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82D CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1944

SOCIAL SECURITY ACT AMENDMENTS OF 1952

MAY 16, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DOUGHTON, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 7800]

The Committee on Ways and Means, to whom was referred the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

On page 33, strike out lines 3 through 7, and insert in lieu thereof the following:

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952".

(2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $70, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than $70;".

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)".

The committee amendment maintains the relationship between the old-age and survivors insurance system and the railroad retirement system which was established by the amendments made in 1951 to the Railroad Retirement Act by Public Law 234, Eighty-second Congress.

PURPOSE AND SCOPE OF THE BILL

This bill provides for six urgently needed changes in the old-age and survivors insurance program:

1. Benefit increases.
2. Liberalization of the retirement test.
3. Wage credits for military service during emergency period.
4. Preservation of insurance rights for those permanently and totally disabled.
5. Removal of bar to coverage for certain persons under State and local retirement systems.
6. Correction of defects in benefit computation provisions.

Your committee believes that all of these changes require attention this year. They are all within areas which were intensively studied by your committee over a period of 6 months of hearings and executive sessions prior to the 1950 amendments, and thus do not require prolonged consideration now. These changes do not affect the fundamental principles of the program. They will not require any amendment of the present contribution schedule, nor will they disturb the self-supporting basis of the system. Your committee recognizes that there are other amendments to the old-age and survivors insurance program which are needed, but these six have been selected because of their urgency and because of the widespread agreement on their desirability.

In addition, the bill corrects a defect in the public assistance provisions of the Social Security Act with respect to earned income of recipients of aid to the blind.

A. BENEFIT INCREASES

The rapid rise in wages and prices during the last few years makes immediate benefit adjustments imperative. While the money income of many groups in the population has gone up since the outbreak of hostilities in Korea, the benefit rates of over 4½ million persons now on the old-age and survivors insurance rolls were determined in the early part of 1950, prior to the beginning of the present emergency period. As a consequence, retired aged persons and widows and orphans are finding it very difficult to meet their costs of living.

Adjustment of the program to keep its provisions in line with major changes in economic conditions is of great personal significance to nearly all Americans. Nearly 8 out of every 10 persons at work in paid civilian employment are covered by old-age and survivors insurance. Over 60 million persons (in addition to those now receiving benefits) are insured. More than three out of every four mothers and children in the Nation can count on monthly survivors insurance benefits if the family breadwinner dies.

Four and a half million persons (nearly 3.5 million of them aged 65 or over) receive payments from this program every month. For most of these people the monthly insurance payments are their chief source of dependable income, and often their only source. A recent survey of beneficiaries has shown that even when all of their money income is taken into account (such as annuities, company pensions, earnings from part-time work, public assistance payments, and contributions from relatives) nearly three-fourths of all retired aged individuals and

married couples have less than $50 a month per person in addition to their benefits.

Today the average old-age insurance benefit for a retired worker is about $42 a month. For an aged couple, the average is $70; for an aged widow it is $36. These incomes must perforce be used almost entirely to procure the bare essentials of existence. Consequently, unless the old-age and survivors insurance program is kept dynamic and is constantly adjusted to major economic developments, many more beneficiaries will have to turn to public assistance to make up the deficiency between their income and the minimum necessary to meet living costs.

From the beginning of the social security program in 1935 it has been the intent of Congress to establish contributory social insurance, with benefits related to individual earnings, as the foundation of social security. Public assistance is less satisfactory for the individual than the insurance program and the cost of assistance falls on the general taxpayer. Old-age and survivors insurance benefits, on the other hand, are payable without the humiliation of a test of need, and the cost of those benefits is met by the contributions of covered workers and their employers. A major objective of the amendments of 1950, therefore, was to strengthen the insurance program and thereby cut down the need for further expansion of public assistance.

Toward achievement of this goal, Congress broadened the coverage of old-age and survivors insurance, increased the benefit amounts payable and modified the eligibility requirements so that more persons already aged could qualify. As a result, in 1951, for the first time since the establishment of the social security programs, more people were receiving old-age insurance payments than were receiving old-age assistance. To maintain the gains which already have been made and to prevent more and more people from having to turn to the less satisfactory assistance program for supplementation of their insurance benefits, it is necessary that benefits under old-age and survivors insurance be increased.

Such an increase can be accomplished at this time without changing the contribution schedule or the self-supporting nature of the system. Under the benefit formula the percentage of a worker's average wage paid in benefits declines as his average wage increases. For the program as a whole, therefore, benefit costs measured as a percentage of payroll drop as those covered have higher average wages. Thus the percentages of pay roll in the contribution schedule allow for benefit increases as wage levels rise.

The schedule of contributions in existing law was based on a 1950 estimate that the level-premium cost of the present program was 6.05 percent. These estimates were based on the wage levels of 1947. Based on 1951 wage levels, which are some 20 percent higher, and on current interest rates applicable to the trust fund (2.25 percent) the level-premium cost of the program under these amendments will be about 5.85 percent.

General explanation of benefit increases

The bill would increase old-age and survivors insurance benefit amounts for both present and future beneficiaries. The increases are accomplished by a revision of the conversion table and of the benefit formula provided in existing law. For nearly all persons now on the

rolls, the benefit increases would be derived from the liberalized conversion table. On the other hand, most of those who will come on the rolls in the future will receive the larger benefits provided through the revised formula in this bill.

Increase in benefits computed by conversion table.—Individuals receiving benefits based on earnings from 1937 on (who constitute almost the entire beneficiary roll at this time) would have their benefits increased at least 12½ percent, subject to certain maximum provisions applying to the larger families. The increase in the primary insurance amount (the amount payable to a retired insured individual or the amount on which benefits of dependents and survivors are based) would be $5 or 12½ percent, whichever is greater. For retired workers, the increases would range from $5 to $8.60 and would average about $6. These increases would apply also to future beneficiaries whose benefits are based on earnings beginning with 1937.

The following table gives examples of increases in primary insurance amounts.

Present old-age insurance benefit, from present conversion table	*Old-age insurance benefit as increased under table in bill*
$20.00	$25.00
30.00	35.00
40.00	45.00
50.00	56.30
60.00	67.50
68.50	77.10

Dependents' and survivors' benefits (which are a proportion of the primary insurance amount) are increased for those now on the rolls by 12½ percent (if the primary insurance amount is increased by 12½ percent) or by the appropriate proportion of $5 (if the primary insurance amount is increased by $5). These increased amounts would be subject to the provisions limiting the total monthly amount payable to a family on the basis of the wages and self-employment income of an insured individual.

Increase in benefits computed by the new benefit formula.—Beneficiaries whose benefits are based on earnings after 1950 (a very small number now on the old-age and survivors insurance benefit rolls and the great majority of those coming on the rolls in future), would have their primary insurance amounts computed by the revised formula provided in the bill. The formula would be 55 percent of the first $100 of average monthly wage and 15 percent of the next $200, rather than 50 percent of the first $100 and 15 percent of the next $200, as in present law. The new formula thus results in an increase of $5 in the primary insurance amount where the average monthly wage is $100 and over, with smaller increases where the average monthly wage is below $100. The following table illustrates the increases in benefit amounts provided by the new formula in the bill:

Illustrative monthly benefits

Average monthly wage	Retired worker alone		Retired worker and wife		Aged widow	
	Present law	H. R. 7800	Present law	H. R. 7800	Present law	H. R. 7800
$50	$25.00	$27.50	$37.50	$41.30	$18.80	$20.70
$100	50.00	55.00	75.00	80.00	37.50	41.30
$150	57.50	62.50	86.30	93.80	43.20	46.90
$200	65.00	70.00	97.50	105.00	48.80	52.50
$250	72.50	77.50	108.80	116.30	54.40	58.20
$300	80.00	85.00	120.00	127.50	60.00	63.80

Average monthly wage	Widow and 1 child		Widow and 2 children		Widow and 3 children	
	Present law	H. R. 7800	Present law	H. R. 7800	Present law	H. R. 7800
$50	$37.60	$41.40	$40.00	$45.20	$40.20	$45.00
$100	75.00	80.00	80.00	80.10	80.10	80.20
$150	86.40	93.80	115.20	120.20	120.00	120.30
$200	97.60	105.00	130.20	140.10	150.00	160.20
$250	108.80	116.40	144.80	155.20	150.10	168.80
$300	120.00	127.60	150.10	168.90	150.30	168.90

Increase in minimum primary amount.—The present minimum primary insurance amount of $20 would be raised to $25.

