A Legislative History of the 1954 Amendments to the Social Security Act

Frank J. Maguire
Loyola University Chicago

Follow this and additional works at: https://ecommons.luc.edu/luc_theses

Part of the Industrial Organization Commons

Recommended Citation
https://ecommons.luc.edu/luc_theses/1139

This Thesis is brought to you for free and open access by the Theses and Dissertations at Loyola eCommons. It has been accepted for inclusion in Master's Theses by an authorized administrator of Loyola eCommons. For more information, please contact ecommons@luc.edu.

This work is licensed under a Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 License.
Copyright © 1955 Frank J. Maguire
A LEGISLATIVE HISTORY OF THE
1954 AMENDMENTS TO THE
SOCIAL SECURITY ACT

by

Frank J. Maguire

A Thesis Submitted to the Faculty of the Institute of Social
and Industrial Relations of Loyola University
in Partial Fulfillment of the Requirements
for the Degree of Master of Social
and Industrial Relations

June

1955
LIFE

Frank J. Maguire was born in Chicago, Illinois, August 19, 1913.

He was graduated from Englewood High School, Chicago, Illinois, June, 1937, and from De Paul University, Chicago, Illinois, August, 1942, with the degree of Bachelor of Philosophy.

The writer began his graduate studies at Loyola University in September, 1952.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>II. REPORT OF THE SUBCOMMITTEE OF THE HOUSE WAYS AND MEANS COMMITTEE</td>
<td>8</td>
</tr>
<tr>
<td>III. HEARINGS HELD BY THE HOUSE WAYS AND MEANS COMMITTEE ON H.R. 7199</td>
<td>12</td>
</tr>
<tr>
<td>IV. HEARINGS BEFORE THE COMMITTEE ON FINANCE, UNITED STATES SENATE, H.R. 9366</td>
<td>28</td>
</tr>
<tr>
<td>V. LEGISLATIVE HISTORY IN THE HOUSE</td>
<td>39</td>
</tr>
<tr>
<td>VI. LEGISLATIVE HISTORY IN THE SENATE</td>
<td>73</td>
</tr>
<tr>
<td>VII. JOINT COMMITTEE REPORT AS PRESENTED IN THE SENATE</td>
<td>82</td>
</tr>
<tr>
<td>VIII. CONCLUSION</td>
<td>87</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>91</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>99</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

Obtaining the necessities of food, clothing, and shelter in the waning years of life, or meeting the crisis occasioned by the premature death of the father of a family, these are the problems social security has attempted to meet.

The shift in the nature of our society during the last half century from a predominantly agricultural way of life to an urban-industrial economy has drastically altered the character of the means with which these needs can be satisfied. In earlier times of greater self-sufficiency, most of the family material wants were provided through working on the farm. In our present highly industrialized system, the vast majority of people work for money in the form of wages, salaries, or self-employment income in order to buy the various goods and services to satisfy human desires. When money income ceases grave problems must be faced.

Under the original 1935 Social Security Act, when Title II was known as the Federal old-age benefits system, the coverage extended to a majority of the wage and salary jobs in private employment in the United States. It was limited, however, to service of an employee for his employer, as differentiated from
self-employment. Types of employment excluded from the coverage of the program were the following:

1. Agricultural labor.
2. Domestic service in a private home.
3. Casual labor not in the course of the employer's trade or business.
5. Service in the employ of the United States Government and its instrumentalities.
6. Service in the employ of State and local governmental units and their instrumentalities.
7. Service in the employ "of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder of individual."
8. Employment of individuals aged 65 and over.

Furthermore, railroad employees for whom the special railroad retirement system has been established by an act of Congress a few weeks after the passage of the Social Security Act, were taken out from under the title II program.

In 1939 when the Social Security Act was largely rewritten and the old-age benefits system became the Federal old-age and survivors insurance benefits program (Public Law 379, 76th Cong.), coverage was expanded in some respects and clarified and restricted in other respects. The principal expansions of coverage were (1) the making of employment of persons aged 65 and over in covered areas of employment subject to and taxable under the program, and (2) the bringing into coverage of maritime services on American vessels.

Along with numerous technical clarifications of the types of
employment covered and not covered by the title II program, the 1939 amendments specifically excluded from coverage certain types of commercial fishing, services of student nurses and interns under specified conditions, and the employment of a person by his son, daughter, or spouse, or the employment of a minor by his parent. The 1939 amendments also contained a new details definition of excluded services with respect to employment by foreign governments within the United States, services for voluntary employees' beneficiary associations, and casual service for nonprofit associations.

For 11 years there were no outright OASI coverage extensions (although wage credit rights were granted to war veterans in a manner that will be described later). In the Social Security Act Amendments of 1950, the following major occupational groups were covered by the program, beginning in 1951:

1. "Regularly employed" agricultural laborers.
2. "Regularly employed" domestic workers.
3. Civilian employees of the Federal Government, with certain exceptions, in governmental service not already covered by civil service or other Federal retirement systems.
4. Employees of State and local governments not already covered by public retirement systems, or on a permissive basis, subject to the option of the States and their subdivisions.
5. Employees of nonprofit religious, charitable, educational, and similar organizations (exempt from income tax under sec. 101 (6) of the Internal Revenue Code), on a permissive basis, subject to the option of the organizations and their employees by a two-thirds vote.
6. Persons engaged in self-employment, with exceptions as to specified professions, the operating of farms, and certain other minor self-employment classifications.

In addition to these major coverage expansions, the 1950
amendments brought into the program the employment outside the United States of citizens of the United States working as employees of American employers. Other technical adjustments of definitions of covered employment were made.

From a geographical standpoint, the operation of the OASI program was extended in 1950 to include Puerto Rico and the Virgin Islands. With this extension, the program was in effect, beginning in 1951, in all of the continental United States, Alaska, Hawaii, the Virgin Islands, and Puerto Rico.

There had been several coverage changes of a special nature affecting war veterans and railroad employees. Under a 1946 amendment to the Social Security Act, any person who served in the active military or naval services after September 15, 1940, and before the date of termination of World War II and had been discharged, other than dishonorably, after at least 90 days of service (or had been discharged, because of a service-connected disability) was, in the event of death within 3 years of discharge, treated as being fully insured with an average monthly wage of $160. The purpose of this grant of insured status was to bridge the gap in respect to survivorship benefits only for servicemen until they could earn title II-insured status in civilian employment.

In 1950, a Title II military service credit of $160 a month was granted on a month-to-month basis for all types of benefits. The purpose now was to give World War II veterans the status they might have had if military service had not interfered with their
employment. The effective time period for the granting of this credit ran to July 24, 1947, and in 1952 and again in 1953, further time extensions were made.

The net effect of these laws has been to extend coverage to persons in the armed forces by providing title II wage credits for such service through the 15-year period from September 16, 1940, to July 1955, and in connection with which no FICA taxes are paid. Originally the cost of these special provisions for military service was paid for out of the general funds of the Treasury. Since the extensions under the amendments of 1950 and thereafter, however, costs have been charged to the trust fund.

Amendments dealing somewhat indirectly with coverage under OASI of railroad workers came in 1946 and 1951. As has been indicated previously, railroad employment was excluded from OASI coverage when the railroad retirement system was created. Amendments to the Railroad Retirement Act in 1946 and 1951 represented steps in the direction of coordination of railroad retirement and title II benefit rights for persons with an employment history under the coverage of both programs.

The first step was the 1946 introduction into the railroad system of survivor benefits coordinated to a certain degree with those under title II. The more significant step was taken in 1951 when among other changes it was provided that for deaths and retirements of persons with less than 10 years of railroad service, the wage credits for railroad service after 1936 were transferred to
the OASI program for utilization in the payment of OASI benefits. In line with this and other interlocking arrangements, it is provided that financial interchanges will be made between the title II and the railroad retirement programs that will have the effect of placing the trust fund of title II in the same position it would have been in if all railroad employment had always been covered by it.

The 1954 Amendments to the Social Security Act have extended coverage, effective January 1, 1955, to approximately 10 million persons. The largest new group to be covered are the self-employed farmers.

The purpose of this study is to trace the proposed amendments through the hearings held by the House, the Senate, and the debates on the floor of both Houses of Congress. Legislation of this nature is not reached by a committee of Congressmen or Senators sitting down and applying their wisdom. Many factors determine a Congressman's opinion before he votes on any particular legislation.

Letters from home, editorials that appear in home town newspapers, proposals that are suggested by pressure groups--such as from business, labor or agriculture. All these influence his vote. This study has attempted to illustrate how they play their part in influencing legislation.

The selections of the hearings presented are a cross-section of the major economic groups of the nation. Through their spokesmen they presented their arguments for or against the amendments.
Special emphasis has been placed on the economic forces and the part they play in social legislation of this kind.

In presenting the debates in Congress emphasis has been placed on the political factors involved, since now both political parties have accepted social security in principle.

The appendix contains the miscellaneous bills that were introduced indicating the wide interest in social security legislation during this session of congress.
CHAPTER II

REPORT OF THE SUBCOMMITTEE OF THE HOUSE
WAYS AND MEANS COMMITTEE

During the fall of 1953, a subcommittee of the House Committee on Ways and Means held public hearings on various aspects of social security under the Chairmanship of Representative Curtis of Nebraska. This was prompted by pressures from many sources. The aged groups themselves were pressing Congress for greater assistance. The United States Chamber of Commerce wanted the aged to be blanketed-in under old age and survivors insurance. In this way they would be able to shift the tax burden of providing for the aged from general taxation to the OASI trust fund. During this session alone more than 170 bills dealing in one way or another with the economic welfare of the aged had been introduced in the House.

At the request of the entire Ways and Means Committee of the House of Representatives the subcommittee was appointed to conduct a study of the social security laws, and especially as they affect the American aged.

The Resolution which the Ways and Means Committee adopted on May 21, 1953, was precise. It directed the subcommittee to conduct thorough studies and investigations of all matters pertaining to our social-security laws. Such studies and
investigations shall include (but not be limited to) the basic concepts and principles of the old-age and survivors insurance and old-age assistance programs, as to taxes, benefits, commitments, retirement tests, reserves, coverage, administration changes, inadequacies, fiscal soundness and suggested amendments, changes, and improvements.

The members of the subcommittee were Carl T. Curtis, Angier L. Goodwin, Howard H. Baker, Thomas R. Curtis, Jere Cooper, John D. Dingell, and Wilbur D. Mills.

On January 6, 1954, Representative Curtis introduced a bill, H.R. 6863, which provided for blanketing-in the uninsured aged, widows and dependent children, for extensive changes in the coverage, benefits, and financing of the old-age and survivors insurance program and for the termination of Federal grants to the States for old-age assistance and aid to dependent children.

It is very questionable as to whether the above committee was interested in making an objective study of social security.

Congressman Curtis appointed Karl Schlotterbeck as his staff director. According to Arthur J. Altmeyer, former commissioner of social security, Mr. Schlotterbeck is on record as being opposed to social security. In 1950 Mr. Schlotterbeck, in collaboration with Lewis Merian, wrote a book called The Cost and Financing of Social Security. This book is highly critical of social security and would require a means test in all instances before payment is made.

Hearings were held by the committee for many hours and several hundreds of pages of testimony were taken in an attempt to show that old-age and survivor insurance is not a contract between the United States Government and the worker and that Congress can
change, modify, or eliminate the program at any time.

While old-age and survivor insurance is not a contract such as national service life insurance is, it is a statutory right which is enforceable by law and this is the important element. The Government has a moral obligation to pay and it is pretty certain that Congress will live up to its obligation.

The report spent much time pointing out exceptional cases and calling them inequities. For example, they cite a case of a sixty-five year old worker who retired from his regular employment in 1949 and purchased a small business. In 1950 when the law was amended to extend coverage to self-employed, he found that he was subject to the self-employment work clause.

Arthur J. Altmeyer, former commissioner of social security was requested to give testimony before the committee. His reply to Congressman Curtis read in part as follows:

I know that you say that you are for social security and are only opposed to what you allege are inequities and unsound provisions in the present system. However, you have consistently attacked the basic principles underlying contributory social insurance and have advocated the abandonment of these principles.

Specifically, you have opposed the payment of benefits as a matter of right; you have opposed the payments of benefits related to wage loss; you have opposed any long-range plan to provide assurance that future benefits will be paid. By criticizing the fact that insured persons who are well-to-do as well as persons without resources receive the benefits provided by law, you seem to be in favor of some sort of means test. And, of course, you have always contended that the old-age and survivors insurance is not insurance, although it is so designated in the law itself.

President Eisenhower took no action on the subcommittee's recommendations when he recommended his social security program to Congress. The recommendations of the President were incorporated in H. R. 9366. This bill was submitted by Congressman Reed, Chairman of the House Ways and Means Committee, on May 28, 1954. As will be seen later the President took a middle of the road approach between the two extreme groups. The one group would repeal all Federal grants to States for old-age assistance and would blanket-in all the aged without any contribution to the trust fund. The other group demanded an expanded program that would approach the welfare state.
Public hearings were held by the House Ways and Means Committee in Washington from April 1 to April 15, 1954, on H. R. 7199. As is customary with a bill of this kind, the hearings were held to allow the public to voice its opinion on the proposed legislation. This would serve as a guide to Congress.

