



## Gov. Perry's Right About Social Security

Here's what the 1936 government pamphlet on Social Security said: "After the first 3 years — that is to say, beginning in 1940 — you will pay, and your employer will pay, 1.5 cents for each dollar you earn, up to \$3,000 a year.... Beginning in 1943, you will pay 2 cents, and so will your employer, for every dollar you earn for the next 3 years.... And finally, beginning in 1949, twelve years from now, you and your employer will each pay 3 cents on each dollar you earn, up to \$3,000 a year." Here's Congress' lying promise: "That is the most you will ever pay."



Another lie in the Social Security pamphlet is: "Beginning November 24, 1936, the United States government will set up a Social Security account for you.... The checks will come to you as a right." Therefore, Americans were sold on the belief that Social Security is like a retirement account and money placed in it is our property. The fact of the matter is you have no property right whatsoever to your Social Security "contributions."

You say, "Williams, you're wrong! We have a right to Social Security payments." In a U.S. Supreme Court case, *Helferich v. Davis* (1937), the court held that Social Security is not an insurance program, saying, "The proceeds of both (employee and employer) taxes are to be paid into the Treasury like internal revenue taxes generally, and are not earmarked in any way." In a later Supreme Court case, *Flemming v. Nestor* (1960), the court said, "To engraft upon the Social Security system a concept of 'accrued property rights' would deprive it of the flexibility and boldness in adjustment to ever-changing conditions which it demands."

Belatedly, the Social Security Administration is trying to clean up its history of deception. Its [website](#) says, "Entitlement to Social Security benefits is not (a) contractual right," adding, "There has been a temptation throughout the program's history for some people to suppose that their FICA payroll taxes entitle them to a benefit in a legal, contractual sense.... Congress clearly had no such limitation in mind when crafting the law." That's the SSA's dishonesty. After all, it was the people in that administration who said, in their 1936 pamphlet, that "the checks will come to you as a right."

There's more deceit and dishonesty. In 1950, I was 14 years old and applied for a work permit for an after-school job. One of the requirements was to obtain a Social Security card. In bold letters on my Social Security card are the words "For Social Security Purposes — Not For Identification." According to the SSA's website, "this legend was removed as part of the design changes for the 18th version of the card, issued beginning in 1972." That's a shameless, unadulterated lie. Because we're idiots, we're asked to believe that the sole purpose for the removal of "Not For Identification" was for design purposes. The fact that our Social Security numbers were going to become a major identification tool had nothing to do with getting rid of the statement.

Aside from these lies, Social Security is a Ponzi scheme. The major difference between Social Security and Bernie Madoff's Ponzi scheme is his was illegal. Three Nobel laureate economists have testified



Written by [Walter E. Williams](#) on September 21, 2011

---

that Social Security is a Ponzi scheme. Dr. Paul Samuelson called it “the greatest Ponzi game ever contrived.” Dr. Milton Friedman said it was “the biggest Ponzi scheme on earth.” Dr. Paul Krugman predicted that “the Ponzi game will soon be over.”

Three cheers to Gov. Rick Perry for having the guts to tell us that Social Security is a monstrous lie and a Ponzi scheme.

*Walter E. Williams is a professor of economics at George Mason University. To find out more about Walter E. Williams and read features by other Creators Syndicate writers and cartoonists, visit the Creators Syndicate Web page at [www.creators.com](http://www.creators.com).*

*COPYRIGHT 2011 CREATORS.COM*



## Subscribe to the New American

Get exclusive digital access to the most informative,  
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



**Subscribe**

### What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.