Increase in maximum family benefits.—The act now provides that the total of benefits payable on one record may not exceed the smaller of 80 percent of the average monthly wage on which the benefits are based, or $150, except that the 80 percent maximum cannot reduce the total family benefits below $40. The bill raises the dollar maximum to $168.75 and raises to $45 the amount below which total family benefits cannot be reduced by the operation of the maximum. Both the $168.75 and the $45 amounts are 12½ percent higher than the present amounts. The provision that total family benefits cannot exceed 80 percent of the average monthly wage is retained.

B. LIBERALIZATION OF THE RETIREMENT TEST

Payments to beneficiaries under 75 are designed as replacements for earnings lost through retirement or death and not as annuities payable to those who remain in full-time-work status. The objective of the retirement test should be to prevent the payment of benefits to a large number of persons working full time.

The removal of the test would be very expensive.

Under the present program the average age at which people first claim old-age-insurance benefits is 68½ rather than 65. The contribution schedule which supports the program takes this into account. If there were no retirement test the long-run cost of the program would be increased by over 1 percent of payrolls; in 1953 alone it would cost the trust fund an additional billion dollars. This amount would be paid largely to people over 65 who are employed full time and who are no more in need of benefits than regularly employed people at younger ages.

Although it is not a desirable use of social insurance funds to pay benefits to persons employed full time, it is desirable to allow old-age beneficiaries and dependent and survivor beneficiaries to supplement

their benefits with part-time work. In the light of current wage levels a $70 test rather than the present $50 test is more in keeping with this objective.

Under the bill, a beneficiary will be able to earn $70 of wages in a month (rather than $50 as in existing law) and still receive his benefits for the month. Similarly, a beneficiary may derive net earnings from self-employment averaging $70 a month in a taxable year (rather than $50 as in existing law) and receive all his benefits for the year.

C. WAGE CREDITS FOR MILITARY SERVICE DURING EMERGENCY PERIOD

The Korean conflict has made urgently necessary an adjustment to protect servicemen's rights under the system. In the 1950 amendments to the Social Security Act, your committee provided wage credits of $160 for each month of active military or naval service during World War II. No credit was provided for any month after the end of World War II. The millions of men and women who will have served their country during the present emergency, especially those who have fought in Korea, should have the same opportunity to build up old-age and survivors insurance rights as people in covered employment and those who served in World War II. Your committee believes that credit should be given, also, for service between the end of World War II and the beginning of the Korean hostilities. If such credit is not given the survivors of many of the men already killed in Korea would not be able to qualify for benefits.

Your committee believes that it is proper for credits given to servicemen for this emergency period to be financed by general revenues. The cost of the credits would average about $5 million annually over the next 50 years.

General explanation of wage credit provision

The bill provides wage credits of $160 for each month of active military or naval service after July 24, 1947, and before January 1, 1954. Veterans would be eligible for these credits if they died in service or were discharged from service, under conditions other than dishonorable, after active service of at least 90 days or by reason of a service-connected disability.

As in the case of World War II wage credits, the credits provided by the bill would not be given in any case where another benefit based on the same period of service is payable by any Federal agency other than the Veterans' Administration. Thus, for example, if credit is given under the civil service retirement system or any of the military retirement systems for the service in question, it could not be credited under old-age and survivors insurance.

Reinterment of deceased veterans

An extension of the time normally permitted for claiming a lump-sum death payment as reimbursement for burial expenses is provided where a serviceman dies abroad on or after June 25, 1950, and prior to January 1954, and is later returned to the United States for burial or reburial. Persons incurring such burial expenses could claim reimbursement within 2 years of the date of burial or reburial. Existing law requires that such claims be filed within 2 years of the date of death.

D. PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED INDIVIDUALS

Each year several hundred thousand workers under age 65 are forced into premature retirement by diseases of the heart and arteries, cancer, kidney disease, crippling arthritis, and other chronic ailments. Under present law workers who are permanently and totally disabled are penalized in that their retirement or survivors benefits may be sharply reduced because their contributions to the program have necessarily stopped, or the individual or his survivors may be disqualified from benefits altogether.

The Committee on Ways and Means made an exhaustive study of the program and administrative aspects of disability insurance and disability assistance in connection with the 1950 amendments to the Social Security Act. The House of Representatives at that time approved a program which would have paid monthly cash benefits to insured workers who became permanently and totally disabled. This program was not approved by the Senate and was omitted from the conference bill which became the Social Security Act amendments of 1950. The present recommendation is much more limited since it merely preserves the insurance rights of qualified workers who become permanently and totally disabled.

The waiver of premium in the event of disability is contained in over half of ordinary life-insurance policies currently being issued. Long experience of both public and private programs has demonstrated that such provisions can be administered without substantial difficulty. In private insurance and governmental insurance for veterans such "waiver" provisions with respect to insured individuals who become totally disabled operate to keep their insurance in force, undiminished, without any further premium payments for the duration of total disability. Similarly, under the provisions of the bill, no further contribution would be required, in the absence of earning capacity, to preserve the status a qualified worker had acquired at the time he became disabled.

The preservation of rights to old-age and survivors insurance for disabled persons would be afforded under your committee's bill only to those having both substantial and recent covered employment. Moreover, rights would be protected only in case of blindness or disability for any kind of substantially gainful work.

General explanation of provisions preserving insurance rights of permanently and totally disabled

The bill would maintain the insured status and benefit amount of qualified workers who are totally disabled for not less than 6 consecutive calendar months and whose physical or mental impairment can be expected to be permanent. When the worker dies or retires, his insured status would be determined on the basis of his covered earnings for the years he was not disabled. In figuring his old-age and survivors benefits, the years in which he was incapacitated for work would be excluded from the computation of his average earnings; hence his total earnings would be averaged out over the years in which he actually worked or was able to work.

In order to be considered permanently and totally disabled an individual must have been stricken with an illness, injury, or other

physical or mental impairment which can be expected to be permanent. The impairment must be medically determinable and it must preclude the disabled person from performing any substantially gainful work.

An individual would also be disabled, by definition, if he is blind within the meaning of that term as used in the bill. Persons who do not meet the statutory definition, but who nevertheless have a severe visual handicap would be in the same position as all other disabled persons, i. e., they may qualify for a period of disability under the general definition of disability if they are unable to engage in any substantially gainful activity by reason of their impairment.

To qualify for a period of disability, an individual must have had at least 20 quarters of coverage out of the 40-quarter calendar period ending with the quarter in which his period of disability began. In addition, for the purpose of testing recent attachment to the labor force, he must have had at least 6 quarters of coverage out of the 13-quarter period ending with the quarter in which the period of his disability began. These requirements would screen out most persons employed only intermittently and those who have not recently been employed. They are more restrictive than those for retirement or death benefits in order to make certain that only those will be eligible whose reason for leaving the labor market can be presumed to be disability.

The first month in which disabled persons could file an application for a disability determination would be April 1953. Retired workers on the old-age and survivors insurance rolls who establish a "period of disability" could receive increased retirement benefits beginning with the month of July 1953. Persons who were permanently and totally disabled as early as the fourth quarter of 1941 could establish a period of disability (if otherwise qualified) provided they were continuously disabled and filed an application for disability on or after April 1, 1953, and before January 1, 1955. The survivors of workers who died after having qualified for a period of disability would also receive increased benefits.

E. REMOVAL OF BAR TO COVERAGE OF CERTAIN EMPLOYEES UNDER STATE AND LOCAL RETIREMENT SYSTEMS

The 1950 amendments to the Social Security Act bar coverage under old-age and survivors insurance of members of State and local retirement systems. As a result, in a number of States the desire of both employees and employers for old-age and survivors insurance coverage has led to the liquidation of State and local retirement plans. In other States such action is under consideration. Your committee believes it is imperative to take action now so that employees in positions covered by a State or local retirement plan can have old-age and survivors insurance without liquidation of the existing plan.

In private industry the combination of old-age and survivors insurance and a supplementary system has been a common pattern. About 14,000 retirement plans, covering some 10 million employees, have been established to supplement the basic protection of old-age and survivors insurance. Similarly since the passage of the 1950 amendments, most employees of nonprofit organizations covered by

retirement plans have had the advantage of combined protection under these plans and under old-age and survivors insurance.

There is no reason why State and local Governments and their employees and employers should not have the advantages enjoyed by employers and employees in private employment. The fact that this is generally not possible under present law is discriminatory. The bill would remove this discrimination against State and local governments and their employees.