The Eisenhower Administration was interested in extending coverage to self-employed farmers. Consequently an official of the Agricultural Department testified on April 6, 1954.

Mr. True D. Morse, Undersecretary of the Agriculture, testified that the economic security provided to other workers should be extended to farmers of the nation. Premature death and the hazards of old age are as characteristic of farmers as of other groups.

The income of farm people is on the average lower than other groups and fluctuates more widely. He submitted the findings of studies made recently by three State land grant colleges in conjunction with the Department of Agriculture. These studies were made among farm operators in selected areas of Wisconsin, Connecticut and Texas. The object of the study was to gain an insight into
the economic security the farm operators had achieved. Among farm operators nearing retirement age (fifty-six to sixty-four years) 36 per cent of those interviewed in Wisconsin reported net worth of less than $10,000, while in Texas, 38 per cent of those interviewed reported net worth of less than $5,000. These net worth figures relate to the generally prosperous year of 1951-1952 and reflect a peak situation in agriculture. Only a small proportion of the farm operators had any significant amount of life insurance. In the Wisconsin study about half had no life insurance at all and only about 15 per cent had life insurance of $5,000 or more. In Connecticut, 30 per cent of the commercial farm operators had no life insurance, and only 32 per cent had life insurance of $5,000 or more, while in the Texas study over a third had little or no life insurance and only 14 per cent had life insurance of $5,000 or more.

Mr. Morse submitted statistics that had been prepared for the Institute of Life Insurance were submitted showing that in 1951, 45 per cent of the farm operators of the nation did not have any life insurance at all, whereas for all other occupational groups combined (excluding the retired), only 17 per cent did not have life insurance.

The majority of farmers interviewed were in favor of social security coverage. The answers of the rest varied. Some felt that each individual should take care of his own economic future. Others felt the program should be strictly voluntary. Some others
felt that coverage should be extended to small farm operators since the larger ones can take care of themselves.

The House Ways and Means Committee heard the testimony of Dr. J. L. Blasingame, speaking on behalf of the American Medical Association. He stated that his testimony would be directed to only two aspects of the bill in question: first, compulsory coverage of physicians; and second, the waiver of premiums in the case of disability.

He indicated that doctors do not retire at the age of sixty-five, but continue practicing their profession for another ten years. They felt that they would be required to pay into a plan that they would get no benefit from until age seventy-five. Doctors, like other professional people, fit into a different economic pattern than the average wage earner.

In place of OASI, the American Medical profession would favor a plan for the self-employed as was recommended in the Jenkins-Keogh bill. This bill would provide a long range plan for encouragement through tax deferments for self-employed people to set aside limited amounts from their earned income into restricted retirement annually, or pension trust program, from which they could draw benefits on attaining age sixty-five.

Congressman Kean asked a number of questions relating to the survivorship phase of social security, but Dr. Blasingame did not

---

seem to be acquainted with what a surviving widow and children would be entitled to under social security in case of death of the father.

The position of the spokesman for the American Medical Association appeared to be opposed to social security on principle without studying the facts and without ascertaining what the average doctor thought of the plan.

After questioning Dr. Blasingame, Mr. Kearn stated:

The reason I am asking those questions is that I do not think the doctors know what they are talking about when they say they are opposed to it, and you are an example. You are opposed to the system, and you do not understand the system. That just shows that the average doctor just does not know what he is talking about when he says he is opposed to entering the system.

Dr. Blasingame testified that his organization opposed the waiver of premiums in the case of permanent and total disability because it most definitely would become an entering wedge for the regimentation of the medical profession by creating the mechanism for the adoption of a Federal cash permanent and total disability program, which in turn would lead to a full-fledged system of compulsory sickness insurance. As an alternate method, Dr. Blasingame suggested that the system of computing benefits be based on a wage earner's best five or ten years as is done by other pension plans. This would eliminate the need for the freeze provision.

Congressman Eberharter indicated that the medical profession has been making determinations of the extent of disability for the Veterans Administration and they were being asked to extend that
service to the social security program.

Dr. Blasingame testified that he would prefer not to comment on the Veterans Administration since the Veterans Administration deals with a smaller group than the bill which deals with social security and the over-all population.

Mr. Eberharter commented that the veterans receiving benefits are a much larger group than those that would have to be examined under social security.

Dr. Blasingame replied that in his opinion it constituted nothing more than a technique which can become established and expanded into the regimentation of the medical profession.  

Albert O. Adams, Chairman of the Social Security Committee of the National Association of Life Underwriters, testified that his organization represented 60,000 life insurance agents. He indicated that when social security came into existence it was meant to serve as an economic floor below which none of the citizens would be permitted to go. His group has been in accord with this idea. However, there has been a departure from this original concept. The field of private insurance is being encroached upon by government more and more.

As to the bill up for discussion, he stated that they favored extension of coverage to all gainfully employed, the four year dropout and putting the work clause on a $1,000 annual basis.

They are opposed to the term insurance being used by the

---

Social Security Administration. They feel that they have spent many years in giving the term a definite meaning which they want to remain.

They favor elimination of the lump-sum death payment that is made since they feel that this is a direct threat to their business and they are doing an adequate job without Government competition.

He stated that his organization feels the program should be run on a pay-as-you-go basis. They would allow for a small reserve fund, but are opposed to the present trust fund since it is unnecessary and gives the false impression that the program may be able to pay ever higher retirement benefits.

They oppose the proposed disability freeze provision because it would require the establishment of cumbersome administrative procedures and will eventually lead to cash disability payments for workers under age sixty-five. This would make the program more susceptible to abuse. 3

Lloyd C. Halvorson testified on behalf of the National Grange and stated that at the last annual session, his organization had resolved to request that all farmers be given coverage. The farm operators felt that they had been discriminated against since self-employed people have been taken into the program and they were not.

The needs of farm people are just as real as those of any city worker, especially when they become old. Farmers have been paying into the program through their purchases of farm machinery

---

and other products without getting the benefit of coverage. Now they would also be taken into the program.

The National Farmers Union favored immediate coverage but the American Farm Bureau Federation asked for a delay until ways and means can be found for making the program work satisfactorily. They also objected to any extension of coverage for farm labor.\(^4\)

Mr. A. D. Marshall testified on behalf of the Chamber of Commerce of the United States. He indicated that after nearly twenty years OASI still excludes more than half of the present retired aged. Old age assistance has grown rather than diminished as was hoped when it was formulated. OASI should be expanded to include every worker. It should operate on a pay-as-you-go basis with present contributions being sufficient to care for all the aged workers. Payment of old age assistance would be made by the Federal Government direct to the recipient rather than to the individual state as is now practiced.

They would pay all the present aged at least minimum benefits. In other words, all people over sixty-five would be blanketed into the OASI program without ever contributing anything to the trust fund. Mr. Marshall justified the blanketing in of these old people because it was not their fault that they were born too soon and that Congress excluded their employment.

If the program of the Chamber of Commerce of the United States was accepted, it would mean that three and a half million people

now receiving old age assistance, which is supported by general
taxes, would be shifted on to the OASI trust fund which is paid for
by workers and their employers.

Mr. Marshall recommended increasing the benefit of those re-
ceiving minimum benefits, but not those receiving higher benefits.

Congressman Kean pointed out to Mr. Marshall that his proposal
would shift the burden from a progressive income tax to a payroll
tax supported by the lower-income group.

Mr. Marshall answered this by stating that many of those now
receiving only made token contributions in order to qualify for
minimum benefit. He couldn't see any great difference between
those people and the aged people that had made no contribution.
In addition, corporations, as employers, contribute to the OASI
program. 5

The testimony submitted by the spokesmen for the National
Small Business Men's Association, and National Retail Dry Goods
Association, was substantially the same as that submitted by the
Chamber of Commerce of the United States.

The American Dental Association was represented by Dr. J.
Claude Earnest, who stated that his organization represented 85
per cent of the 83,000 practicing dentists in the United States.
He stated that the delegates voted at their convention in 1953.
Three hundred and twelve to 64 were against coverage. The main
reason he gave why dentists do not want coverage is because they do

not retire as regular workers do. They usually continue to work all their lives, with few exceptions. Therefore, they would prefer to invest their money in some type of private pension that would pay them benefits while they are still working.

After Dr. Earnest stated the above, he was questioned by Congressman Kean.

Mr. Kean: Doctor, you have probably seen the magazine article in Oral Hygiene by Dr. Carl McGonagle.
Dr. Earnest: I did not recall that I have seen that particular one.
Mr. Kean: There is an article published by Dr. McGonagle in which he calls attention to the following: That in certain states there were postcard polls of dentists, one of which was in Massachusetts, which he claims voted "Yes" by 1,164 to 51. He claims that Minnesota voted "Yes" by 927 to 325, or 74 per cent, that Oregon voted "Yes" by 397 to 140. He sent this to me and he adds in ink that New York District No. 1 voted 2,141 "Yes" and only 267 "No," or 68 per cent.

Then we have a telegram saying that the New Hampshire group of dentists also voted in favor of inclusion. What would be your comment on this?

This is an overwhelming vote when they have actually been polled.
Dr. Earnest: I told you in our testimony a while ago that our association works very similarly to Congress and the majority rules.
Mr. Kean: The majority of your delegates?
Dr. Earnest: Yes, and I said that I think the last vote was 312 to 64.
Mr. Kean: Those were the delegates?
Dr. Earnest: The 64 delegates, yes.
Mr. Kean: That was not the rank and file. What I have called attention to is a vote of the rank and file.
Dr. Earnest: I know, but the delegates represent the dentists back home just as you gentlemen represent the people back home. They do not come up there and vote their own convictions. They are more or less instructed at home as to how the dentists feel.

Mr. Kean: I hope that we represent the people. We try.
Dr. Earnest: We try to do that, too. The letters that you quoted there are from the States that desire it, and there are some men that do desire it.

The National Association of Manufacturers' Representatives stated that their members were vitally interested in the OASI program because they pay a considerable share of the cost.

None of the amendments should be approved. The whole subject of social security should be reopened and studied. The present program we have was formulated during the depression of the thirties. Conditions have drastically changed. It came into being because of the theory that we had a mature economy and as a device for getting older workers to leave the working market.

Social security has led to an intrusion of personal freedom, especially when a person is required to join under compulsion. This program had led to an emphasis on security at the expense of initiative and enterprise, which has been the basis of the success of our economy.

Social security should only provide basic needs as it was intended at its inception. Emphasis should be placed on an individual providing for his own old-age through savings, thrift and home purchase. The individual should be discouraged from looking to the Federal Government for a hand-out.

The National Association of Manufacturers feels that a social security program, such as we have, will eventually lead to Government subsidies from general taxation to meet the cost.7

Life Insurance Association of America and American Life Convention were represented by Asa V. Call. His organizations

represent 230 life insurance companies, selling 96 per cent of the life insurance in the United States.

Their position has been not in opposition to social security in principle, but it must be maintained only to serve the minimum needs; to serve as a floor.

They are opposed to the use of the term "insurance" being used in the Social Security Act. In their opinion the term "insurance" means private insurance as is practiced by private insurance companies.

His organizations oppose the payment of the lump-sum death payment and believe it should be eliminated altogether. Most people, they believe, have made ample provision for taking care of their burial expenses through savings accounts, Government bonds, and life insurance.

He indicated strong opposition to the disability freeze provision of the amendments. The four year drop-out provision would take care of the majority of cases and would not require the red tape and cumbersome medical examinations. Insurance company statistics show that only about one-third of the individuals who remain totally disabled for more than six months are still disabled four years later.

His organization felt that the Federal Government should discontinue the practice of assisting individual states in taking care of their aged under the Old Age Assistance program. Each state should take care of its own aged programs and assume full responsi-
bility. While discontinuance of Federal assistance would be too drastic if done immediately, steps should be taken to reduce them on a gradual basis. 8

The American Federation of Labor was represented by Nelson H. Cruikshank, director of social insurance activities for the organization. He opened by reading a statement of George Meany, President of the American Federation of Labor.

This statement pointed out that there had been an organized campaign of attack, seeking to discredit the whole idea of social security and to supplant the existing system with a so-called pay-as-you-go plan having the characteristics of a dole. If the campaign is successful, it would ultimately mean the destruction of the social security system in America.

He was gratified that President Eisenhower had endorsed the two basic principles upon which our social security is based, namely, contributions by the wage earner and his employer, and benefits being related and based upon past earnings.

The American Federation of Labor is in substantial agreement with the proposed amendments. They oppose the elimination of the work clause entirely since the basic idea of the whole program is to replace loss of wages with benefits. To do otherwise would increase the cost of the program. Payment of benefits without substantial withdrawal from the labor forces could prove an incentive to individuals to accept substandard wages.

They particularly endorse the disability freeze provision but believe that this should be expanded to provide cash payments for workers totally and permanently disabled prior to age sixty-five.

Mr. Meany's statement continued:

There can be no question concerning the need for protection against the risk of physical disability among working people. Income loss resulting from permanent disability is a major economic hazard to which workers are exposed. The resulting economic hardship to the family is frequently even greater than that created by old age or death. The family must not only face the loss of the breadwinner's earnings, but must meet the cost of medical care.

