)	(*)	(2)	(2)	1.4

¹ Benefits extended below age 50.
² Exhausted in 1971.
³ Exhausted in 1993.

These ratios are not published, as such, in the trustees' reports but are computed from actual figures in the reports.

Upon analysis, the most significant feature of this array of ratios is that the successive projected figures steadily decrease. For example, in 1959 the projected OASI ratio for 1963 was 2.1 and the actual was 1.3. Also, in 1959 the projected OASI ratio for 1970 was 3.4 and the projected ratio currently (H.R. 11865) drops to 1.3. An extrapolation of the trend of the figures from successive reports to future reports leads one to the conclusion that future actual experience will be materially less than that projected. In other words, one would be justified in being very skeptical as to the validity of all projections and would reasonably expect that the ratios will be less than indicated at any given time. Has the actuary done a poor job? Not necessarily at all. He has taken the benefit and tax provisions as they are at the time of projection with no allowances for future changes. An actuary cannot anticipate what future political actions will be. An excellent professional job has been done. The real culprit is the "pragmatic political process." As periodic amendments are made, the taxes required for added benefits are spread into the future by the very nature of the financing method. On such occasions, the value of additional taxes payable as to present members is usually only a modest fraction of the value of benefits they will receive. In addition to this feature, current benefits may be increased with a deferred tax provision. For example, in 1961, the retirement or work test was liberalized with a resulting substantial increase in current benefit outlays. But the cost of this change was covered by shifting the tax rate effective in 1969 to 1968. Then, under H.R. 11865, the tax rate for the 5 years 1966 through 1970 is decreased from 9 1/4 to 9 percent (although applicable to a higher wage base) and the year for the ultimate level is shifted from 1968 to 1971 with the rate changed from 9 1/4 to 9.6 percent. Deferments of this kind, which are typical of the political process, account in good part for the lower and lower projections of trust fund growth.

It is evident from the trend of the figures displayed that it is very unlikely that the trust funds will ever become much more than equal to 1 year's benefit payments. Does this provide ample provision to serve the second purpose cited above?

Projections of the dollar amount of the OASI Trust Fund have some interesting characteristics. Here are the figures for 1970 and 1980 taken from trustees' successive reports:

Report	[In billions]	
	1970	1980
19th (1959)	\$50.3	\$68.7
20th (1960)	45.5	83.8
21st (1961)	41.3	81.6
22d (1962)	40.1	79.3
23d (1963)	44.8	96.1
24th (1964)	36.0	75.5
H.R. 11865	27.6	64.6

In the 22d annual report, certain so-called medium-term projections were included based on the assumption that the benefit and tax formulas remain unchanged but that wages would rise. Although the report warned that it was unlikely that the assumptions would be realized, the Social Security Administration put out a booklet "Financing Your Social Security Benefits" (OASI-36 March 1962) that included a chart (with money bags) indicating that, using these medium-term projections, the OASI trust fund would amount to \$53.7 billion in 1970 and \$153 billion in 1980. After some criticism of this publication as grossly mislead-

ing, the next issue of the booklet OASI-36 (November 1962) omitted the \$153 billion figure and its associated money bag but kept the charted line, now dotted, extending to the same \$153 billion point. The latest issue of the booklet for May 1964 omits the chart entirely but with no explanation. Will the Social Security Administration take positive steps to correct the grossly erroneous 1962 booklets? Enactment of H.R. 11865 will require substantial downward adjustment of the figures that appear in this paragraph from the current booklet:

"Income to the program as a whole is expected to exceed outgo over the 5 fiscal years 1964 through 1968 and the combined assets of the funds are estimated to increase by about \$5 billion by the end of June 1968. There will be an estimated \$6.2 billion increase in the old-age and survivors insurance trust fund and a \$1.2 billion decrease in the disability insurance trust fund."

The actual increase will be only about one-half of that indicated. This assumes, of course, no further amendments before 1968.

In summary, the pragmatic political process has produced an essentially pay-as-you-go financing method. The trust funds' interest earning role is so minor that it hardly deserves mention—its value has been greatly exaggerated. The present and prospective magnitude of about 1 year's benefit payments constitutes a modest provision to absorb temporary fluctuations and any substantial economic recession would melt it away very rapidly.