Your committee believes, though, that old-age and survivors insurance coverage should be extended to members of a retirement system only after they have formally expressed a desire to be covered. The bill therefore makes coverage of retirement systems subject to a favorable vote of the members of the system by a two-thirds majority in a written referendum.

The bill also contains a special provision under which employees in positions under a retirement system may be covered without a referendum if provisions relating to coordination of the retirement system with old-age and survivors insurance were in effect in a State or local law on January 1, 1951. This provision of the bill would permit coverage of the Wisconsin retirement system, which was established with the idea of coordinating it with old-age and survivors insurance.

Policemen, firemen, and elementary and secondary school teachers under State or local retirement systems are not agreed on the desirability of having old-age and survivors insurance coverage made available to them and therefore, the bill does not permit the coverage of these groups.

Special provision is made for systems which cover positions of employees of the State and positions of employees of one or more political subdivisions of the State, or cover some or all positions of employees of two or more political subdivisions of the State. For purposes of the referendum and subsequent coverage, the State could treat such a system either as a single group, consisting of all employees in positions covered by the retirement system, or as several separate groups, each consisting of the employees of a separate governmental unit (State or political subdivision) in positions covered by the system.

The bill would extend from January 1, 1953, to January 1, 1955, the period within which coverage could be made retroactive to January 1, 1951, the date on which coverage of State and local government employees first became possible and the beginning date which will be used in determining eligibility and benefit amounts under the program.

F. CORRECTION OF DEFECTS IN BENEFIT COMPUTATION PROVISIONS

The bill contains several technical amendments. The most important of these would correct inequities arising in 1952 under the benefit computation provisions of the present law. One such amendment permits self-employment income derived in any taxable year beginning or ending in 1952, to be used in benefit computations made for persons who die or become entitled to benefits in 1952 or in a fiscal year beginning in 1952. This change is particularly important for 1952 because the minimum divisor of 18 used in computing average monthly wage would cause serious reductions in the benefit if only

years prior to 1952 may be counted. Another such change would permit individuals who die or become entitled to benefits in 1952 and who have six quarters of coverage after 1950 to have all their covered wages up to the quarter of death or entitlement included in the initial computation of the benefit amount.

The bill would also allow beneficiaries aged 75 or over whose benefits have been determined only under the conversion table to have their benefits recomputed under the new benefit formula if they have at least six quarters of coverage after 1950.

G. EARNED INCOME OF RECIPIENTS OF AID TO THE BLIND

In 1950 the provisions of the Social Security Act relating to State plans for aid to the blind were amended to provide that such plans (*a*) could provide for disregarding the first $50 of earned income of needy blind recipients in determining their need, and (*b*) had to provide for disregarding such income after June 30 of this year if the plans were to continue to be approved. However, this income is disregarded only in determining the need for aid to the blind of the individual who earned it. Where that individual is a member of a family which also includes another individual claiming or receiving aid under the same or another State plan approved under the Social Security Act (relating to old-age assistance, aid to the dependent children, or aid to the permanently and totally disabled), the income available to such other individual from the blind individual who earned it must be considered a resource in determining such other individual's need for assistance. This prevents giving full effect to the special consideration which your committee felt the blind deserved and which was the purpose of the Congress in enacting the 1950 amendment. In order to remedy this deficiency in the law, the bill would also permit the States, if they so desired, to disregard the earned income of the recipient of aid to the blind in determining the need of any other individual under the same or any of the other State public assistance plans approved under the Social Security Act.

ACTUARIAL COST ESTIMATES FOR THE OLD-AGE AND SURVIVORS INSURANCE SYSTEM AS MODIFIED BY H. R. 7800

A. INTRODUCTION

This actuarial study presents long-range cost estimates for the old-age and survivors insurance provisions of H. R. 7800 as introduced on May 12, 1952.

From an actuarial cost standpoint the main features of this bill are as follows:

(1) Monthly primary insurance amount is based on 55 percent of the first $100 of average monthly wage (determined from covered earnings after 1950) plus 15 percent of the next $200, as contrasted with the formula in present law which is 50 percent of the first $100 and 15 percent of the next $200. Minimum primary insurance amount is $26, unless average wage is less than $35—in which case the benefit is $25. Maximum family benefits are $168.75 or 80 percent of average wage, if less. Retired worker beneficiaries on the roll are to be given an increase of either $5 or 12½ percent, whichever is larger,

with corresponding increases generally for other beneficiaries; this is done by means of a conversion table which is also applicable for those retiring in the future, if on the basis of average wage after 1936, it yields more favorable results.

(2) Amount of earnings permitted under the work clause is raised from $50 per month to $70 per month.

(3) Provisions are introduced to "freeze" the insured status and benefit amounts of persons who become permanently and totally disabled prior to retirement age.

(4) Wage credits of $160 for each month of military service are given for such service after the close of World War II and during the present emergency (through calendar year 1953).

(5) Coverage is extended to certain employees of State and local governments who are under a retirement system (this will have relatively little effect on costs).

Estimates of the future costs of the old-age and survivors insurance program are affected by many factors that are difficult to determine. Accordingly, the assumptions used in the actuarial cost estimates may differ widely and yet be reasonable. Because of numerous factors, such as the aging of the population of the country and the inherent slow but steady growth of the benefit roll in any retirement-insurance program, benefit payments may be expected to increase continuously for at least the next 50 years.

The cost estimates made for the present system at the time the legislation was enacted were presented in a committee print, Actuarial Cost Estimates for the Old-Age and Survivors Insurance System as Modified by the Social Security Act Amendments of 1950, July 27, 1950.

The cost estimates for the amendments proposed in the bill are presented here first on a range basis so as to indicate the plausible variation in future costs depending upon the actual trend developing for the various cost factors in the future. Both the low-cost and high-cost estimates are based on "high" economic assumptions, intended to represent close to full employment, with average annual earnings at about the level prevailing in 1951, or probably somewhat below current experience. Following the presentation of the cost estimates on a range basis, intermediate estimates developed directly from the low-cost and high-cost estimates (by averaging them) are shown so as to indicate the basis for the financing provisions of the bill.

In general, the costs are shown as a percentage of covered payroll. It is believed that this is the best measure of the financial cost of the program. Dollar figures taken alone are misleading, because, for example, extension of coverage will increase not only the outgo but also to a greater extent the income of the system with the result that the cost relative to payroll will decrease.

Both the House and the Senate very carefully considered the problems of cost in determining the benefit provisions of the 1950 act and were of the belief that the old-age and survivors insurance program should be on a completely self-supporting basis. Accordingly, the act contained a tax schedule which it was believed would, under a level-wage assumption, make the system self-supporting as nearly as could be foreseen under circumstances then existing. The amendments proposed by the bill will not affect the actuarial balance of the program,

which will remain virtually the same as in the estimates made at the time the 1950 act was enacted; this is the case because of the rise in earnings levels in the past 3 or 4 years. Future experience may be expected to differ from the conditions assumed in the estimates so that this tax schedule, at least in the distant future, may have to be modified. This may readily be determined by future Congresses after the revised program has been in operation for a decade or two.

B. BASIC ASSUMPTIONS FOR ACTUARIAL COST ESTIMATES

The estimates have been prepared on the basis of high-employment assumptions somewhat below conditions now prevailing. The estimates are based on level-earnings assumptions (slightly below the present level). If in the future the earnings level should be considerably above that which now prevails, and if the benefits for those on the roll are at some time adjusted upward on this account, the increased outgo resulting will be offset. This is an important reason for considering costs relative to payroll rather than in dollars.

The cost estimates, however, have not taken into account the possibility of a rise in earnings levels, as has consistently occurred over the past history of this country. If such an assumption were used in the cost estimates, along with the unlikely assumption that the benefits nevertheless would not be changed, the cost relative to payroll would, of course, be lower. If benefits are adjusted to keep pace with rising earnings trends, the year-by-year costs as a percentage of payroll would be unaffected. However, in such case this would not be true as to the level-premium cost. If earnings do consistently rise, thorough consideration would need to be given to the financing basis of the system since under such circumstances the relative value of the accumulated reserves would be diminished.

The low-cost and high-cost assumptions relate to the cost as a percent of payroll in the aggregate and not to the dollar costs. The two cost assumptions are based on possible variations in fertility rates, mortality rates, retirement rates, remarriage rates, etc.