As a rule, savings and other personal resources are soon exhausted. The problem of the disabled younger worker is particularly difficult, since there are likely to be young children in the family and he has had no opportunity to acquire any significant savings. Social insurance provides the only practical and adequate method of preventing dependency from income loss resulting from this cause. The Federal Government is now operating programs providing such protection to employees of the railroad and to the career Government workers. The argument that our Government cannot soundly administer such a program is proven false by its success in these fields.

It is not enough to say to the permanently and totally disabled worker as does H.R. 7199 in effect, "If you can contrive to hold body and soul together during your years of incapacity until you reach age 65, we assure you payment of full retirement benefits."

His statement concluded by indicating that the American workers have never objected to paying their fair share of the cost of social security since it provides them with real protection against the risks and hazards which accompany the economic system in which they earn their livelihood.⁹

Mr. Cruikshank and Congressman Curtis of Nebraska then entered into a heated debate. Congressman Curtis wanted to blanket in

to the program three and a half million aged people who had not contributed to the program. He asserted that other people were allowed to qualify for benefits with small contributions.

Mr. Cruikshank insisted that to allow this would undermine one of the basic principles upon which the program is based, namely, that all benefits paid be based upon contributions already made. To allow three and a half million elderly people to start drawing benefits would create a tremendous drain upon the trust fund and would possibly bankrupt the entire system.

Mr. Cruikshank admitted that some beneficiaries had received benefits based on small contributions, but stated that this often happens when a large corporation sets up a contributory pension plan for its employees. The very old workers receive benefits based on a relatively small contribution. But, this same corporation never includes workers who are already retired. 10

On May 28, 1954, Chairman Reed of the House Ways and Means Committee advised the House of Representatives that one of the aims of his committee was to make social security as universal as possible. With the further extension of coverage, he estimated that 75 per cent of all persons over sixty-five will be eligible for insurance benefits by 1960 as compared to 47 per cent at the present time.

The committee felt that it was essential to extend coverage to farmers if economic want was to be eliminated in old age. A

little over one-half of the presently noncovered groups are farmers and farmworkers. In counties where more than 50 per cent of the population live on farms, 31 per cent of the aged are now receiving old-age assistance and 13 per cent old-age and survivors insurance. In nonfarm counties, on the other hand, only 17 per cent received old-age assistance, while 36 per cent received old-age and survivors insurance benefits. With the extension of coverage to farmers more of these people will qualify for old-age and survivors insurance.

Two of the twenty-five members of the House Ways and Means Committee submitted a minority report. They were Congressmen Noah M. Mason and James B. Utt. 11

Their report stated that private arrangements for security are an integral part of free enterprise and provide the funds or capital investment upon which our economic system is based. Private thrift and insurance purchases also provide a flexibility of protection adaptable to the particular need of the particular family. This flexibility is impossible under social security. Security achieved through individual voluntary action is more in the tradition of the American way of life.

As could be expected, most groups that testified acted in behalf of their own self-interest. The self-employed farmers were willing to come into the program providing Congress made the requirements for coverage such that they just could not resist.

Organizations like the United States Chamber of Commerce and the American Medical Association opposed the proposed expansion of the program since they felt that their privileged economic and political position was being jeopardized.

The American Federation of Labor wanted the program broadened much more than Congress or the President recommended. For example, they wanted the tax to be based on the first $6,000 of income rather than the $3,600 under the old Act. They also wanted extended coverage to provide for cash payments to a worker at any age who became permanently and totally disabled.
CHAPTER IV

HEARINGS BEFORE THE COMMITTEE ON FINANCE

UNITED STATES SENATE, H. R. 9366

Public hearings were held from June 24 to July 9, 1954, in Washington by the Senate Finance Committee on H. R. 9366. The public were invited to submit testimony as to how they felt on the proposed legislation. This information would assist Congress in making the necessary changes in the law. The organizations selected for this study are representative of the major groups that testified.

James L. Doenges speaking on behalf of the Association American Physicians and Surgeons observed that the social security system is socialistic in philosophy, operation, and intent. He asserted that social security in this country is following the same pattern that it followed in Germany under Bismark. At first the workers with low income were covered by that plan and gradually better paid workers were allowed coverage, until eventually all were covered by the plan. In the United States first you had the wage earner, then the self-employed, and next the farmer and professional groups.

Social security is basically wrong and immoral. It removes
personal responsibility as well as personal rights. Its object is to make everyone a ward of the Government.

The speaker denied that the first object of Government is to serve the common good by alleviating poverty. Such things are individual personal matters and should be taken care of by individuals.

The speaker not only opposed portions of the social security amendments, such as those relating to disability, and coverage of doctors, but he considered the entire act as a fraud on the American people. The individual has to pay for everything he receives from government. What a government gives it can also take away. It can reduce social security or abolish it altogether at any time. It is not a contract in the same sense that a private insurance company would make with an individual.

Basically what Mr. Doenges advocated was the good old American society of rugged individualism, especially for doctors. He did not suggest any program in lieu of social security except to let the individual elect for himself. The fact that the great mass of workers cannot afford the cost of private insurance for themselves and their dependents did not seem to concern the speaker.¹

An entirely different view was taken by Dr. Herbert J. Weiner, who spoke on behalf of the Physicians Forum, an organization with members in twenty-eight states. He challenged the statement of the

American Medical Association that doctors do not want or need social security. He charged that the AMA never attempted to ascertain the views of the average doctor, nor have they ever attempted to explain social security to its members. In their publications they consistently oppose it as "socialistic regimentation."

He contended that doctors should be taken into the program on a compulsory basis, thereby spreading the risk. If allowed on a voluntary basis, only the poor risks would join, pay in the least, and take out the most. In order for the program to work all workers must become members, the young as well as the old, the well and the sick.

As to the argument often put forth by the AMA that it would be unfair to require doctors to contribute to a plan that they did not expect to participate in, Mr. Weiner cited other examples where an individual pays a tax where he has no choice, such as a tax to support schools and police and fire protection.

He completed his testimony by saying that he believed the only reason organized medicine had not favored social security was that if doctors were excluded, the adoption of tax-exempt retirement-plan legislation would stand a better chance.²

The Townsend Plan was represented by Dr. Frances E. Townsend. He opposed social security in its present form since all old people are not given automatic coverage. In place of the program he had his own program which would pay benefits to every aged person

without any contribution. The money would be raised from a 2 percent sales tax.

He was quite critical of the trust fund calling it nothing more than "a lot of I.O.U.'s." He emphasized that social security should be put on a pay-as-you-go basis with the present generation paying to support the aged. Under the present system future generations will have to pay the cost of current obligations.

He concluded his remarks by observing that by instituting the Townsend Plan this country would have a real weapon in fighting world communism. He continued:

We are very much concerned about the progress of communism throughout the world today. Obviously that growth of communism is due to just one thing, poverty of the masses.

Now we could strike a death blow to communism at once in this country with our ability to produce wealth so super-abundantly, if we were just to announce to the world that in this country there is no poverty. That under the system of pay-as-you-go, of economic opportunity for all, under the capitalistic system such as we have, we are enabled to produce in such abundance that we have decided to do away with poverty, entirely. It would set an example for the rest of the world that would inevitably be followed rather than go ahead as we are now, quarreling over communism and having that result in a world war that would destroy half the countries on the globe.

It is something we should think about seriously at the present time. However, to check the growth of communism by doing the rational thing here in America, providing to the full extent the needs of our own people.  

Tyre Taylor spoke on behalf of the Southern States Industrial Council, an organization representing industry in sixteen Southern States. That organization opposed social security in principle and considered it creeping socialism. They feel that security is

an individual's own responsibility and not the state's. If there must be a social security program operate it on a pay-as-you-go basis with each generation paying for its aged. The speaker felt that the program was becoming a political football with each party ready and willing to outdo the other party in making the program more appealing. He gave some figures where other programs became very expensive. For example, France's program costs 16 per cent of payrolls. In the case of the railroad-retirement system, which started out in 1937 with a rate of 5.5 per cent, there has been an increase to 12.5 per cent.

The program we have in the United States is not insurance at all but only a political promise to pay out of future production. There is no contractual obligation between the covered person and the government.

As to the ability to pay, it can only be done by new taxation since the so-called trust fund is nothing more than promises to pay which will require new taxes.

What the speaker feared is that in the future the program may become so costly that the people will demand that general taxes be used to meet the obligations of the Government.  

Stephen M. Young testified on behalf of the Cuyahoga County Bar Association. This organization is composed of 1,600 lawyers living in and around Cleveland, Ohio. Mr. Young testified that his group decided to seek coverage after they made a thorough study of the subject. Over 80 per cent of the members participated in

the vote and favored coverage by four to one. He asserted that it is possible to provide reasonable social security for all employed and self-employed without in any way sacrificing that liberty which we know as the American way of life. An adequate old-age pension is not statism, nor is it socialism. It is time our representatives took a realistic look at the want and insecurity caused by early death and old age. Lawyers along with other professional people are subject to these hazards the same as a man working in a factory.

Mr. Young concluded his remarks by saying:

General Motors in April of 1951 voted bonus awards of six million dollars, plus 24,000 shares of stock to officers and directors for services in 1950. Charles E. Wilson received $600,000 in salary and bonus awards. Three executive vice presidents received salary and bonus awards totalling $1,503,000. In addition General Motors directors voted Charles E. Wilson and the three executive vice presidents $25,000 each year retirement pensions effective when they decide to retire. During preceding and subsequent years this corporation and many other corporations have voted bonuses and retirement benefits to their officers.

If American industry--big business--can afford to pay huge pensions to retired officials who do not need them, is it state socialism when the peoples' representatives impose a tax on industry and on employers and on employees and on self-employed to pay retirement or social security payments to those who do need them?

Expanded and liberalized social security does not threaten the Constitution of our country. On the contrary, it makes of it a living document--a tower of strength for the weak, a haven of refuge for the unfortunate and distressed. One man's right to make money is tempered by another's right to live.5

The National Funeral Directors Association of the United States, Inc. was represented by Howard C. Saether. This organization has a national membership of over 12,000 funeral directors.

They were interested in the lump-sum death payment that is payable under social security. The proposed amendments recommended that it be limited to $255.00 as a maximum. The funeral directors felt that since monthly benefits were being increased the lump-sum death payment should also be increased. As many people die without any other insurance this amount must pay for their entire burial.

Mr. Raether also testified that his organization was in favor of coverage being extended to include funeral directors. 6

Paul H. Robbins testified on behalf of the United Society of Professional Engineers. This organization has a membership of 3,000 registered engineers. Mr. Robbins testified that their membership had a difference of opinion as to coverage under social security.

He indicated that engineers are in the same situation as doctors, very few of them ever retire. At age sixty-five they are very productive.

They were very much interested in a provision of optional coverage. If a plan could be worked out whereby those that wanted coverage could have it on a voluntary basis, this would satisfy all the members. 7

The American Public Welfare Association was represented by Miss Loula Dunn. This is an organization of State and local public welfare departments engaged in public welfare at all levels of

government. She testified that their people see by their day-to-day contacts with people the insecurity and desperation that inevitably results from the lack of protection by contributory social insurance.

They consider contributory social insurance as the best governmental method to assure maintenance of income for individuals and their families during periods when work is impossible or unavailable for them. It allows an individual to retain his personal dignity.

The program should be extended to include as many as possible. If some groups are left out, experience has shown that some of their members will have to seek public aid in times of adversity.

By making the program all inclusive, we can expect to reduce public assistance which is supported by general taxation.

As professional social workers, they look to the time when contributory social insurance will relieve much of the load that is now carried by public assistance. 8

The National Milk Producers Association was represented by H. Willis Tobler, an organization with a membership of one-half million dairy farmers. The position of this organization was this. They approved coverage for all farm workers. They were also anxious to be included themselves as farm operators, but on condition that they be allowed to enter the program on a voluntary basis. They had made this decision after much discussion for the reason

---

8 Senate Hearings, 83rd Cong., 2nd Sess., 1954, pp. 577-582.
that some farmers are able to take care of themselves in old age. They also favored eliminating the work clause entirely and would be willing to pay higher contributions to offset the additional cost.\(^9\)

On July 27, 1954, Chairman Millikin of the Senate Finance Committee reported on the hearings to the Senate. He advised that his committee had considered the administrative feasibility of extending coverage to the new groups. In some instances there was a division of opinion as to whether the new groups wanted coverage. They found a division of opinion, particularly among the farm operators and the professional self-employed. In the interest of securing as broad a coverage as possible under the program, the committee carefully considered the possibility of allowing individuals working in such occupations to elect coverage on a voluntary basis. In this way, the problem of diverse opinion on entrance into the program could have been resolved. The committee concluded, however, that extension of coverage on an individual voluntary basis involved grave dangers with respect to the financing of the system, as well as discrimination against the great majority of workers covered under the program on a compulsory basis. Therefore, where the committee found that substantial agreement did not exist among a group as to whether it desired to be covered, the committee concluded that it would be wiser to continue the exclusion of that group rather than allow its members to elect

coverage as individuals.

At this point it should be noted that the House Ways and Means Committee had recommended coverage for self-employed farmers after they held their hearings.