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PERSECUTION OF THE JEWS IN THE SOVIET UNION

(Mr. RUMSFELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUMSFELD. Mr. Speaker, free men throughout the world have been deeply disturbed for some time over reports of severe discrimination against certain religious groups, especially the Jewish citizens of the Soviet Union. As duly elected representatives of the people of the United States, the bastion of freedom in a troubled world, it is incumbent upon us to carefully weigh these reports and to seriously consider appropriate action.

At the outset, it must be noted that the information which is available about the present subject is at best unsatisfactory, whether the occasional news releases from the Soviet press, secondary studies done by Western writers who sympathize with the plight of the Russian Jews, or the verbal accounts smuggled out of the Soviet Union. These limitations are to be expected when we are dealing with a totalitarian country whose consistent practice has been to publish only its own brand of the truth. In view of past experience with Russia and other dictatorships, the lack of information made available about the persecution of Jews in Russia would lead this observer to believe that the actual facts are probably worse than the information which is available and presented here might indicate.

Although it has been the policy of the Soviet Union to discourage all religious observances for the past 47 years, despite the lip-service which it has paid to constitutional guarantees of freedom of religion, new evidence indicates a renewed program designed to undermine the

spiritual faith of Russia, to encourage a cult of "scientific atheism" subordinated to the state and to the goals of international communism, and, more specifically, to systematically eradicate the vestiges of a once flourishing Jewish culture for its nearly 3 million adherents.

In subtle ways, the official policy of the Soviet Government toward its Jewish minority appears to have reached new depths of inhumanity and prejudice. In 1962 the Soviets instituted a ban on matzoh, the unleavened bread indispensable for the celebration of the Passover. Jews have been long forbidden to produce other articles required for worship, such as prayer shawls and phylacteries. The record indicates that only once in the past 40 years have prayer books been made available, and then only a token edition of 3,000 copies in 1958.

In overt ways the Soviet regime has restricted opportunities for religious worship, education, and burial. Whereas there were, according to Soviet sources, some 450 synagogues in Russia in 1956, there are today, according to their own admission, less than 100—and, shockingly, only 3 in Moscow, and 1 apiece in Leningrad and Kiev. Seminaries have been closed throughout the country. Only one Yeshiva, or school for rabbis, is in operation today. Jewish cemeteries have been first desecrated, then shut down.

Unlike similarly constituted national and religious minorities, Jewish congregations are, to some extent, deprived of free contact with Jewish groups abroad or even with fellow Russian groups, and thus refused the minimal rights granted to other faiths.

To complement its program of religious harassment, the Soviets appear to have embarked on a new plan of anti-Semitism which has carried into secular life. This new area of persecution has been based on the deprivation of educational and economic opportunities for its Jewish population through subtle laws and unabashed propaganda.

The high degree of urbanization of Russian Jews—over 93 percent live in cities and towns compared with the national average of 44 percent—seems to make them eminently qualified for educational opportunities and advancement in Russia. Yet, only 3.22 percent of the student population is Jewish, while in 1918 over 8.7 percent were Jewish. According to a recent study by Prof. Nicholas DeWitt, of the University of Indiana, there is evidence that a quota system is being maintained to limit the ambitions of Jewish students.

One of the most recent additions to the history of Jewish persecution in Russia has been the so-called economic crimes. Beginning in May 1961, the Soviet Union enacted decrees extending the death penalty to economic offenses, like pilfering public or state property, counterfeiting, and currency speculation. Since that time, 196 persons have been victimized, over 50 percent of whom were Jewish. In the Soviet Ukraine 80 percent of the victims of this law were Jews. The discrepancy between the percentage of Jews convicted and the Jewish proportion of the population, approximately 1.5 percent, unveils the malicious intent of the law.

A third area of secular persecution has been developed through anti-Semitic propaganda. A flood of cheap pamphlets and books, including the notorious "Judaism Unadorned," have contributed to the Soviet Union's plot to discredit and discourage Jews from active public lives.

Mr. Speaker, I would suggest that this three-pronged attack against Jewish life in Russia is unsurpassed in its intensity, save the horrible examples of Nazi Germany.