In general, the cost estimates have been prepared according to the same assumptions and techniques as those contained in Actuarial Studies Nos. 23, 27, and 28 of the Social Security Administration, and also the same as in the estimates prepared for the Advisory Council on Social Security of the Senate Committee on Finance (S. Doc. 208, 80th Cong., 2d sess.) and for the congressional committees which considered the 1950 amendments. The only changes made in the assumptions as used in the present estimates are the use of an interest rate of 2¼ percent instead of 2 percent (since interest rates have risen significantly) and the use of higher earnings assumptions, namely corresponding to the experience during 1951 (as contrasted with the previous estimates having been based on the 1947 experience).

The earnings assumptions used in the current cost estimates, along with the actual recorded earnings of the past few years, are indicated in the following table which shows for men and women separately

the average annual taxable earnings for persons working in covered employment during all four quarters of the year:

	Men	Women
Used in 1950 cost estimates, $3,600 base [1]	$2,550	$1,625
Used in present cost estimates, $3,600 base	2,950	2,030
Actual 1944, $3,000 base	2,301	1,402
Actual 1945, $3,000 base	2,293	1,384
Actual 1946, $3,000 base	2,269	1,480
Actual 1947, $3,000 base	2,393	1,611
Actual 1948, $3,000 base	2,493	1,733
Actual 1949, $3,000 base [2]	2,493	1,750
Actual 1950, $3,000 base [2]	2,558	1,811
Estimated 1950, if $3,600 base [2]	2,800	1,860

[1] Based on 1947 experience adjusted for $3,600 base.
[2] Preliminary.

C. RESULTS OF COST ESTIMATES ON RANGE BASIS

Table 1 gives the estimated taxable payrolls, which are the same under the bill as under present law. Because of increased earnings the estimates of payroll shown are about 20 percent higher than in the 1950 estimates; total earnings increased by somewhat more than 25 percent, but taxable earnings had a smaller increase because of the effect of the $3,600 maximum taxable earnings base. Since both the low-cost and the high-cost estimates assume a high future level of economic activity, the payrolls are substantially the same under the two estimates in the early years. In later years the estimated payrolls increase in accordance with the population assumptions, and a spread develops between the lost-cost and high-cost estimates. The assumptions which affect benefits, however, have widely different effects even in the early years of the program. The range of error in the estimates, nevertheless, may be fully as great for contributions as it is for benefits.

TABLE 1.—*Estimated taxable payrolls under present act and under H. R. 7800*

[In billions]

Calendar year	Low-cost estimate	High-cost estimate
1953	$130	$129
1955	132	131
1960	136	137
1970	150	150
1980	160	156
1990	170	159
2000	181	160

The estimates of the number of monthly beneficiaries (see table 2) are substantially the same as for the present law. However, there will be slight increases in most categories because of the provisions for "freezing" the benefit rights of disabled persons and because of the liberalized work clause.

TABLE 2.—*Estimated numbers of beneficiaries under H. R. 7800*

[In thousands]

Calendar year	Monthly beneficiaries [1]								Lump-sum death payments [4]
	Retirement beneficiaries [2]			Survivor beneficiaries				Total	
	Old-age	Wife's [3]	Child's	Widow's [3]	Parent's [3]	Mother's	Child's		
	Actual data for present law								
1952	2,345	663	69	403	20	208	804	4,512	475
	Low-cost estimate								
1960	2,792	848	75	1,101	37	343	1,135	6,331	687
1970	4,158	1,138	88	2,031	42	394	1,317	9,168	890
1980	5,763	1,328	115	2,709	42	434	1,446	11,837	1,090
1990	7,835	1,356	130	3,029	39	471	1,576	14,436	1,290
2000	8,987	1,277	129	3,008	34	513	1,714	15,662	1,472
	High-cost estimate								
1960	4,448	1,262	101	1,133	69	355	901	8,269	627
1970	6,996	1,750	119	2,074	90	335	808	12,172	811
1980	10,390	2,252	130	2,788	97	312	718	16,687	999
1990	14,610	2,563	121	3,141	94	294	653	21,476	1,246
2000	17,522	2,658	86	3,083	90	283	602	24,324	1,468

[1] In current payment status as of middle of year. Actual figures for 1952 are for March.
[2] I. e., for benefits paid to retired workers and their dependents.
[3] Does not include those also eligible for old-age benefits. For wife's and widow's benefits, includes husband's and widower's benefits, respectively.
[4] Number of insured deaths for which payments are made during year. Actual figure for 1952 based on experience during first 3 months.

Table 3 shows the estimated average benefits under the bill; these are given only for 1952, 1960, and 2000, since in general there is a smooth trend in the intervening periods. Also shown are the estimated average payments under the present system as of August 1952.

TABLE 3.—*Estimated average monthly benefit payments and average lump-sum death payments under present law and under H. R. 7800*

Category	Under present law in August 1952	Under H. R. 7800		
		September 1952	1960	2000
Old-age (primary)	$42	$48	$59	$58
Male	44	50	62	67
Female	33	38	46	44
Wife's [1]	23	26	32	35
Widow's [1]	36	40	46	53
Parent's [2]	37	41	46	52
Mother's	33	36	43	49
Child's [3]	27	30	39	43
Lump-sum death [4]	150	170	185	180

[1] Does not include those eligible for primary benefits. Includes husband's and widower's benefits.
[2] Does not include those eligible for primary, widow's, or widower's benefits.
[3] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[4] Average amount per death.

NOTE.—A range of figures is not shown because there is relatively little difference between the low-cost and high-cost benefits. Also the figures for child's and mother's benefits are consistent with operating procedures (which grant benefits to all family members, subject to the maximum benefit provisions) rather than with the estimates set forth in the other tables (which assume that only sufficient persons file as to reach such maximum).

It will be noted that for old-age beneficiaries separate figures are given for men and women, since the results differ greatly and since a combination would obscure the trend. For men the average old-age benefit increases from 1952 to 1960, and also to some extent thereafter, due to the effect of the "new start" average wage and, in addition, due to the fact that the conversion table produces somewhat lower results than will arise under the new benefit formula. On the other hand, for women the average old-age benefit shows a small decrease over the long-range future because there will ultimately be a large number of women receiving such benefits who did not engage in covered employment for their entire adult lifetime after 1950.

Table 4 presents costs as a percentage of payroll for each of the various types of benefits. The increases in benefit amounts resulting from the disability "freeze" provision are included in each type of benefit separately. As used here, "level-premium cost" may be defined as the level contribution rate charged from 1951 on, which together with interest on invested assets would meet all benefit payments after 1950. This level-premium rate, which is based on a level-earnings assumption, would produce a substantial excess of income over disbursements in the early years, the interest on which would help considerably in meeting the higher benefit outgo ultimately. The level-premium cost shown for the bill on the basis of 2-percent interest is roughly 4¾ to 7½ percent of payroll, or about the same as for the 1950 act; using a 2¼ percent interest rate yields somewhat lower figures.

TABLE 4.—*Estimated relative costs in percentage of payroll for H. R. 7800, by type of benefit*

Calendar year	Old-age	Wife's [1]	Widow's [1]	Parent's	Mother's	Child's [2]	Lump-sum death	Total
	Low-cost estimate							
1960	1.46	0.24	0.44	0.02	0.15	0.45	0.09	2.85
1970	2.10	.31	.81	.02	.17	.49	.11	4.02
1980	2.68	.35	1.07	.02	.17	.51	.13	4.92
1990	3.31	.34	1.17	.02	.18	.52	.14	5.68
2000	3.49	.30	1.12	.01	.18	.53	.15	5.78
Level premium: [3]								
At 2 percent	2.75	.29	.92	.01	.17	.49	.13	4.76
At 2¼ percent	2.67	.29	.89	.01	.17	.49	.13	4.65
	High-cost estimate							
1960	2.29	0.36	0.46	0.03	0.15	0.36	0.08	3.73
1970	3.42	.48	.84	.04	.14	.31	.10	5.34
1980	4.80	.60	1.14	.04	.13	.27	.12	7.09
1990	6.44	.68	1.31	.04	.12	.24	.14	8.97
2000	7.53	.72	1.34	.03	.11	.22	.16	10.11
Level premium: [3]								
At 2 percent	5.30	.57	1.03	.03	.12	.26	.13	7.45
At 2¼ percent	5.10	.56	1.00	.03	.12	.27	.12	7.21

[1] Included are excesses of wife's and widow's benefits over old-age benefits for female old-age beneficiaries also eligible for wife's or widow's benefits. Also includes husband's and widower's benefits, respectively.
[2] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[3] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

Table 5 presents the estimated operations of the trust fund under the expanded program. The trust fund at the end of 1952 is estimated to be about $17½ billion. The figures for 1952 reflect the operation of the present act for the entire year as to contribution receipts, but as to benefit disbursements the figure includes payments made under the present act for the first 9 months of the year and under the bill for the remainder of the year; the liberalized benefit conditions will be effective in September, with the first payments coming out of the trust fund in October. The future progress of the trust fund has been developed here on the basis of a 2¼-percent interest rate, which is about what the trust fund is currently earning.