The Senate Finance Committee's report also indicated that if they allowed individuals coverage on a voluntary basis it would make the program vulnerable to adverse selection. Those who would elect coverage under a voluntary option are primarily those who could expect the largest return for a relatively small contribution. This would be especially true about those approaching retirement age. The deficit in their contribution would have to be made up by increasing the contribution rate for the covered group as a whole. The result would be that those who are compulsorily covered along with their employers would have to bear a large part of the cost of the difference between what the select group pays and what it receives.

The committee further recommended that where a worker who has been regularly employed under the program is prevented from continuing his coverage by reason of total disability, his insured status under the system should be preserved and that the benefit payable on his record upon his retirement, or upon his death, should not be reduced.

The great majority of people who testified at the hearings of the Senate Finance Committee were in favor of extending coverage and increasing the benefits under the social security program.
Many of the groups were in favor of a far more extensive program than that which Congress was willing to approve.

With few exceptions, the people who opposed the expanded program came from the groups that opposed social security from its very inception.10

CHAPTER V

LEGISLATIVE HISTORY IN THE HOUSE

Before reviewing the debates in the Senate and House, a brief review of the process through which the legislation evolved will be helpful to an understanding of the solutions incorporated in the final law.

Article 1, Section 7 of the Constitution provides that all revenue bills in the Congress must originate in the House of Representatives. Since the payroll taxes for social security are clearly revenue raising provisions, it has generally been accepted by the Senate that it cannot originate basic social security legislation but must await a bill passed by the House before it can take any action.¹ This fact accounts for the importance attached to

¹The Senate, however, has on occasion added social security amendments to general tax bills passed by the House. See, for instance, the Revenue Acts of 1942, 1943, and 1945. The War Mobilization and Reconversion Act of 1944 originated in the Senate. This Act contained the provisions in the Social Security Act for establishing the George Loan fund for unemployment insurance. In 1946, the Senate passed S. 2204 relating to insurance benefits to survivors of World War II veterans. The House, however, incorporated the provisions in House Bill, H. R. 7037, which was sent to the Senate, considered and passed and became the Social Security Act Amendments of 1946. Minor amendments to the public assistance titles of the Social Security Act have been enacted in legislation which was not considered by either the House Committee on Ways and Means or the Senate Committee on Finance.
any decision of the House Committee on Ways and Means to hold hearings or not to hold hearings. The scope of such hearings pre-determines or limits action on the legislation. Despite President Truman's startling personal victory in the 1948 presidential campaign, his clear emergence as undisputed leader of his party, his personal victory in defeating two of the former members of the Committee (Knudson and Gearhart), and the selection of several liberal members of his own party to the Committee, he sent the Chairman of the Committee a draft of proposed legislation in a very carefully worded letter on February 21, 1949 urging only that the drafts "may serve as a basis for consideration and discussion."²

On January 6, 1954 Congressman Curtis of Nebraska submitted a bill, H.R. 6863, that would provide the following:

1. Make coverage almost universal with the exception of railroad and civil service employees.

2. Workers that attain age sixty-six and have forty quarters of coverage will not have to pay the social security tax even though they continue to work.

3. Minimum benefits would be raised from twenty-five dollars per month to forty-five dollars.

4. Benefit payments to foreigners living outside the United States would be restricted or eliminated.

²Among the other reasons why the power of the House Ways and Means Committee is so powerful is that the Democratic members of the Committee act as the Committee on Committees for selection of Democratic members of all Committees of the House. The present chairman of the Committee, Reed, and three other members of the Committee (Cooper, Dingell, and Jenkins) have been members of the Committee since 1933 or longer. A further reason is that practically all important bills reported out of the Committee are handled in the House under a "closed rule" which prohibits any amendments from the floor. Consequently, the bill reported out by the Committee almost automatically becomes the bill passed by the House.
5. Extend coverage to five million people over age sixty-five who could not qualify under the program.

Mr. Curtis reasoned that since Congress drastically reduced the requirements in 1950, to eliminate them altogether would not make much difference. These five million people would be eligible for benefit payments without contributing anything to the trust fund.3

On January 14, 1954, the Speaker of the House of Representatives read President Eisenhower's message. It read in part as follows:

The human problems of individual citizens are a proper and an important concern of our Government. One such problem that faces every individual is the provision of economic security for his old age and economic security for his family in the event of his death. To help individuals provide for security -- to reduce both the fear and the incidence of destitution to the minimum -- to promote the confidence of every individual in the future -- these are proper aims of all levels of government, including the Federal Government.

He then indicated that while private insurance and pension plans should be encouraged, a nation-wide protection against economic hazards can be provided through a Government social insurance system. In this way each individual has a better chance of providing for his old age and for his family in the event of his death. Social insurance is basically sound and should remain as it has been, a cornerstone of the Government's program to promote the economic security for all.

He continued: "In offering, as I do, certain measures for

---

the expansion and improvements of the system, I am determined to preserve its basic principles. The two most important are: First, it is a contributory system, with both the workers and the employer making payments during the years of active work; Second, the benefits received are related in part to the individual earnings. To these sound principles our system owes much of its wide national acceptance."

Mr. Eisenhower then proceeded to recommend an expanded program that would take in about ten million more people under OASI. The largest new group to come under the program would be self-employed farmers. Among the other recommendations he made were:

1. To allow an aged worker to earn $1,000 a year without suffering any deductions from his OASI benefit.
2. Benefits should be increased.
3. The earnings base be raised from $3,600 to $4,200.
4. The four lowest years of earnings be eliminated in computing a benefit.
5. When a disabled worker dies or retires, the period of his disability would be disregarded in determining his insured status. 4

On the same day Representative Reed introduced H. R. 7199 and H. R. 7200, which carried out the President's recommendations on old-age and survivors insurance and public assistance, respectively. The House Ways and Means Committee held public hearings on H. R. 7199 and on various other proposals from April 1 to April 15, 1954. After extensive executive sessions a new bill, H. R. 9366, was

introduced by Representative Reed on May 28, 1954, that embodied the Committee's recommendations.

Congresswoman St. George on January 25, 1954 stated that it had come to her attention that many foreign nationals that had come to this country and returned were collecting OASI benefits. These people had lived and worked in the United States sufficiently long to become insured under the program. While there was nothing in the Act which prevented the payments of benefits to foreigners living outside the United States, she was of the opinion that this was just not right and Congress should do something about it. The fact that these people paid into the program with the assurance that they would be entitled to benefits after they left the United States did not seem to impress Mrs. St. George.  

On March 1, 1954 Congressman Herlong reported on an article that had been written by Congressman Williams of Mississippi, and appeared in a current issue of Coronet entitled "Are You Cheated by Social Security?"

The substance of the article stated that an injustice was being done to aged workers who continue to work, and thereby are not entitled to collect benefits because of the work clause. The writer recommended the removal of the work clause. This would be done by raising the tax on all workers and employers by one-half of one per cent.

He was of the opinion that there is a great need for all

part-time workers in industry today. When the Social Security law was passed in 1935, one of the objects was to get older workers to retire from the laboring force. Today the situation is drastically changed.

He was also of the opinion that no one should be forced into insurance coverage, but anyone wishing to come in should be allowed to do so on a voluntary basis.6

On March 18, 1954, a proposal was submitted by Congressman Byrd, H. R. 1905, to reduce the eligibility age for widows without children under age eighteen from the present sixty-five years to fifty-five years.7 No action was taken on this proposal.

Congressman Fino made a proposal, H. R. 1922, to reduce the age requirement for men to age sixty and women fifty-five. While he was in favor of the amendments to liberalize the program, he felt that it was essential to reduce the age requirement which was established in 1935. By lowering the age to sixty, he pointed out, would bring the system into line with the modern retirement plans. Some of the places with retirement plans of age sixty are United Mine Workers and American Telephone and Telegraph Co., General Motors and E. I. du Pont Nemours Co. have optional retirement at age sixty. Eastman Kodak Company has an optional retirement age of fifty-five for all employees. In many states the retirement

6Congressional Record Appendix, 83rd Cong., 2nd Sess., 1954, A 1590.

7Congressional Record Appendix, 83rd Cong., 2nd Sess., 1954, A 2085.
age for state employees is sixty. No action was taken on this bill.

On March 18, 1954, Congressman Price reported on a resolution of the Progressive Mine Workers, calling for changes in the Social Security law. This proposal recommended among other things: Increase monthly benefits to a minimum of $100 a month, reduce the age limit to sixty, increase widows' benefits by at least 50 percent. Continue widows' benefits in effect even after her youngest child attains age 18. Allow a claimant to earn up to $150 per month without loss of benefit. Provide prepaid hospitalization for all persons covered by Social Security for at least twenty days of such hospitalization and impose the Social Security tax on the first $6,000 instead of the present $3,600. No action was taken on this.

Mr. Bennett reported on the bill he was submitting to Congress (H. R. 8780). He first indicated that many young married people think of social security as something they will receive in the distant future in the form of an old-age pension. One of the finest features of the program is the survivor benefits that are payable. For example, if a married man with several small children should die at age thirty-five, his widow and children would be entitled to benefits. Usually these payments are large enough

---

to keep the family together. In years past, in a case of this nature, the children would usually have to be put in an orphanage. This kind of protection should provide great consolation and be a sense of security to young people rearing families.

Mr. Bennett's bill would reduce the retirement age from sixty-five to sixty-two. By the time the average worker reaches the age of sixty-two, he has completed forty years of active productive labor. The worker should be allowed to retire at this earlier age since he has made his contribution to society. He would reduce the eligibility age for widows from sixty-five to fifty-five, and maximum benefits for a man and his wife would be increased from $127.50 per month to $162.75 per month.

He observed that this country has been more than generous with foreign countries, and it's about time we began to look out for the interest of our own people. A retired worker would be allowed to earn $1,200 per year before he would be subject to any benefit deductions. His proposal would also increase the earning base from $3,600 to $4,200.¹⁰ No action was taken on this bill.

Mr. Lane indicated that social security should be liberalized as it has proven itself and is now accepted by the American people. He felt that the bill submitted by the Eisenhower administration did not go far enough in meeting the demands of the workers. He emphasized that disability insurance should be included in Social Security. Many younger workers are faced with economic disaster

when they become disabled for any length of time. Thousands of people are permanently disabled every year and after a short time their savings are gone and they have to seek some form of charity. Statistics show that only one out of twenty disabilities are work connected, the other nineteen cannot qualify for the limited protection offered under workmen's compensation laws. No action was taken on his suggestions.

Congressman Jenkins had a plan, H. R. 10, whereby all self-employed, not covered by social security, would be allowed to contribute to their own retirement fund. This would apply to farmers, doctors and lawyers. This plan would give to these taxpayers benefits comparable to those available to corporations and their employees under Section 165 of the Internal Revenue Code. This Section of our tax laws provides that employees participating in plans approved under the Statute do not have to include the employer's contribution to a retirement program in their gross income for tax purposes until pensions are actually received. The plan further provided that any member can set aside each year an amount not to exceed 10 per cent of his earned income, and in no case more than $7,500, to be paid into a restricted retirement trust or insurance. The amount thus set aside could be deducted from his taxable income. No action was taken on this bill.

---

11 Congressional Record Appendix, 83rd Cong. 2nd Sess., 1954, A 2812.
12 Congressional Record Appendix, 83rd Cong., 2nd Sess., 1954, A 3002.
Congressman Byrd was of the opinion that the program was deficient since it did not provide benefits for totally disabled workers. If a young worker were killed, his widow and children would be eligible for benefits. But if the same worker became permanently disabled because of sickness or injury, he or his family could not collect anything from Social Security. A worker age forty or even fifty-five receives no comfort when he is told he must wait until age sixty-five before he can qualify for benefits. When disability strikes, income ceases, and hospital and other bills pile up. Statistics show that over 2 per cent of the civilian population between the ages of fourteen and sixty-five are away from their jobs on a given day because they have been disabled for seven months or more.

Critics of disability insurance are of the opinion that it will encourage malingering and lead to false claims, destroying individual initiative. Mr. Byrd points out that such arguments have always been used when any forward-looking legislation is proposed. These arguments were used against workmen's compensation and unemployment compensation.

Some people oppose disability insurance because they feel it is too difficult to determine what constitutes disability. However, the same standards can be set up as are used by the Veterans Administration, for the Railroad Retirement system, for workmen's compensation and for the Civil Service Retirement system.  

13 Congressional Record Appendix, 83rd Cong., 2nd Sess., 1954, A 3341.
State vocational rehabilitation programs have advanced in the past decade and are doing a good job in rehabilitating, especially the young worker. As a result, most young workers that qualified for disability insurance would be rehabilitated.

Congressman Curtis of Missouri submitted a proposal which, if accepted, would have liquidated both Old Age and Survivors insurance, and Old-Age Assistance. In place of these programs, there would be a system that would provide for the essential needs of individuals age sixty-five and over unable to provide for themselves. Every American citizen, rich or poor, who had not been a public charge most of his life, would be eligible for pension after age sixty-five, provided his income fell beneath a given maximum amount. 14

It would be a pay-as-you-go program and would be financed out of general revenue or by the levy of an income surtax. This would be a program based on need and a means test would be required. A person age sixty-five, would have to give information as to whether he had ever received any public aid, a declaration of his entire financial status and what disposition he made of property in recent years, if any.