Although the free exercise of religion presents difficulties for everyone in the Soviet Union, since the policy of the Government is to eradicate religion, citizens of the Jewish faith are uniquely persecuted and discriminated against. Soviet law makes anti-Semitism a crime, but unofficially the citizen of Jewish faith is branded and denied many of the rights accorded other nationalities and cultural groups. Officials of the Soviet Union have denied that anti-Jewish activity is prevalent in their land, yet there is an abundance of evidence to refute their denial.

Can it be denied that at least 100 of a total of 190 people condemned for alleged economic offenses have been Jews? Can it be denied that numerous arrests, trials, and executions have been patently anti-Jewish? Can it be denied that Kosher butcher shops are closed and that Jews are imprisoned for baking unleavened bread and selling it for the Passover holidays? Can it be denied that the Jewish people in the Soviet Union have few Jewish books or periodicals and that the Jew is featured in the controlled Soviet press in such ways as to bring upon him the contempt of his fellow citizens? Can it be denied that the Jewish people in the Soviet Union are isolated from the rest of the world and that they cannot leave to find freedom elsewhere?

The reports of persecution are deeply disturbing and the portents are frightening. Have we, has the world, so quickly forgotten the similar work of Adolf Hitler? Such outrageous injustice must be condemned—the entire civilized world offended by such immoral and inhuman conduct. How can we in good conscience deal with officials of a government that sanctions such offensive and calculated deeds without voicing our protest? How can we trust the word of the Communist leaders of the Soviet Union who willfully abrogate the religious freedom guaranteed by their constitution? How can we justify assistance, such as the recent wheat sales, to a nation that deprives a group of its citizens of basic human rights? How can many prominent Americans accommodate the Russians in so many areas of strategic importance, such as trade, national defense, and technology, when their Hitler-like deeds denigrate the very values we seek to promote by such exchange? How can our Government, which represents a people dedicated to the principles of freedom and human dignity for all, stand silent in the face of such deeds?

The President, the Congress, and the people of the United States, along with the free peoples of the world represented at the United Nations, must join in a chorus of protest against the denial of religious freedom in Russia. The U.S. Ambassador to the United Nations, the

Honorable Adlai Stevenson, must press for action within that body whose purpose is to promote peace and freedom throughout the world.

In pursuit of this end, I add my protest by introducing this House resolution in the hope that the House will condemn religious persecution in the Soviet Union and will call upon the leaders of that nation to demonstrate to the world that the Soviet Constitution, which purports to guarantee religious freedom to its citizens, is not a totally meaningless scrap of paper.

GUARANTEEING TAX EXEMPTION OF ADVERTISING INCOME FOR PUBLICATIONS OF CERTAIN ORGANIZATIONS

Mr. CURTIS. Mr. Speaker, the effective administration of our tax system makes it necessary for the Internal Revenue Code to be implemented by detailed regulations which serve as a vehicle for carrying out the legislative objectives and intent of the Congress. In general, the record of the Internal Revenue Service in preparing and promulgating regulations within the purview of the revenue laws enacted by Congress is commendable. However, because of the vast complexities of our tax system and its administration and, from time to time, an overzealous attitude on the part of certain of its officials, the Internal Revenue Service has sometimes exceeded legislative authority in its attempts to exact revenue.

When an executive branch of Government invades the exclusive power of Congress in an effort to legislate by regulation, redress may be had in the courts through a long, tedious, and expensive procedure which may result in irreparable damage even if the litigant is successful; or Congress of its own initiative may speak through the legislative process to thwart the attempted invasion of its prerogatives.

My remarks today are directed toward statements made by officials of the Internal Revenue Service that a regulation will be proposed which will have the effect of taxing the income of publications of tax-exempt organizations even though such publications may be substantially related to the tax-exempt purposes of such organizations.

The statute under which the Internal Revenue Service intends to propose a regulation is the Revenue Act of 1950. This law was enacted for the purpose of curbing a growing abuse on the part of certain tax-exempt educational institutions that were acquiring regular commercial businesses not substantially related to their tax-exempt purposes aside from the need for income. The focal point of attention at the legislative hearings and in the congressional committee reports preceding passage of the Revenue Act of 1950 was the acquisition by New York University of a macaroni factory.

In his testimony before the Senate Committee on Finance, the then Secretary of the Treasury Snyder said:

Our tax laws have long recognized the principle that organizations operated for worthy public purposes should be encouraged by tax exemption.