TABLE 5.—*Estimated progress of trust fund for H. R. 7800*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Fund at end of year
	Actual data for present law				
1951	$3,367	$1,885	$81	$417	$15,540
	Low-cost estimate				
1952 [3]	$3,763	$2,200	$88	$366	$17,381
1955	5,140	2,762	91	519	24,724
1960	6,428	3,890	99	806	37,844
1970	9,352	6,018	136	1,660	77,041
1980	10,096	7,861	168	2,752	126,099
1990	10,735	9,639	199	3,809	173,529
2000	11,470	10,477	215	4,941	224,919
	High-cost estimate				
1952 [3]	$3,763	$2,200	$88	$366	$17,381
1955	5,105	3,316	112	490	23,092
1960	6,454	5,118	148	664	30,780
1970	9,359	7,995	206	1,097	50,428
1980	9,850	11,048	266	1,374	61,724
1990	10,041	14,238	327	990	42,735
2000	10,092	16,139	363	(4)	(4)

[1] Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950–53, 4 percent for 1954–59, 5 percent for 1960–64, 6 percent for 1965–69, and 6½ percent for 1970 and after. The self-employed pay ¾ of these rates.
[2] Interest is figured at 2¼ percent on average balance in fund during year.
[3] See text for description of assumptions made for 1952.
[4] Fund exhausted in 1999.

Under the low-cost estimate, the trust fund builds up quite rapidly and even some 50 years hence it is growing at a rate of $5½ billion per year and at that time is about $225 billion in magnitude; in fact, under this estimate benefit disbursements never exceed contribution income and even in the year 2000 are almost 10 percent smaller.

On the other hand, under the high-cost estimate the trust fund builds up to a maximum (of nearly $62 billion in 1980), but decreases thereafter until it is exhausted (shortly before 2000). In each of the years prior to the scheduled tax increases (namely, 1953, 1959, 1964, and 1969) benefit disbursements are over 10 percent lower than contributions. Benefit disbursements exceed contribution income after 1975.

These results are consistent and reasonable, since the system on an intermediate-cost estimate basis is intended to be approximately self-supporting, as will be indicated hereafter. Accordingly, a low-cost estimate should show that the system is more than self-supporting, whereas a high-cost estimate should show that a deficiency would arise later on. In actual practice under the philosophy in the 1950 Amendments and set forth in the committee reports therefor, the tax schedule would be adjusted in future years so that neither of the developments of the trust fund shown in table 5 would ever eventuate. Thus, if experience followed the low-cost estimate, the contribution rates would probably be adjusted downward or perhaps would not be increased in future years according to schedule. On the other hand, if the experience followed the high-cost estimate, the contribution rates would have to be raised above those scheduled. At any rate, the high-cost estimate does indicate that under the tax schedule adopted there would be ample funds for several decades even under relatively unfavorable experience.

D. INTERMEDIATE-COST ESTIMATES

In this section there will be given intermediate-cost estimates, developed from the low-cost and high-cost estimates of this report. These intermediate costs are based on an average of the low-cost and high-cost estimates (using the dollar estimates and developing therefrom the corresponding estimates relative to payroll). It should be recognized that these intermediate-cost estimates do not represent the "most probable" estimates, since it is impossible to develop any such figures. Rather, they have been set down as a convenient and readily available single set of figures to use for comparative purposes.

The Congress, in enacting the 1950 amendments, was of the belief that the old-age and survivors insurance program should be on a completely self-supporting basis. Therefore, a single figure is necessary in the development of a tax schedule which will make the system self-supporting, according to a reasonable estimate. Any specific schedule will be different from what will actually be required to obtain exact balance between contributions and benefits. However, this procedure does make the intention specific, even though in actual practice future changes in the tax schedule might be necessary. Likewise, exact self-support cannot be obtained from a specific set of integral or rounded fractional rates, but rather this principle of self-support should be aimed at as closely as possible.

The tax schedule contained in present law is as follows:

Calendar year	Employee	Employer	Self-employed
	Percent	*Percent*	*Percent*
1951–53	1½	1½	2¼
1954–59	2	2	3
1960–64	2½	2½	3¾
1965–69	3	3	4½
1970 and after	3¼	3¼	4⅞

This tax schedule was determined to be roughly equivalent to the level-premium cost under the intermediate estimate for the 1950 amendments when they were enacted and, as will be shown on the basis of the following actuarial cost analysis, continued to be so for the bill according to current estimates.

Table 6 gives an estimate of the level-premium cost of the bill, tracing through the increase in cost over the present program according to the major types of changes proposed.

TABLE 6.—*Estimated level-premium costs as percentage of payroll by type of change*

Item	Level-premium cost
	Percent
Cost of present law: [1]	
1950 estimate, using 2-percent interest	6.05
1950 estimate, using 2¼-percent interest	5.85
Current estimate, using 2¼-percent interest	5.35
Effect of proposed changes:	
Increased benefits	+.40
Disability "freeze"	+.05
Liberalized work clause	+.05
Cost of program as amended by H. R. 7800, using 2¼-percent interest [1]	5.85

[1] Including adjustments for existing trust fund and for future administrative expenses.

NOTE.—Figures relate to benefit payments after 1950 and represent an intermediate estimate which is subject to a significant range because of the possible variation in the cost factors involved in the future.

It should be emphasized that in 1950 neither committee recommended that the system be financed by a high, level tax rate from 1951 on but rather recommended an increasing schedule, which—of necessity—will ultimately have to rise higher than the level-premium rate. Nonetheless, this graded tax schedule will produce a considerable excess of income over outgo for many years so that a sizable trust fund will arise, although not as large as would arise under a level-premium tax rate; this fund will be invested in Government securities (just as is much of the reserves of life insurance companies and banks, and as is also the case for the trust funds of the civil-service retirement, railroad retirement, national service life insurance, and United States Government life insurance systems), and the resulting interest income will help to bear part of the increased benefit costs of the future. For comparing the cost of various possible alternative plans and provisions, the use of level-premium rates based on a level-earnings assumption is helpful as a convenient yardstick instead of considering the relative year-by-year costs, regardless of whether future wages remain level.

As will be seen from table 6, the level-premium cost of the present law—taking into account 2¼ percent interest—is about 5⅓ percent of payroll; this is approximately 0.7 percent of payroll lower than the cost was estimated to be on a 2-percent interest basis when the program was revised in 1950, partially because of the higher assumed interest rate and partially because of the rise in the earnings level which has occurred in the past 3 or 4 years (higher earnings result in lower annual costs as a percentage of payroll because of the weighted nature of the benefit formula).

Under the bill the level-premium cost of the system is increased to 5.85 percent of payroll using a 2¼-percent interest rate. This is about 0.2 percent of payroll lower than the estimated cost, on an intermediate-cost basis, of the 1950 act according to the estimates made during congressional consideration of the legislation, which used a 2-percent interest rate.

Table 7 compares the year-by-year cost of the benefit payments according to the intermediate-cost estimate, not only for the bill but also for the present act. These figures are based on a future level-earnings assumption and do not consider business cycles (booms and depressions) which over a long period of years tend to average out about the trend. The dollar amount of the increased cost in 1952 of the bill over the present act is about $75 million; this relatively small rise is due to the fact that the increased benefits under the bill would be disbursed from the trust fund during only the last 3 months of the year. The increase for 1952, the first full year of operation, is roughly $300 million.

TABLE 7.—*Estimated cost of benefit payments under present law and under H. R. 7800, intermediate-cost estimate*

Calendar year	Amount (in millions)		In percent of payroll	
	Present law	H. R. 7800	Present law	H. R. 7800
1952	$2,125	$2,200	1.65	1.71
1953	2,342	2,630	1.81	2.03
1955	2,775	3,039	2.11	2.31
1960	4,119	4,504	3.01	3.29
1970	6,402	7,006	4.27	4.68
1980	8,689	9,454	5.51	6.00
1990	10,995	11,938	6.69	7.27
2000	11,879	13,308	7.20	7.81
Level premium: [1]				
At 2 percent			5.58	6.06
At 2¼ percent			5.42	5.89
At 2½ percent			5.27	5.73

[1] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

NOTE.—These figures represent an intermediate estimate which is subject to a significant range because of the possible variation in the cost factors involved in the future.