Under this program, surviving children would not qualify but would have to look to aid for dependent children, administered by the individual state.

14 Congressional Record Appendix, 83rd Cong., 2nd Sess., 1954, A 3444.
The underlying purpose of this new program would be to reduce long range cost by limiting payment only to those that were in need and could qualify under the means tests. Under OASI, benefits are paid as a matter of right, since the recipient paid for the benefits. It is not charity.15

On May 28, 1954, Congressman Reed, Chairman of the Committee on Ways and Means, submitted H. R. 9366, a bill to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the Old-Age and Survivors' Insurance program, increase the benefits payable hereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes. It was referred to the Committee on Ways and Means.16

On the day the House of Representatives passed the Social Security Amendments (June 1, 1954), Congressman Oertiger reported on an article that appeared in the June 1954 issue of Commentary written by Dillard Stokes, and was entitled "Does Our Social Security System Make Sense?—Insurance, Relief, or What."

The article opened by saying that the true nature of social security in our country is almost unknown to the taxpayers who maintain and rely on it. Politicians of both the Republican and Democratic parties favor its program because it means votes. Since the

15 Congressional Record Appendix, 83rd Cong., 2nd Sess., 1954, A 3444.
program is popular with the mass of voters, politicians are afraid to face the real issues involved. Throughout American history most issues had their pressure groups that tended to balance and affect the resulting legislation on such questions as tariffs and hard money policies. With social security the pressure is predominantly one-sided in favor of more social security and as a result the politicians, with few exceptions, are for it. The proposal of the Chamber of Commerce of the United States to change over to a pay-as-you-go plan was lost sight of because of counter-acting opposition by more numerous pressure groups.

The author continues by indicating that the entire OASI program is misrepresented to the American taxpayers. He states:

As a matter of fact, social security does not provide insurance. The contributions are not premium, they are just taxes. The workers acquire no rights, nor do their survivors. Payment to retired workers, or to surviving families if and when paid—has little relation to the worker's earnings or to what he paid into the OASI. There is a means test for everyone. Most of the money now being paid out by social security is relief. The people receiving it did not pay for it, and millions do not get what they did pay for. The benefits do not come out of any reserve fund. The trust account maintained under that name is neither a fund nor a reserve.

The article continued by indicating that the Government is not bound to any obligation to make payments in the future. Congress can raise the premiums or the benefits, or reduce them, or eliminate them entirely, and the worker will have no remedy whatsoever. The author then points out what he considers inequities in the law. For example, a retired worker who opened a small business in 1949 was subject to self-employment deductions when the law
was changed in 1950.

While private insurance companies put only 20 per cent of their assets into Government bonds, Social Security has placed almost all its funds in Government securities with promise to repay if and when Congress decides.

The article concluded by stating that the entire subject should be restudied from the ground up. The American people should decide whether they want to continue expanding the program beyond a point where there will be insufficient funds to meet the obligations.17

Under the Social Security Act as originally enacted, about six out of ten paid civilian jobs were included under coverage. Through subsequent amendments to the act coverage was further extended so that under present law about eight out of ten paid civilian jobs were included, totalling sixty-two million. With the passage of H. R. 9366, ten million more persons would be covered by Social Security.

Under the House proposal the following groups were proposed for coverage:

Professional self-employed persons, other than physicians, whose net earnings from professional self-employment total $400 or more in a year. Those professional self-employed groups who would be brought under the system are the professions now specifically excluded, such as lawyers, dentists, and architects. About

17Congression Record Appendix, 83rd Cong., 2nd Sess., 1954, A 4077.
$400,000 persons would be brought under this amendment.

Self-employed farm operators whose net earnings from farm self-employment total $400 or more in a year. Under this provision a self-employed farm operator who reports his income on a cash basis and who has a gross income not exceeding $1,800 a year could report for credit toward Old-Age and Survivors insurance benefits with his actual net earnings from self-employment or 50 per cent of such gross income. A farm operator whose gross income, from self-employment is more than $1,800 could compute his actual net earnings or, if these earnings were less than $900, he could, if he so elected, report $900. Otherwise, he would report his actual net income. If net earnings from self-employment, either actual or presumed, do not amount to as much as $400 in a given year, he pays no self-employment tax on such income and receives no credit toward benefits.

Farm workers: The new provisions affecting farm workers would require an employee to receive cash wages from one employer of at least $200 per year. The bill would eliminate the present "regularly employed" test as a requirement for the coverage of agricultural labor. Under the present law, because of the restrictive and complicated criteria for determining coverage eligibility, only 700,000 workers are receiving Old-Age and Survivors insurance credits in farm work. The liberalized test would extend coverage to about one and three-tenths million farm workers.

State and local employees: Coverage will be extended to state and local employees under an option plan. Policemen and
firemen are excepted. Before this plan can be accepted the individual State must consent to such coverage and the employees affected must vote in favor of coming under the program in a secret written referendum. The referendum of the public employees would require that a majority of the eligible members of the system participate in the voting and two-thirds of those voting favor coverage. The safeguards of requiring a vote of the majority of the eligible voters, with the further requirement that at least two-thirds of those voting must favor coverage were designed to assure a referendum that is representative of the wishes of the requirement system membership without making the qualifying conditions so restrictive as to make coverage impossible whenever an indifferent minority fails to vote.

Federal employees: Coverage would be extended to all Federal employees who are not covered by a Federal retirement system with certain limited exceptions.

Ministers and members of religious orders: The bill provides for the coverage of employed ministers and members of religious orders who have not taken a vow of poverty, under provisions similar to those affecting lay employees of nonprofit organizations. For the purpose of the law, ministerial employees and lay employees would be separate coverage groups, but ministerial employees of an organization could not be covered unless the lay employees were also covered.

Coverage would have to be preceded by the filing of a
certificate by the employing organization indicating a willingness on the part of the organization for such coverage, and at least two-thirds of its ministerial employees would have to certify their desire for coverage. Only those employees desiring coverage would be covered initially. Any minister or member of a religious order who is employed by the organization after coverage is initially undertaken would be covered automatically.

Domestics: All domestic workers who work in nonfarm private homes and persons performing other types of service not in the course of the employer's trade or business who are paid fifty dollars in cash wages by one employer in a calendar quarter. This will make 250,000 additional workers eligible for benefits.

Home workers: State licensing laws have been eliminated as a requirement for home workers. They will be covered if they work according to specifications for the person for whom the work is done, on material and goods furnished by that person and are required to return the material or goods to him or his designee, provided they are paid cash wages of fifty dollars or more during a calendar quarter by the employer. Thus, affected home workers are given coverage irrespective of the States in which they are located. It is expected that this provision will extend coverage to about 100,000 additional home workers.

Employees engaged in fishing and related activities: Coverage would be extended to fishermen and clam diggers who are now excluded. Fifty thousand workers would be covered by this provision.
United States citizens employed outside the United States by foreign subsidiaries of American companies: Coverage will be extended to 100,000 United States citizens who are employed outside the United States by foreign subsidiaries of present American companies.

United States citizens employed by American employers on vessel and aircraft of foreign registry: Coverage would be extended to United States citizens employed by American employers on vessel and aircraft of foreign registry.

Under the proposed amendment the maximum amount of covered earnings considered for both tax and benefit purposes will be increased from the present $3,600 a year to $4,200 effective January 1, 1956.

Under the new provisions, it will be possible to drop out up to five years in computing the worker's benefit. This will be to the advantage of the worker since the years dropped would represent his low income years.

Benefit payments will be increased for beneficiaries currently on the rolls as well as for workers who will retire in the future. For present beneficiaries the monthly benefit range will be increased from its present level of a minimum twenty-five dollars and a maximum eighty-five dollars to a new minimum of thirty dollars and a maximum of $98.50. For those coming on the rolls in the future, the range of benefit payments will be from thirty dollars to $108.50.
Provision is made in H. R. 9366 for the preservation of insured status and benefit entitlement for workers sustaining total disability which can be expected to be of long-continued and indefinite duration. 18

On June 1, 1954, H. R. 9366 was scheduled for a vote in the House of Representatives. Mr. Brown of Ohio from the Committee on Rules reported the following privileged resolution (H. Res. 568, Rept. No. 1699) which was referred to the House Calendar and ordered to be printed.

Resolved: that upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the whole House on the State of the Union for the consideration of the bill (H.R. 9366) to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals and increase the amount of earnings permitted without loss of benefits, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit. 19

18 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 7015.
Mr. Colmer commented that when the Social Security bill was up in 1949, along with other members, he opposed what he termed a gag rule. He opposed it under a Democratic administration and he now opposed it under a Republican administration. He stated:

I am in thorough accord with the gentlemen who just preceded me, the distinguished gentleman from Texas, Mr. Lyle. Why should we in this House disfranchise ourselves so far in the consideration of this legislation when the other body will, no doubt, take as much as two, three, or four weeks to consider this legislation?

Here is a bill of some 122 pages. The Committee on Ways and Means considered it for months. Then they brought it to the Rules Committee this morning and asked for a closed rule under which you cannot dot the i or cross the t. In addition to that, we are asked to waive the requirement of its lying over for an additional twenty-four hours before it may be considered by the House.

Why all the haste? The great Speaker sitting here is quoted in the press as saying that we will be ready to adjourn by July 1. The majority leader in the other body says we will get out around the first of August. The minority leader in the other body says we will get out around the fifteenth of August. In other words, the House is a month or more ahead of the Senate on the adjournment schedule. Yet we are going to consider this bill all in one day, having run it through the Committee on Rules and put it through the hopper in one short day; and there will not be two Members of this body, other than the Ways and Means members, and I say this with no reflection upon anyone, because I will be one of them who will have read the bill. The members have not had an opportunity to read it. It has just been made available today.

Mr. Speaker, we are going to make a rubber stamp out of this House if we continue to legislate in this manner. 20

Mr. Halleck, in reply stated:

Mr. Speaker, this sort of debate is not new on matters of this kind. I have been present here when the same arguments were made before. Undoubtedly, they are made in good faith, in complete sincerity, and with a considerable degree of persuasiveness. However, the plain fact remains that for fifteen

years extensions of social security have been handled by this type of rule. I think it is completely understandable why that is done. This is a highly complicated piece of legislation and beyond that there is the matter of necessity of actuarial with respect to the bill as a whole.

The bill is built upon this basis. Problems of coverage and others involved in the consideration of actuarial soundness are involved. To undertake to rewrite the bill on the floor of the House would likely get us into the sort of situation that has convinced us over the years that tax bills from the Ways and Means Committee should be considered under closed rules.21

Mr. Jenkins observed:

Mr. Chairman, in a discussion of a bill of this sort, nobody is surprised at the fact that many of us do not understand it thoroughly. It is so complicated, so wide in its application and variations, that it is difficult for anyone, I think, to understand it thoroughly. He would be boasting if he would stand up and say, "I am an expert with reference to this legislation." You know, I would like to be able to answer all your questions if I could. Heretofore, when I have spoken on matters coming from the Committee on Ways and Means, I always had to apologize for the adoption of a closed rule. I do not like closed rules, and apparently you heard a lot of members today who do not like closed rules. But this is a case where I think a closed rule is justified, and I will tell you why. This bill was drafted with great care, and after a long preparation. We had very extensive hearings before the Committee, Government experts and Democrats and Republicans participating. Then the Committee had a long session after the bill was first introduced, and a new bill was introduced, and finally when the Committee took a vote the vote was unanimous except one, and as I remember that member was not present. Out of twenty-five members of the Ways and Means Committee, the vote was practically unanimous, much of the time indicating that the Democrats and the Republicans were agreed. But, we had come to the place where we thought this thing ought to be closed and we ought to come before Congress and present it for the consideration of the Congress and give it to you. There will be other Congresses again, and then if we are wrong we will have a chance to change it, or some other Congress may change it.22

In discussing the amendments, Congressman Kean stated that there were about 200 bills proposed in the House alone proposing changes in the law. He favored the proposal submitted by Congressman Reed. As this bill had the support of the Eisenhower administration, it stood the best chance of being passed.

He felt that it was essential to retain and strengthen the wage-related principle in the insurance program. This, he felt, was necessary to reflect the increased wage levels of the great majority of persons contributing to the system and prevent the system from becoming a uniform benefit program. This would be undesirable because of the great differentials in wages which exist in this country.

He would not eliminate the work clause altogether as some people recommended because of the increased tax it would require from all workers and their employers. Benefits were never envisioned as an annuity to be paid to all workers upon reaching the age of sixty-five. It is a system by which benefits are to be paid only upon reaching virtual retirement.

Some people have attacked the system claiming that it was not insurance because it is not contractual, and at the same time criticizing the system because it makes commitments to pay specific amounts indefinitely in the future. The law itself provides that claimants have legally enforceable rights. Since this was put into the law in 1939, the courts have sustained the law on many occasions. There are six million persons drawing social security
benefits each month at the present time, over one million are
children, and 250,000 are widows caring for these children. In
addition there are over 500,000 widows age sixty-five and over,
and nearly 25,000 aged parents drawing benefits. Mr. Kean pointed
out the two basic principles upon which the present system is
built, namely, a contributory system with both the worker and his
employer making payments during the years of active work; second,
the benefits received are related in part to the individual's
earnings. He concluded by saying:

There are some people in our country who fear that the im­
provement and extension of Social Security is but another
step in the march toward the welfare state. There are
others in our country who offer a package of amendments
to Social Security under such attractive labels as "blanket­
ing-in-all the aged," and "repealing all Federal grants to
the States for old-age assistance," but which would wreck
the fundamental principles upon which the system has been
built. The Eisenhower program is a middle of the road
approach which recognizes the dangers of both extremes.
The Eisenhower program rejects these extreme views and
aims instead at constructively and soundly preserving and
improving our social security structure for the welfare of
the entire nation. 23

Mr. Smith of Virginia objected to the feature of the bill
that prohibits members from offering any amendments. He conceded
that it was necessary on an ordinary tax bill to have a closed
rule. He felt that the individual members of the House should be
given an opportunity to offer amendments to designate what classi­
fication of persons should be included.

He was opposed to coverage for farm operators since their

inclusion would put too great a tax burden on them.

The doctors, through their organization, were able to be excluded. Many farmers do not belong to farm organizations and were not given a chance to be heard. In his opinion the farm operators did not want coverage.24

Mr. Kean submitted some significant statistics to illustrate how extended coverage removes the aged from old-age assistance:

After the extension of coverage in 1950, which brought some 10 million additional workers under the system, the percentage of aged receiving old-age and survivors insurance benefits increased rapidly while old-age assistance declined. In 1950 225 out of every 1000 aged persons in the country were receiving old-age assistance and 171 were receiving old-age and survivors insurance. By the end of 1953, 190 out of every 1000 aged persons were receiving old-age assistance as compared to 344 receiving old-age and survivors insurance benefits. With the further extension of coverage recommended by the committee, it is estimated that 75 per cent of all persons over 65 will be eligible for old-age insurance benefits by 1960 as compared to 47 per cent at the present time.25

Mr. Scriver asked the question why could not the social security program operate strictly on a voluntary basis?

Mr. Cooper replied:

If it is based on an entirely voluntary system it means then that people will wait until they approach the time to be eligible for benefits before they elect to come under the system, thereby, they will not have been paying in the past to help pay for the benefits they will receive. That means, then, that there would be a great drain on your trust fund, which would result in your having to have a higher tax rate and more funds provided in your trust fund if you allow people—too many of them—to operate on a voluntary basis so that they may wait until near the time to begin receiving benefits before they elect to come under the system.26

---

Mr. Jonas of North Carolina wanted to know if the committee gave any consideration to relieving young women from losing the money they pay in after they work for a few years and then marry.

Mr. Kean replied to this by indicating that there is no refund. The system works somewhat like term insurance. If the young woman died while working, generally, there would be a lump sum payable to a survivor and in some cases parents benefits.27

Mr. Curtis of Missouri commented that all the members of Congress were considering how to spend more money and improve social insurance, but no one was giving any serious thought as to how the money was to be raised. He felt that the program was not actuarially sound, and questioned the authority of Congress to tax future generations in order to pay benefits to the present aged.28

Congressman Angell stated that while he would vote for the bill he did not think it was sufficient to meet the problem of the aged. He continued:

I have long advocated the enactment of legislation which would cover the entire field on a pay-as-you-go basis and would provide adequate annuities to the elderly people of America, dependent widows and the disabled and physically handicapped. I recently appeared before the Ways and Means Committee in support of my bill H. R. 2446, which embodied the Townsend legislation urging its adoption. If it were possible H. R. 9366 should be amended so as to include the provisions of H. R. 2446. But under the parliamentary setup that is impossible. This rule which will be adopted is a gag rule and no amendments will be permitted.29

Congressman Secrest comes from a district in Ohio that is predominantly agricultural. He was anxious to know how the farmers in his district felt towards the amendment that would include farmers. He sent a questionnaire to all the farmers in his district and asked them whether they wanted to be included or excluded by social security. By the time one-fourth of the farmers replied, 2,933 indicated they favored coverage while 333 were opposed. Mr. Secrest favored letting the farmers vote by counties or States as to whether they wanted coverage, if the farmers of the entire nation were not to be taken into the program. He indicated that National Grange and the Farmers Union, representatives of the nation's farmers, favored coverage.30

Mr. Abernethy asked the following question of Mr. Smith: "Do I understand this bill to provide that every farmer in this country, of which there are about 7 million, will be forced under this program, if he earns as much as $400 a year?"

Mr. Smith: "Yes."

Mr. Abernethy: "If it be that a farmer does not desire to come under it and he does not pay this tax, does that mean that an agent of the Federal Government will be out on his farm attaching his property for the purpose of forcing him into a program that he does not wish to participate in?"

Mr. Smith: "The same rule that affects the collection of other taxes will prevail in this case."

---

Mr. Abernethy: "It means then that quite a raft of tax collectors will be raiding the farms of thousands of men in this country, farmers who definitely will not want to come under this program."

Congressman Gathings observed: "I notice that the bill covers dentists but does not cover physicians. I am just wondering why it was that dentists were included and physicians were excluded."

Mr. Cooper replied:

I will try to be as helpful as I can to the gentleman. The administration, of course, recommended extension of coverage including those covered in the bill, a number of which are professional people. Hearings were held. A difference of opinion developed among the dentists. Evidence was presented that some wanted to be covered; evidence was presented that some did not want to be covered. It was also pointed out that in the case of physicians, they do not retire at 65. They continue working, therefore, they did not think it would be quite fair for them to be required to pay the tax when they did not expect to retire and get benefits. On the other hand, some evidence was presented that the dentists being on their feet working at their chairs it frequently resulted in their having to retire at an earlier age than physicians. I grant there was a difference of opinion. Some of them wanted to be covered, and some of them did not.

Chairman Reed indicated that Dental Survey conducted a survey among dentists in February 1951, and 53 per cent were in favor of social security coverage and 47 per cent were against coverage.

He pointed out: "The Ohio State Dental Society recently conducted a poll in which it found that on the basis of 1,685 returns the dentists voted 9 to 5 to be included under the provisions of

---

the Social Security Act. This is taken from the Iowa Dental Bulletin, October 1953."

Congressman Ostertag was of the opinion that the work clause should be abolished for all workers past sixty-five years of age. Mr. Klein of New York stated that the average doctor wants coverage. While the American Medical Association opposes coverage, they do not actually represent the views of the average doctor. The individual doctor is afraid to speak up for himself in opposition to the American Medical Association.

Mr. Byrnes of Wisconsin believed that we would never have a just system of social insurance until all the people over sixty-five are taken into the program. There are over 3,500,000 people over seventy years of age that are retired and never had the opportunity to earn coverage under the program. Half of these people are receiving some form of relief.

The people who object to this proposal insist that these people should be taken care of through old age assistance which is paid for out of general taxation. To blanket them into old age and survivors insurance would amount to an inequity against wage earners who have been paying their money into the trust fund.

33 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 7046.
34 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 7046
35 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 7048
To allow this large number of people to come into the program without making any contribution would ultimately lead to the wrecking of the whole program. Once you leave any group in without paying their contribution the precedent would be set and there would be demands to include widows and orphans for benefits. The original intent of the plan never intended this.

Congressman Curtis of Missouri was of the opinion that any person self-employed or a wage earner should be excused from social security if he provided for his own security with a private company. 37

Mr. Dingell observed that:

Since the many improvements which the Democrats have made in the social-security system have been in spite of Republican opposition, as the record clearly shows, it must be somewhat surprising to see the constructive improvements which are before us today being proposed by a Republican administration. The answer to this puzzle is very obvious. The social-security program is so popular and so well accepted throughout the country that the Republicans, in spite of their past sorry record on social security, have at last been forced to reflect this popularity in the pending bill. The credit belongs not to the Republicans and their supporters who have fought the pending improvements over the years, but to the working people of the country who have so clearly made their views known to the Congress. 38

Mr. Jonas of North Carolina asked the question why policemen and firemen were excluded by the amendments. Mr. Cooper in reply indicated that these two groups, through their organizations all over the country requested that they be excluded. The nature of

38 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 7022.
their work requires that they be in good physical condition and active. As a result, they have their own pension funds that provide for retirement at ages much earlier than sixty-five.\textsuperscript{39}

Congressman Dingell pointed out that in his opinion the greatest shortcoming of the proposed bill was the lack of disability insurance benefits. He observed that it is not much solace to a disabled worker to be told that he will have to wait until age sixty-five before he will be eligible for any benefits. A young married worker with children needs the benefits at the time of his disability. In fact his need may be greater than at age sixty-five.

He went on to say that the only reason disability benefits are not provided is because of the opposition of the insurance companies and the American Medical Association. He then quoted from the testimony submitted by the representative of the American Medical Association before the House Ways and Means Committee as to the proposed freeze provision:

While we are pleased to note that this section of the bill includes a number of safeguards which did not appear in the bills which heretofore have been before Congress, we are still constrained to oppose this portion of the bill because it most definitely would become an entering wedge for the regimentation of the medical profession by creating the mechanism for the adoption of a Federal cash permanent and total disability program, which in turn could lead to a full fledged system of compulsory sickness insurance. The provisions in the bill cannot be appraised solely as an isolated detached effort to provide some measure of aid to the disabled worker. We believe that this and every other step in the direction of a compulsory sickness insurance system must be opposed.

Congressman Fine commented that the unusual thing about the

\textsuperscript{39}Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 7021.
proposed amendments was that it was being supported by the Republican members of Congress. In 1935, the Republican members of the House had voted ninety-five to one to recommit the bill to committee. The Republican platform of 1936 called for repeal of Social Security. Mr. Fine then continued: "To my Democratic colleagues I respectfully suggest that we accept the conversion of our Republican brethren with good grace, not criticism, for their candor in publicly admitting the error of their previous ways. I hope we will not accuse our Republican friends of coattail riding on the program of Roosevelt and Truman, even though such a charge might seem merited. Let us instead be content to rejoice that they have finally seen the light."\(^{40}\)

Congressman Addonizio was concerned over one of the new features of the amendments. Under the proposed benefits to survivors or dependents payments made would not be for any month in which they were living outside the United States unless they met certain resident requirements in the United States.

This section of the bill was added just before it was reported out of the Committee on Ways and Means. It was not part of the bill when the public hearings were held. No one was given an opportunity to question the merits of the proposal. Up to this time an individual could collect social security without being a citizen. A wage earner or his survivor could leave the United States and their benefits would be continued. In this respect the program

\(^{40}\)Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 7028.
operates similar to private insurance. Under private insurance benefits are payable regardless of a person's nationality. Congressman Addonizio felt that since these people contributed to the program they and their survivors were entitled to benefits.41

On the same day, June 1, 1954, the bill was voted on and was approved by an overwhelming vote of 355 to 8.42

On July 8, 1954, Congressman Mason of Illinois reported on a letter that had been sent to the Senate Finance Committee by Albert C. Adams, Chairman for the Committee on Social Security of the National Association of Life Underwriters. This organization represented nearly 60,000 life insurance agents in this country. They did not look upon the expansion of social security with favor and felt that it would have a detrimental effect on their private insurance business. The letter continued in part:

People will not be inclined to buy security from us if the Government appears to give it away in large amounts, at today's low tax. This unnecessary competition constitutes a clear invasion of the market for private life insurance. In this connection, we particularly call attention to the fact that the biggest increase proposed by H. R. 9366 would go to the people in the highest earnings classification. These people have the financial ability and have demonstrated willingness by their purchases of life insurance to take over for themselves where social security should leave off—at the minimum needs level. There is absolutely no need for the Federal Government to invade this market. We should like to add that if the idea were to become accepted that OASI is as good as life insurance and that it can be provided at a lower cost, we believe that the citizens of this country would be victims of a superstition that has no basis in fact. The increased benefits that you are now considering, may,

according to Government experts, eventually cost as much as
11.46 per cent of payroll, or 27.6 billion a year, provided
there are no further increases. (This estimate, by the way,
is based upon the assumption of a continuing high employment
level. A decline in employment would, of course, increase
the indicated cost even further.) Obviously, if this comes
to pass, the payment of these benefits will have to be based
on the uncertain premises that Congress will be willing to
vote the necessary, but always unpopular tax increases and
that the public will be able and willing to pay them on top
of Federal, State, and local income, property, wage, and sales
taxes. Thus there exists an atmosphere of uncertainty that
advises extreme caution in the assumption of commitments dif-
ficult of fulfillment, which stand in sharp contrast to the
demonstrated performance of life insurance for more than a
century. We do not believe that it would justify the irrepe-
rable damage which the bill would cause to the life insurance
industry. Would it not be wise to coordinate social security
with life insurance than to have social security destroy our
business?43

A surprisingly large number of Congressmen had a comprehensive
knowledge of the complex social security law. They demonstrated
keen interest in the proposed amendments. Many members were trying
to outdo one another with their various amendments. Just about
every conceivable amendment was submitted, such as reducing the
eligibility age to sixty, and allowing Gold Star mothers to qualify
for benefits based on their sons' military service. Perhaps these
bills were submitted because 1954 was an election year.