Benefit costs expressed as a percentage of payroll, according to the intermediate estimate, do not exceed the employer-employee combined tax rate until about 1985. In other words, according to this estimate, for approximately the next three decades contribution income to the system will exceed benefit outgo. However, considering also interest income on the assets of the trust fund, total income will exceed total outgo for a number of years further, as will be discussed later.

Table 8 presents estimates of the numbers of beneficiaries and is comparable with table 2 of the previous section.

TABLE 8.—*Estimated number of beneficiaries under H. R. 7800, intermediate-cost estimate*

[In thousands]

Calendar year	Monthly beneficiaries [1]								Lump-sum death payments [4]
	Retirement beneficiaries [2]			Survivor beneficiaries				Total	
	Old-age	Wife's [3]	Child's	Widow's [3]	Parent's [3]	Mother's	Child's		
	Actual data for present law								
1952	2,345	663	69	403	20	208	804	4,512	475
	Intermediate-cost estimate								
1955	2,652	800	72	654	38	319	934	5,469	570
1960	3,620	1,055	83	1,117	53	349	1,018	7,295	657
1970	5,577	1,444	104	2,052	66	364	1,062	10,669	850
1980	8,076	1,790	122	2,748	70	373	1,082	14,261	1,044
1990	11,222	1,960	126	3,085	66	382	1,114	17,955	1,268
2000	13,254	1,968	108	3,046	62	398	1,158	19,994	1,470

[1] In current payment status as of middle of year. Actual figures for 1952 are for March.
[2] I. e., for benefits paid to retired workers and their dependents.
[3] Does not include those also eligible for old-age benefits. For wife's and widow's benefits, includes husband's and widower's benefits, respectively.
[4] Number of insured deaths for which payments are made during year. Actual figure for 1952 based on experience during first 3 months.

Table 9 presents costs of benefits under the bill as a percent of payroll for each of the various types of benefits and is comparable with table 4 of the previous section.

TABLE 9.—*Estimated relative costs in percentage of payroll for H. R. 7800, by type of benefit, intermediate-cost estimate*

Calendar year	Old-age	Wife's [1]	Widow's [1]	Parent's	Mother's	Child's [2]	Lump-sum death	Total
1960	1.88	0.30	0.45	0.02	0.15	0.41	0.09	3.29
1970	2.76	.40	.83	.03	.15	.40	.11	4.68
1980	3.73	.47	1.10	.03	.15	.39	.12	6.00
1990	4.83	.51	1.24	.03	.15	.39	.14	7.27
2000	5.38	.50	1.22	.02	.15	.38	.15	7.81
Level premium: [3]								
At 2 percent	3.98	.43	.97	.02	.15	.38	.13	6.06
At 2¼ percent	3.85	.42	.94	.02	.15	.38	.13	5.89

[1] Included are excesses of wife's and widow's benefits over old-age benefits for female old-age beneficiaries also eligible for wife's or widow's benefits. Also includes husband's and widower's benefits, respectively.
[2] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[3] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

Table 10 presents the estimated operation of the trust fund according to the intermediate estimate (using a 2¼-percent interest rate) and is comparable to table 5 of the previous section.

TABLE 10.—*Estimated progress of trust fund for H. R. 7800, intermediate-cost estimate*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Fund at end of year
	Actual data for present law				
1951	$3,367	$1,885	$81	$417	$15,540
	Intermediate-cost estimate				
1952 [3]	$3,763	$2,200	$88	$366	$17,381
1953	3,787	2,630	89	403	18,852
1954	4,878	2,835	91	446	21,250
1955	5,117	3,039	96	500	23,732
1960	6,441	4,504	124	731	34,124
1970	9,355	7,006	171	1,373	63,505
1980	9,973	9,454	217	2,057	93,628
1990	10,388	11,938	263	2,392	107,779
2000	10,781	13,308	289	2,384	106,932

[1] Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950–53, 4 percent for 1954–59, 5 percent for 1960–64, 6 percent for 1965–69, and 6¼ percent for 1970 and after. The self-employed pay ¾ of these rates.
[2] Interest is figured at 2¼ percent on average balance in fund during year.
[3] See text for description of assumptions made for 1952.

The trust fund grows steadily reaching a maximum of almost $110 billion in 1995, and then declines slowly. The fact that the trust fund declines slowly after 1995 indicates, that under the bill, the proposed tax schedule is not quite self-supporting under a level-wage assumption but is sufficiently close for all practical purposes considering the uncertainties and variations possible in the cost estimates. This same situation was the case for the 1950 amendments according to estimates made at the time they were being considered, but to a somewhat greater extent. In regard to the ultimate 6½-percent employer-employee rate, your committee stated as follows in regard to the 1950 amendments:

> If a 7-percent ultimate employer-employee rate had been chosen, the cost estimates developed would have indicated that the system would be slightly overfinanced. Your committee believes that it is not necessary in such a long-range matter to attempt to be unduly conservative and provide an intentional overcharge—especially when it is considered that it will be many, many years before any deficit or excess in the ultimate rate will be determined and even at that time it will probably be of only a small amount.

The Senate Committee on Finance concurred in this statement and acted accordingly in its action on the 1950 amendments.

E. COST OF MILITARY SERVICE WAGE CREDITS

The military service provisions contained in present law (namely, wage credits of $160 for each month of military service during World War II and survivor benefits for veterans who die within 3 years after discharge) are financed from the trust fund from time to time as benefits thereunder fall due. However, the cost of the additional military-service wage credits proposed in the bill for the period after the end of World War II and prior to 1954 is to be met from the General Treasury as benefits based on such wage credits are paid.

It is estimated that the total cost of the proposed new military-service wage credits will amount to about $250 to $350 million spread over the next 50 years, or perhaps somewhat longer. Accordingly, the average annual cost would run about $5 million, although the actual annual disbursement curve would not be level. The cost in the early years might be as high as $5 million per year, but would gradually decrease to a very small amount after about 15 years and then would be very low for the next 25 years. Thereafter, as the veterans involved (as well as their wives and widows) would reach age 65 and draw old-age benefits, which would be slightly higher because of these wage credits, the annual cost arising would begin to increase.

F. SUMMARY OF COST OF H. R. 7800

The old-age and survivors insurance system, as modified by H. R. 7800 has a cost, on the basis of the continuation of 1951 wage levels and interest rates, slightly below the estimated cost of the 1950 act at the time it was enacted. In other words, the system as amended by the bill would be more nearly in actuarial balance, according to the estimates made, than were the 1950 amendments when they were considered by the Congress. Although in both instances the system is shown to be not quite self-supporting under the intermediate estimate, there is very close to an exact balance especially considering that a range of error is necessarily present in long-range actuarial cost estimates and that rounded tax rates are used in actual practice and hence an exact balance would not be possible even if exact future conditions were known.

SECTION-BY-SECTION ANALYSIS OF THE BILL

SECTION 1. SHORT TITLE

The first section of the bill contains a short title, "Social Security Act Amendments of 1952."

SECTION 2. INCREASE IN BENEFIT AMOUNTS

Under title II of the Social Security Act, as amended in 1950, two methods are provided for computing the primary insurance amount. (All benefit amounts are derived from this primary insurance amount, the retired worker getting a monthly benefit equal to this amount and dependents or survivors getting between one-half and three-fourths thereof, subject to the maximum imposed on the total payable on the basis of one individual's wages and self-employment income.) For those on the benefit rolls on August 31, 1950, a conversion table was included in the law, showing the primary insurance amount for each of the primary insurance benefits (in dollar intervals) derived by application of the preexisting law. For those coming on the rolls thereafter, who obtained six quarters of coverage after 1950 and were 22 before 1951, their primary insurance amount is computed (generally) in the same way or, if it gives them a larger amount, it is computed by use of a formula prescribed in section 215 (a) (1) of the act. This formula (50 percent of the first $100 of the worker's average monthly wage plus 15 percent of the next $200) is used also

for computing the primary insurance amount of any worker who became 22 after 1950 and obtained six quarters of coverage after 1950.

Section 2 of the bill provides an increase in primary insurance amounts whether derived from use of the conversion table or from the formula.

Changes in benefits computed by conversion table

Section 2 (a) of the bill amends section 215 (c) of the Social Security Act to increase the primary insurance amount of individuals whose benefits are computed through use of the conversion table.

Paragraph (1) of section 2 (a) amends section 215 (c) (1) of the act by striking out the table and inserting in lieu thereof a new table.

The primary insurance amounts in column II of the new table were derived by taking the amounts in the table in existing law, and increasing them by 12½ percent (rounding each resulting amount, where not then a multiple of 10 cents, to the next higher multiple of 10 cents). If, however, this resulted in any case in an increase of less than $5—as it would where the present primary insurance amount is less than $40—the present amount was raised by $5.

The new table also increases the amounts of the average monthly wages contained in column III, which are used under section 203 (a) of the Social Security Act in determining the maximum amount which the beneficiaries receiving benefits on the same wages and self-employment income may receive for any month. These increased amounts in column III were obtained by determining the average monthly wage which would be necessary to obtain each of the increased primary insurance amounts by application of the formula contained in section 215 (a) (1) of the Social Security Act, as amended by the bill (55 percent of the first $100 plus 15 percent of the next $200 of the average monthly wage). These amounts were then rounded to the nearest dollar.

Section 215 (c) (2) of existing law provides that when the conversion table is to be used, and an individual's primary insurance benefit falls between the amounts shown on any two consecutive lines in column I of the table (i. e., where it is not a multiple of $1), his primary insurance amount and average monthly wage shall be determined by regulations which will yield results consistent with those obtained under the table in existing law for individuals whose primary insurance benefits are a multiple of $1. Paragraph (2) of section 2 (a) of the bill would amend this provision of the law so as to provide, for individuals whose primary insurance amounts are determined under these regulations, the same increase as is provided for individuals whose primary insurance amounts are in the new conversion table—i. e., $5, or 12½ percent of the existing amount (rounded to the next higher multiple of 10 cents), whichever is larger.

Paragraph (3) of section 2 (a) of the bill adds a new paragraph (4) to section 215 (c) of the Social Security Act. This new paragraph (4) provides a method for determining average monthly wage amounts corresponding to the primary insurance amounts derived pursuant to paragraph (2) of section 215 (c) of the act as amended by this bill. This method relates each new average monthly wage amount to its corresponding primary insurance amount in the same manner as each average monthly wage amount appearing in the new table is related to its corresponding primary insurance amount.

Revision of the benefit formula; revised minimum and maximum amounts

Section 2 (b) (1) of the bill amends section 215 (a) (1) of the Social Security Act to provide a new benefit formula for the computation of benefits based entirely on wages paid and self-employment income derived after 1950. The new benefit formula is 55 percent of the first $100 of average monthly wage plus 15 percent of the next $200. The formula in existing law is 50 percent of the first $100 of average monthly wage plus 15 percent of the next $200.

The minimum primary insurance amount is raised by section 2 (b) (1) to $25 from the present range of $20–$24 for individuals with average monthly wages of $34 or less; individuals with average monthly wages ranging from $35 through $47 would have a primary insurance amount of $26, rather than the $25 provided for them in existing law.

Section 2 (b) (2) amends section 203 (a) of the Social Security Act to provide that the maximum monthly amount of benefits payable to a family on the basis of the same wages and self-employment income may not exceed the lesser of $168.75 (rather than $150 in existing law) or 80 percent of the average monthly wage of the insured individual on whose record the benefits are based. The amount below which the limitation of 80 percent of average monthly wage could not operate to reduce total family benefits would be increased from the present $40 per month to $45.

Effective date for increase in benefits derived from conversion table

Section 2 (c) (1) of the bill provides that the amounts computed pursuant to section 2 (a) of the bill shall (except as provided in sec. 2 (c) (2)) apply in the case of lump-sum death payments with respect to deaths occurring after, and in the case of monthly benefits for any month after, August 1952.

Computation of increased benefits for dependents and survivors on benefit rolls for August 1952 with benefit amounts derived from conversion table

Section 2 (c) (2) provides a special method for increasing the monthly benefit amounts of dependents and survivors who are entitled to benefits for August 1952 (without regard to sec. 202 (j) (1) of the Social Security Act, relating to the retroactive effect of an application) and whose benefit amounts are based on primary insurance amounts determined under section 215 (c) of the act, relating to determinations made by the conversion table.

Subparagraph (A) provides for computing such increased benefits by raising the benefit amount for August 1952 (as reduced by the maximum benefit provisions in existing law, and as rounded to the next higher multiple of 10 cents) to the larger of (1) 112½ percent of such benefit amount for August 1952, or (2) such benefit amount for August 1952 increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit. Any amount so computed, if not a multiple of 10 cents, would then be increased to the next higher multiple of 10 cents. The resulting amount would be subject to the maximum provisions as amended by this bill, and, after application of such provisions, rounded, if not a multiple of 10 cents, to the next higher multiple of 10 cents.

Subparagraph (B) provides that the benefit amounts computed under subparagraph (A) are to be redetermined upon (1) the entitlement of an additional individual to benefits on the basis of the same wages and self-employment income, (2) the termination of any other individual's entitlement to benefits on the basis of the same wages and self-employment income, or (3) any change in the benefit amount of any individual entitled on the same record, as compared with what would have been payable to him for August 1952 had the provisions of this bill been applicable in that month. The redetermination would be made by the application of the appropriate provisions of the Social Security Act as amended by this bill; and the redetermined benefit amount would be payable beginning with the first month for which subparagraph (A) ceases to apply.

Effective date for revised benefit formula and for new minimum and marimum provisions

Section 2 (c) (3) provides that the revised benefit formula and the new minimum and maximum provisions relating to benefits computed under either the benefit formula or the conversion table will be applicable in the case of lump-sum death payments with respect to deaths occuring after August 1952, and in the case of monthly benefits for months after August 1952.

Saving provisions

In a small number of retirement cases the increase in the benefit of the old-age insurance beneficiary would, in the absence of a saving provision, decrease the benefits payable to his dependents, because his own increase exceeds the maximum increase allowable for the entire family. Section 2 (d) (1) of the bill would guarantee that the amount payable to the dependents would be at least as much as was payable to them for August 1952. This guaranty would be effective only so long as the old-age insurance beneficiary lives, since it would be unnecessary after his death.

Section 2 (d) (2) provides that any recomputation of benefits made pursuant to section 2 of this bill shall not be regarded as a recomputation for purposes of section 215 (f) of the act.

SECTION 3. PRESERVATION OF INSURANCE RIGHTS IN THE CASE OF PERMANENTLY AND TOTALLY DISABLED INDIVIDUALS

Under existing law entitlement to benefits depends upon insured status, and the amount of benefits depends, in general, upon average monthly wage. If an individual becomes disabled he may lose his insured status. If he does not lose his insured status, his average monthly wage will in nearly all cases be reduced.

Section 3 of the bill would protect certain individuals from having their insured status and their average monthly wage adversely affected while they are permanently and totally disabled.

Quarter of coverage

Section 3 (a) (1) of the bill amends section 213 (a) (2) (A) of the Social Security Act by excluding from the definition of "quarter of coverage" any quarter prior to 1951, any part of which was included in a period of disability, except the initial quarter of such period.

Thus, if an individual's "period of disability" starts in the middle of a quarter, such quarter can be a quarter of coverage if the individual was paid wages of $50 or more in such quarter.

Section 3 (a) (2) amends section 213 (a) (2) (B) (i) of the act to exclude from the definition of "quarter of coverage" any quarter occurring after 1950, any part of which was included in a period of disability, except the initial and last quarters of such period. This exception permits the use of such terminal quarters of a period of disability as quarters of coverage if they otherwise meet the definition of "quarter of coverage" under the law.

Section 3 (a) (3) is a technical amendment to section 213 (a) (2) (B) (iii) of the act so that its provisions will be in conformity with the provisions of section 213 (a) (2) (B) (i) of the act as amended by the bill.

Insured status

Section 3 (b) of the bill excludes from the elapsed period under section 214 (a) (2) (A) of the act (relating to fully insured status) and from the elapsed period under section 214 (b) of the act (relating to currently insured status) any quarter any part of which was included in a period of disability, unless such quarter was a quarter of coverage.

Average monthly wage

Section 3 (c) amends section 215 (b) (1) of the act (defining average monthly wage) to exclude from the divisor (the elapsed months) any month in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage, and to exclude from the dividend (total of wages and self-employment income): (1) The wages paid in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage, and (2) any self-employment income for any taxable year all of which was included in a period of disability.