The social security act can be wrecked by restricting cover-
age, or by making the program so liberal that in time there would
not be sufficient funds to support it.

As the final vote on the amendments demonstrates, there was
no real opposition to the legislation. In recent years social

43 Congressional Record Appendix, 83rd Cong., 2nd Sess., 1954,
A 4940.
security has become very popular with the American people and most Congressmen aim to please their constituents.
The Constitution provides that all revenue bills in Congress must originate in the House of Representatives. Since the payroll taxes for social security are clearly revenue raising provisions, they generally originate in the House. For this reason, the Senate must wait until the House initiates social security legislation before they can take any action.

Senator Long indicated that 442,000 individuals were receiving state old age assistance in addition to their social security. These people had to look to old age assistance since their benefit from social security was so small. When social security benefits were increased they did not receive an increase since the individual state would reduce their state old age benefit. Senator Long proposed that these people be allowed to collect the increased amount.

To this Senator Millikin replied:

The difficulty with the amendment is that it upsets the whole needs test, which I think is offensive to most of us, but which is a part of our social-security system in the public-assistance portion. So far as the needs test is concerned, we have it, and it must continue to mean something or the whole public assistance side of our program will fail. It does not make a bit of difference whether the dollar which
the public assistance recipient receives is from the insurance side of the government, from interest on a bond of the government, from rents, or from any other source of income. It diminishes need, and it diminishes just as much its part of the insurance system if the income is obtained from other sources. So when we commence making exceptions, we are commencing to cut down the needs system; and when we cut down the needs system, we are raising the expenses of every State in the country, as well as the Federal Government.¹

Senator Johnston of South Carolina offered an amendment to H. R. 9366 to reduce the eligibility age from sixty-five to sixty. Senator Millikin stated that to lower the eligibility to age sixty would increase the cost of the program from $1.5 billion to $2 billion.

 Senator Johnston then replied:

I realized the cost when I offered the amendment, but I thought when we were sending billions and billions of dollars overseas for other people, we certainly ought to be looking out for our own people here at home who are in need. That is my opinion. That is the only reason I have advocated anything like this. If we could not cut off the billions of dollars for aid for people who are not even giving us anything in the United States, it seems to me we could provide something to our own people here at home.

The amendment was rejected.²

Senator Humphrey of Minnesota asked of Senator Millikin if dentists were to be covered by the new Social Security Amendments. He was advised that they were not. He then requested to be allowed to read and have printed in the Congressional Record the following editorial entitled "If You Want Social Security Tell Your Congress-

²Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 13726.
man," by Earl H. McDonagle, D.D.S.

The Congress may mistakenly regard the house of delegates as an accurate barometer of all dentists' sentiments.

There seems to be a discrepancy between the action on social security by the house of delegates of the American Dental Association and the sentiment of the members that it represents. The house of delegates turned down Old Age and Survivors Insurance for dentists by a vote of 312 to 64.

To my knowledge three state associations have conducted reply postal card polls of their entire membership on the subject of Old Age and Survivors Insurance (OASI) for dentists with the following large majorities favoring it:

<table>
<thead>
<tr>
<th>State</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>1,164</td>
<td>51</td>
</tr>
<tr>
<td>Minnesota</td>
<td>927</td>
<td>325</td>
</tr>
<tr>
<td>Oregon</td>
<td>397</td>
<td>140</td>
</tr>
</tbody>
</table>

The total of these figures is 2,488 yes and 510 no, or approximately 80 per cent favoring OASI. It will require a psychologist to explain the action of the delegates, considering this evidence of the true sentiments of their constituents. Perhaps, if it had been a secret ballot, instead of a standing vote, the count would have been different. If complete polls were to be conducted in other States, it is probable that the results would be similar to those on the three States listed here.

At the meeting of the reference committee on insurance held in the Statler Hotel in Cleveland it was evident that the members
of our profession know little about the cost and benefits of OASI. The question directed to the chairman was, "If dentists were covered and one would die leaving a widow and children ages 1 and 3 years, what would the family receive in benefits?" The committee chairman acting as moderator referred the question to the attorney, who read a few figures and percentages, but the question was not answered. Anyone who knows anything about it could have given the answer in a minute. The answer is, "From the date of the father's death to the date the youngest child becomes 18, the widow and children would receive approximately $33,000. In addition, if she does not remarry, the widow would receive a lifetime annuity of $63.60 per month at age 65."

Senator Humphrey then requested that accountants be included in the amended social security act. He observed that on the basis of a poll conducted by the National Society of Public Accountants, they voted four to one for coverage.

To this Chairman Millikin of the Senate Finance Committee replied:

It is true that a recent poll of the members of the National Society of Public Accountants shows that they favor coverage under the social-security provisions, but according to the society's executive director, James E. Keys, a substantial number of the members qualified their ballots by indicating that they favored coverage only if all professions were to be covered. This position was based on the fact that the self-employed accountants seldom retire abruptly at age 65, and normally continues to work as long as he is able to do so. Therefore, when the committee reached its decision to continue the exclusions in existing law of certain professional groups, we were moved by the considerations stated to make no exception in the case of accountants. We also took into consideration the fact that no member of the profession appeared
before the Committee on Finance to request coverage.

I must necessarily urge upon the Senate, in order to coincide with the opinion of the committee and other views expressed here, that this amendment be defeated, if pressed. I hope the Senator from Minnesota will not press it. I hope that he will convey to those who have communicated with him the feeling, so far as I can determine it, of the Senate Committee on Finance, that the accountants can come in whenever we receive evidence that they want to come in. I refer to evidence which is not the subject of controversy or dispute.

Senator Humphrey thereupon withdrew his request that accountants be covered.3

Senator George took this opportunity to point out that dentists could not be given voluntary coverage, as some of them requested. He stated that he had earlier submitted a bill to take in dentists on a voluntary basis but subsequently he became convinced that it would not work. He observed that Canada found that a voluntary social security system does not work.4

Senator Kennedy of Massachusetts proposed an amendment to the Social Security Act, whereby the worker that continues to work after age sixty-five would have his benefit increased 1 per cent for each year that he continues to work.

Senator Millikin of Colorado pointed out that the proposal would cost $250,000,000 annually. He requested that the amendment be withdrawn since the entire bill may become unacceptable to the House of Representatives with the amendment included. Senator Kennedy agreed to withdraw his proposed amendment. He then made

---

3 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 13716.
4 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 13716.
another proposal to increase the new minimum payment from thirty to thirty-five dollars. This amendment was to be voted on at a later session.5

Senator Lehman offered his bill as an amendment to the bill that was being debated. His bill included:

Coverage for farmers.
Coverage for military personnel.
Extra credit for postponed retirement.
Benefits for workers under age sixty-five who become totally and permanently disabled.
Benefits for disabled children above the age of eighteen.
Cash sickness benefits.

None of these provisions were accepted.

As the bill being discussed did not include farm operators, Senator Lehman indicated that in urban areas where most of the working population has been covered by social security for the past eighteen years, the insurance program is the central feature of the whole social security system. In farm areas, however, the insurance program is not doing its full share. The effect of the exclusion of farmers is shown clearly when a comparison is made of old people in rural communities compared with old people in urban communities. In the farm counties throughout the country the record shows that 31 per cent of the aged are getting old age public assistance and only 13 per cent are getting social insurance benefits. In non-farm areas, 17 per cent of the aged are getting public assistance and 36 per cent are receiving insurance benefits.

If the farmers were given coverage it would mean that they could

5 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 13720.
contribute systematically toward protection against poverty in old age, and against hardship for their families in the event the breadwinner dies. 6

Senator Martin along with Senator Long submitted an amendment whereby the old age and survivors insurance trust fund would be abolished and the plan put on a pay-as-you-go basis. Mr. Martin felt that this was necessary, otherwise the whole program might crash under its own weight.

They pointed out that since the start of the program in 1937, a trust fund of nineteen billion dollars has been built up. This accumulation has been made possible because income has exceeded expenditures. In 1953, the OASI income was $4,359,000,000. Expenditure paid to claimants amounted to $3,094,000,000 or a profit to the fund of $1,256,000,000. For the year 1954, it is estimated that $5,567,000,000 will be collected and the expenditure will be $3,655,000,000 or a gain of $1,912,000,000.

He indicated that the trust fund amounted to only a promise to pay by the United States Government and that actually no funds exist as in the case of a private insurance company. According to his proposal the program would be put on a basis whereby every two years it would be determined just how much money would be needed to run the program for the next two years. This would not allow for any long-term planning. Senator Monroney then asked Senator Martin to tell him why the Government securities which are issued to the

Social Security fund, and bear no higher interest rate than the
bonds which are held by the New York Life Insurance Co., or the
Massachusetts Mutual Co., or any other insurance company, should
not be a debt against the Government. He then asked this question
of Mr. Martin, "If these bonds do not represent legitimate value to
the Social Security fund, why do the major insurance companies of
the country keep 50 per cent of their funds with which to pay off
their beneficiaries in Government securities?"

Mr. Martin then replied that the bonds of the United States
Government are the best in the world.

Mr. Martin then withdrew his amendment.7

Referring to Senator Martin's amendment, Senator Morse stated:

What I wish to do this evening is reject their major premise
laid down by the Senator from Pennsylvania. I have heard for
a long time a great deal of talk about the pay-as-you-go plan
with respect to Social Security. I wish to say that it repre-
SENTS A GREAT UNDERLYING FALLACY because behind the social-
security system are two considerations: first the security and
wealth of the United States, and second, the moral obligation
of the people of the United States to make sure that when
people reach an age where they can no longer be productive,
those who have the ability to pay taxes will see to it that
those people live out their old age in decency.8

The wide interest in social security legislation that was
demonstrated in the House was not apparent in the Senate during the
1954 session of Congress. This may have been partly due to the
fact that so much time was consumed in conducting the investigations
and hearings.

7 Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 13733.
Senator Lehman and one or two other senators were the only ones who showed any real interest in this legislation, and had programs to offer.
CHAPTER VII

JOINT COMMITTEE REPORT AS PRESENTED IN THE SENATE

The joint conference committee was composed of five members of the House of Representatives and three from the Senate. The conference representatives from the House of Representatives were: Daniel A. Reed, Thomas A. Jenkins, Richard M. Simpson, Jere Cooper, and John D. Dingell. The Senate representatives were Eugene D. Millikin, Edward Martin, and John J. Williams. All of the above were members of either the Ways and Means Committee of the House or were members of the Finance Committee of the Senate. Therefore, they were well acquainted with the problems having been members of the committee that conducted hearings in each house.

They completed their report on August 20, 1954, and it was reported to both Houses of Congress on the same day.

Senator Millikin reported to the Senate on the joint conference report. He indicated that the conference agreement would extend social security coverage to about ten million individuals. The representatives from the House held out for coverage for 3.6 million self-employed farmers. The Senate was opposed to their coverage, but finally accepted the House version.

The House bill would have included all professional groups with the exception of physicians. The Senate bill excluded all
professional people with the exception of funeral directors. They compromised and agreed to extend coverage to funeral directors, accountants, architects, and professional engineers.

The decision as to self-employed professionals was arrived at on the basis that many accountants, architects, and engineers had requested coverage.

The House bill would have covered 1.3 million farm workers by covering those workers who are paid at least $200 in cash wages by any one employer in a calendar year.

The Senate bill would have extended coverage to 2.6 million persons by including farm workers who are paid at least fifty dollars in cash wages by any one employer in a calendar quarter. They compromised and agreed to cover 2.1 million farm workers who are paid at least $100 in cash wages by one employer in a calendar year. The House also agreed with the Senate to exclude from coverage temporary agricultural workers who have been lawfully admitted to the United States from the West Indies.

They agreed to extend coverage to most Federal employees not covered by retirement systems such as census takers and temporary employees of the post office.

A great deal of time was spent in trying to resolve whether self-employed farmers should be taken into the program. The House had included them, the Senate had not. It was finally agreed that farmers should be taken in. Since no tax would be due until April 1956, it was felt that this would give farmers sufficient time to
voice their objections to coverage if they so desired.

It was agreed that an individual be allowed to earn up to $1,200 before he became subject to the work clause. Formerly it had been seventy-five dollars per month for wage earners and $900 per year for self-employed. The committee recommended that a worker age seventy-two be no longer subject to the work clause. This was a reduction from age seventy-five.

Both the House and Senate were in agreement as to the amount of monthly benefits. They differed as to the amount of the lump-sum death payment. The House had limited it to $255. The Senate limited it to $325.50. They agreed on $255.

The House bill had provision which would terminate benefits of anyone deported from the United States. This was acceptable to the conference group.¹

At this point Senator George took the floor and stated he had been a member of the Senate Finance Committee when the first legislation was passed and he had supported it since 1935. Now, he was of the opinion, that social security was trying to cover people who didn't need and didn't want it. It should be limited to workers of the city. Social security was never intended for the self-employed farmer, or professional groups. These people do not retire, especially the farmer.

He continued:

I wish to make my position entirely clear. My position is this. The Social Security Act commenced as a security measure for workers who did not have their own jobs, who were not self-employed, who had not spent their money to acquire a professional character or standing, and who have not invested in farms on which they work and live and expect to spend their entire time. It was intended to take care of the industrial worker who could be let out of or kept on.

However, in the hands of the reformers—some have been in the Democratic party and, to my surprise, some have captured the Republican party—it has become nothing but a universal scheme and program of compulsory insurance. Apparently no man in America has sense enough to know what kind of insurance he wants to take; the Government must tell him what kind to take, not only ask him to take it, but force him to pay for it. The program has become nothing but a program of compulsory insurance applicable practically to every workingman, every earner, and every man who has an income.2

The position of Mr. George was rather strange since he had sponsored the 1950 amendments that extended coverage to the self-employed.

Senator Millikin had been one of the Senate representatives in the conference and he explained why he accepted inclusion of coverage for farmers.

I should like to state to the Senators the reasons for making any change at all in the bill as it was passed by the Senate, and the reasons for the changes made in the House version of the bill.

Of course there were two sets of conferees, one representing the House and one representing the Senate. Those groups were not composed of cream puffs. The conferees were tough-minded men; and conferences were nothing new to them. They tried to reach adjustments. But after several days of that procedure we reached a stalemate, and it looked as if the whole thing would fail. That situation presented the question, "Shall we allow this social-security bill to fail?" If that were to happen, it would mean that the benefits of some persons would be $6 or $7 less, and it would mean 9 million or ten million persons would not be covered.

Some of us said, "The bill must not be allowed to die.

in conference." So some adjustment had to be made in the viewpoints of the conferences.

Consider the cause of the farmer. If the bill were allowed to die in conference, the farmer himself might not suffer direct loss; the loss would occur, I am sorry to say, in the case of dependent children and the widow when the farmer dies.\(^3\)

Senator Thye stated that he had received a number of inquiries from farmers asking for coverage. The farmers pointed out that all along they had been paying a hidden tax to support social security. Every time they made a purchase of machinery or other equipment they helped pay the tax of every worker that happened to handle it.

Senator Steennis voiced his objection to the inclusion of farmers, saying that the tax would place too much of a burden on the small farmer and it would eventually force him off the land. He noted that if the Republican Congress included farmers under social security, they could never again criticize any social legislation of the New Deal.\(^4\)

While the amendments that were being discussed dealt primarily with old-age and survivor insurance, action was taken to extend until September 30, 1956, Federal aid to the states on behalf of the aged, the blind, and aid to dependent children.\(^5\)

\(^3\) Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 11633.
\(^4\) Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 11635.
\(^5\) Congressional Record, 83rd Cong., 2nd Sess., 1954, p. 13683.
CHAPTER VIII
CONCLUSION

The amendments of 1954 to the Social Security Act have taken a long step in the right direction, but the law itself still has a long way to go before a true social insurance program is established.

As compared with European countries the program got a late start and has a great deal of ground to cover before it becomes a comprehensive program.

The attitude of the Democratic Party toward social security is substantially the same today as it was when they sponsored the original legislation in 1935. They are still in favor of expanding the program to provide for cash pay benefits to workers under age sixty-five who become permanently and totally disabled. Senator Lehman submitted a comprehensive program during the 2nd session of the 83rd Congress that was rejected. However, we will hear more of his program in future Congresses when the Democrats are again in a majority.

The attitude of the Republican Party toward social security makes an interesting study. After the Social Security Act was passed by a Democratic Congress in 1935, the Republican platform
of 1936 called for the repeal of the Act. In subsequent years they
continued to oppose the program until recently when they began to
accept it as something that is here to stay. The feeling of the
Republicans toward social legislation is similar to that of the
Conservative Party of England. The Conservative Party opposed so-
cial legislation, but eventually accepted it as something the people
wanted. If the Conservative Party expected to control the govern-
ment, they realized that they would have to support such legisla-
tion. The Republican Party in the United States apparently has
come to the same conclusion; they must accept social legislation or
continue to be a party out of power.

Many people felt that when the Republicans gained control of
the presidency they would scrap the program in its present form.
This apparently was the intention of many members of the Republican
party. Until 1954 this appeared to be what they had in mind. How-
ever, they realized that the American people have wholeheartedly
accepted social security, and would not tolerate the program being
scrapped. Too many people have a monetary interest in social secur-
ity. As a result, the Republicans realized that it would not be
good politics to radically change the program.

During the hearings there was some testimony indicating that
social security is inconsistent with American tradition, and a way
of life. It is alleged that individual freedom is being sacrificed
for economic security. To the great majority of Americans, the
American way of life and free enterprise as we have known it, until
recent years, has meant periodic depressions and mass unemployment with all the hardships entailed.

It is strikingly evident that those who spoke of the individual loss of freedom that would result from social legislation came from the groups who enjoyed the most privileges. Has social insurance lessened the individual freedom of the average American worker? Perhaps we should ask—freedom from what? In return the program has given the average American freedom from economic fear; freedom from loss of total income during period of unemployment; freedom from want and penury in old-age, and freedom from the haunting fear of what will become of his widow and children in the event of untimely death. If all this means loss of freedom, then the critics of social insurance are right. However, this is something for the American people to decide for themselves. All indications are the people are overwhelmingly in favor of social security.

The economic losses from unemployment, disability, old age and death are ever with us. We cannot make them disappear by ignoring them. We can, however, reduce them by squarely meeting the problem and social insurance is the intelligent way in which to cope with them.

As to the future of social security, no doubt the program will be expanded to allow for cash payment in case of disability before age sixty-five. Of course any expansion will increase the cost and will depend on how much the wage earners of the country are willing
to pay for this increased protection.

In the meantime, old-age and survivors insurance will continue to be the first line of defense against want and dependency in old age.
APPENDIX

BILLS SUBMITTED IN THE HOUSE RELATING TO SOCIAL SECURITY

H.R. 6863.--To amend title II of the Social Security Act to increase old-age insurance benefits and to extend coverage under the old-age and survivors insurance programs, to amend the Internal Revenue Code with respect to income subject to social security taxes, and for other purposes.

H.R. 6921.--To amend the Social Security Act to provide that, for the purpose of old-age and survivors insurance benefits, retirement age shall be sixty years.

H.R. 7054.--To amend the Social Security Act to provide unemployment insurance for Federal civilian employees, and for other purposes.

H.R. 7199.--To amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program. Increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes.

H.R. 7200.--To amend public assistance provisions of the Social Security Act so as to provide for a more effective distrub...
tion of Federal Funds, and for other purposes.

H.R. 7595.--To amend title II of the Social Security Act to increase the amount which an individual may earn without suffering deductions from benefits payable thereunder, and to provide in the computation of such deductions wages shall be placed on an annual basis.

H.R. 7706.--To amend the Social Security Act, as amended, to provide for conferences between the Secretary of Health, Education and Welfare and representatives of the several States.

H.R. 7707.--To amend the Social Security Act so as to provide that public-assistance payments to the States shall not be reduced in certain cases by reason of the disapproval by the Department of Health, Education, and Welfare of personnel practices of the State agencies carrying out public-assistance programs.

H.R. 7713.--To amend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits and for other purposes.

H.R. 7820.--To amend the Social Security Act to increase the amount of outside earnings permitted without loss of benefits and to amend the Internal Revenue Code to provide an additional social security tax on certain income.

H.R. 8017.--To amend the Social Security Act to increase the minimum benefits payable thereunder, to lower from sixty-five to sixty the age at which such benefits become payable, and to provide that deductions on account of outside earnings shall not be made in
the case of beneficiaries sixty years of age or older.

H.R. 8079.--To amend the Social Security Act to provide old-age insurance benefits for certain permanently and totally disabled individuals under the age of sixty-five, to provide that no deductions from benefits shall be made on account of outside earnings, and to extend coverage on a voluntary basis to certain ministers, teachers, and other professional persons.

H.R. 8129.--To establish a self-sustaining national pension system that will benefit retired citizens sixty years of age and over; to stabilize the economic structure of the Nation; and to induce a more equitable distribution of wealth through monetary circulation.

H.R. 8199.--To extend the Federal old-age and survivors insurance system to ministers and members of religious orders.

H.R. 8203.--To amend section 203 of the Social Security Act, so as to repeal the seventy-five dollar limitation upon the amount of outside income which may be received in any month by a person receiving benefits under title II of such act.

H.R. 8286.--To amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals and increase the amount of earnings permitted without loss of benefits, and for other purposes.

H.R. 8379.--To amend the Social Security Act to provide that
the refusal of a political subdivision of a State to take part in
the administration or operation of a State plan for old-age assistance, aid to dependent children, aid to the blind, or aid to the
permanently and totally disabled, shall not disqualify the State
for Federal payments if certain conditions are met.

H.R. 8380.--To provide that certain individuals who are or may
become entitled to benefits under title II of the Social Security
Act shall be issued a participation certificate setting forth
their benefits under such title.

H.R. 8415.--To amend the Social Security Act to provide that,
for purposes of the agreement entered into with the State of Michi-
gan pursuant to section 218 of such act, circuit court stenographers
shall be deemed to be employees of the counties which pay their
salaries.

H.R. 8420.--To amend the Social Security Act to eliminate the
retroactive limitations upon the period with respect to which cer-
tain widows and children of veterans may receive benefits there-
der.

H.R. 8411.--To amend the Social Security Act to provide that,
for the purpose of old-age and survivors insurance benefits, retire-
ment age shall be reduced from sixty-five to sixty.

H.R. 8421.--To amend the Social Security Act to provide in-
creased old-age insurance benefits upon retirement for individuals
who continue in covered employment beyond retirement age, and to
reduce from age seventy-five to seventy the age beyond which
Deductions will not be made from benefits on account of outside earnings.

H.R. 8592.--To amend the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits, and to provide that in the computations of such deductions earnings shall be placed on an annual basis.

H.R. 8601.--To amend the Social Security Act to increase the amount of the wages and self-employment income of a deceased individual which may be included in computing any benefits based thereon.

H.R. 8629.--To amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes.

H.R. 8723.--To amend the Social Security Act to provide for the payments of benefits thereunder to certain gold star mothers.

H.R. 8780.--To amend the Social Security Act and Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, reduce the age at which such benefits become payable, preserve the insurance rights of disabled individuals and increase the amount of earnings permitted without loss of benefits, and for other purposes.

H.R. 8895.--To amend section 2 (a) (7) of the Social Security
Act to provide that, in determining the need of an individual for old-age assistance under a State plan, the first fifty dollars per month of such individuals earned income shall be disregarded.

H.R. 8984.--To amend for two years the present matching formula for public assistance payments.

H.R. 9068.--To encourage the use of private benefit plans in lieu of Social Security by providing that individuals who are eligible for certain benefits under such plans shall not be entitled to Social Security benefits or subject to Social Security tax.

H.R. 9135.--To amend the public assistance provisions of the Social Security Act by extending for two years the increased Federal financial participation to the States for assistance to the aged, blind, and disabled, and aid to dependent children.

H.R. 9311.--To strengthen the unemployment insurance system, broaden social security, increase the minimum wage, extend tax reduction to low-income groups, provide for low rent housing, and establish a program of public works.

H.R. 9366.--To amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes.

H.R. 10040, H.R. 10082.—To amend the Internal Revenue Code to en-
courage the establishment of voluntary pension plans by individuals
to promote thrift, and to stimulate expansion of employment through
investment.

H.R. 9861.—To establish a Commission on Programs for the Ag-
ing.

H.R. 10201.—To amend the Social Security Act to provide that
a woman who is entitled to old-age insurance benefits based on her
own wages and self-employment income may in addition be entitled to
wife’s insurance benefits based on the wages and self-employment
income of her husband.

H.R. 10202.—To amend the Social Security Act to provide that
no deduction on account of outside earnings shall be made from the
benefits of certain widows having dependent children in their care.

BILL SUBMITTED IN THE SENATE RELATING
TO SOCIAL SECURITY

S. 2787.—To amend the Social Security Act so as to provide
that, for the purposes of determining benefits under title II
thereof, the amount veterans are deemed to have received from wages
or self-employment income in each month of active service shall be
raised from $160 to $250.

S. 2880.—To amend the Social Security Act, as amended, to
provide medical review of certain findings of the Secretary of
Health, Education, and Welfare which may result in the reduction or discontinuance of public-assistance payments to States.

S. 2887.--To amend the Social Security Act, as amended, to provide for conferences between the Secretary of Health, Education, and Welfare, and representatives of the several States.

S. 2929.--To amend titles I, IV, X, and XIV of the Social Security Act to increase Federal financial participation in State programs for old-age assistance, aid for dependent children, aid to the blind, and aid to the permanently disabled, in order that the States may make appropriate adjustments in their payments to beneficiaries under programs to provide for the increased cost of living.

S. 3278.--To amend title II of the Social Security Act to provide that ministers may elect to receive old-age and survivors insurance coverage by treating service performed in the exercise of their ministry as self-employment and for other purposes.

S. 3417.--To amend the public-assistance provisions of the Social Security Act by extending for two years the increased Federal financial participation to the States for assistance to the aged, blind, and disabled, and aid to dependent children.

S. 3731.--To establish a Commission on Programs for the Aging.
I. PRIMARY SOURCES


II. SECONDARY SOURCES