In order to extend this protection to individuals whose benefits are computed in the future through the conversion table under section 215 (c) of the law and to those individuals who are now on the rolls and whose benefits were computed through the conversion table, section 3 (c) also amends section 215 (d) of the act so as to exclude, wherever necessary, in the computation of the primary insurance benefit of such individuals, any quarter prior to 1951 which was included in a period of disability unless it was a quarter of coverage, and to exclude from such computation any wages paid in any quarter so excluded.

Definition of disability and period of disability

Section 3 (d) of the bill amends section 216 of the act (relating to certain definitions) by adding new subsection (i) defining the terms "disability" and "period of disability."

Paragraph (1) of the new subsection (i) defines "disability" as inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent. To meet this definition it must be clearly established through medical and other evidence that the individual's impairment does in fact render him incapable of performing any substantially gainful activity. Under this definition conditions which usually respond to therapy and may normally be

expected to result in recovery would be ruled out unless there are circumstances in a particular case, such as advanced age of the individual or history of previous episodes, which will lead medical judgment to the conclusion that the condition can be expected to be permanent.

"Blindness" also constitutes "disability." "Blindness" is defined as central visual acuity of 5/200 or less in the better eye with correcting lenses; an eye in which the visual field is reduced to 5° or less concentric contraction is considered as having a central visual acuity of 5/200 or less. A medical finding of blindness, as defined, would alone be sufficient proof that an individual is under a "disability." Individuals with a visual handicap which does not meet this definition may, nevertheless, meet the general definition of disability if they are found unable to engage in any substantially gainful activity by reason of visual impairment which can be expected to be permanent.

The paragraph also requires an individual filing an application for a disability determination to submit such proof of the existence of his disability as may be required by regulations of the Administrator.

Paragraph (2) of the new subsection (i) of the act defines a "period of disability" as being a continuous period of not less than six full calendar months during which an individual is under a disability. To qualify for a period of disability an individual must, while he is under a "disability," file an application for a disability determination and meet the requirements as to quarters of coverage contained in paragraph (3). While there will be cases in which regulations will permit the application to be filed on behalf of the disabled individual by someone else, because his impairment is of such a nature that he is unable to file it himself, the application cannot be filed on his behalf after his death. No application for a disability determination which is filed more than 3 months before the first day on which a period of disability can begin—i. e., before the other conditions necessary to the beginning of the period have been met—will be accepted as an application for purposes of a disability determination; and in no event may any such application be filed prior to April 1, 1953.

Except as provided in paragraph (5) of subsection (i), a period of disability begins on whichever of the following days is the latest: the day the disability began, the first day of the 1-year period which ends with the day before the day on which the individual filed an application for a disability determination, or the first day of the first quarter on which he satisfies the quarters of coverage requirements contained in paragraph (3). Except as provided in paragraph (5), a period of disability ends on the day on which the disability ceases unless it is terminated before that day in accordance with the provisions of paragraph (4).

Paragraph (3) of subsection (i) provides that in order for a period of disability to begin with respect to any quarter, the individual must have not less than six quarters of coverage (as defined in sec. 213 (a) (2)) during the 13-quarter period which ends with such quarter; and 20 quarters of coverage during the 40-quarter period which ends with such quarter, not counting as part of the 13-quarter period or the 40-quarter period any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

Paragraph (4) provides that a period of disability may be terminated by the Administrator because of the individual's failure to comply with regulations governing examinations or reexaminations, or because of the individual's refusal without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act after having been requested to do so by the Administrator. It also provides that if any individual whose disability has ceased fails to notify the Administrator before the end of the quarter following the quarter in which his disability ceased, then for each quarter which elapses after the quarter in which the disability ceased and before the quarter in which he notifies the Administrator, his disability shall be deemed to have ceased 3 months earlier than it did (but in no case more than 1 year earlier than it did).

Paragraph (5) provides an exception to the general provisions of paragraph (2), governing the day on which a period of disability shall begin, in the case of individuals whose disabilities began before April 1, 1953. Under its terms, if an individual files an application for a disability determination after March 31, 1953, and before January 1, 1955, with respect to a disability which began before April 1, 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later: the day the disability began or the first day of the quarter in which the disabled individual satisfies the requirements of paragraph (3).

Examination of disabled individuals

Section 3 (e) of the bill adds new sections 220 and 221 to the Social Security Act. Section 220 provides for such examinations of individuals as the Administrator determines to be necessary to carry out the provisions relating to disability and periods of disability. Such examinations may be necessary to amplify or substantiate the evidence which the disabled individual is able to submit concerning the existence or continuance of his disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government if readily available. Examinations may also be performed by private physicians or public or private agencies or institutions designated by the Administrator for the performance of such examinations; and the cost of such examinations may be paid for in accordance with agreements made by the Administrator, either directly or through appropriate Federal or State agencies. An individual undergoing an examination authorized by the Administrator could, if necessary, be paid travel and subsistence expenses. In order to expedite payments to doctors and others in connection with authorized examinations, such payments may be made in advance or as reimbursement and may be made prior to any action thereon by the General Accounting Office.

Disability provisions inapplicable if benefits would be reduced

Section 221 contains a saving provision which makes the disability provisions inapplicable if an individual's benefit would be reduced by their use. Under this section the provisions relating to periods of disability would not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of the provisions. Thus, for example, section 221 permits a blind individual who, subsequent to establishing a

period of disability, receive wages or derives self-employment income to include the amount thereof in his benefit computation (with the months and quarters in the period being counted as elapsed months and quarters), if this would produce a higher benefit than if he was credited with a period of disability. He could not, however, include some periods of disability and not others. The choice is on an all or none basis.

Effective date

Section 3 (f) provides the effective date for excluding periods of disability from benefit computations. Monthly benefits for retired workers already on the rolls and their dependents may be increased by the operation of the disability provisions beginning with the month of July 1953, provided the old-age beneficiary has met the requirements of this section for establishing a period of disability. Periods of disability may be excluded from the computation of the amount of the lump-sum death payments under title II of the Social Security Act in the case of deaths occurring after March 31, 1953, provided the disabled individual established a period of disability during his lifetime.

SECTION 4. INCREASE IN AMOUNT OF EARNINGS WITHOUT DEDUCTIONS

Section 4 (a) of the bill amends section 203 (b) (1) of the act to raise from $50 to $70 the amount of wages a beneficiary under age 75 may earn in covered employment in any month without being subject to a deduction from his benefits. It also amends section 203 (c) (1) of the act to raise from $50 to $70 the amount of wages an old-age insurance beneficiary under age 75 may earn in covered employment in any month without having the benefits of his dependents (his spouse or child) subject to deduction.

Section 4 (b) amends section 203 (b) (2) of the act to raise from $50 to $70 the amount of net earnings from self-employment with which an individual under age 75 must be charged for any month before he becomes subject to a deduction from his benefits.

Section 4 (c) amends section 203 (c) (2) of the act to raise from $50 to $70 the amount of net earnings from self-employment with which an old-age-insurance beneficiary under age 75 must be charged for a month before his dependents become subject to deductions from their benefits.

Section 4 (d) amends section 203 (e) of the act to raise from $50 to $70, the amount used in the method prescribed by section 203 (e) for charging net earnings from self-employment to months of the taxable year. Section 4 (d) also amends section 203 (g) of the act, which describes the circumstances under which beneficiaries with net earnings from self-employment are required to file reports with the Federal Security Administrator, by changing the figure of $50 to $70.

Section 4 (e) provides when the amendments made by section 4 will take effect. In general, these amendments will apply, in the case of wages, to monthly benefits for months after August 1952, and, in the case of net earnings from self-employment, to monthly benefits for months in any taxable year ending after August 1952.

SECTION 5. WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

Wage credits for certain military service

Section 5 (a) of the bill provides old-age and survivors insurance wage credits of $160 per month for service in the active military or naval service of the United States from July 25, 1947, through December 31, 1953. With the two exceptions noted below, these credits will be provided on the same basis as credits are provided under section 217 (a) of existing law for World War II service. One of these exceptions is the provision making it unnecessary for the Federal Security Administrator to ascertain whether another benefit has been determined by a Federal agency other than the Veterans' Administration to be payable on the basis of the same service in cases in which the denial of the wage credits, otherwise required because of such a determination, would make a difference of 50 cents or less in the amount of the primary insurance amount of the serviceman. Section 5 (d) of the bill adds the same provision (effective in the case of applications for benefits filed after August 1952) to section 217 (a) of existing law.

The second exception is that the new section 217 (e) authorizes an appropriation from the general Treasury funds to the Federal old-age and survivors insurance trust fund of the additional cost resulting from the wage credits provided thereby.

Where a serviceman has served in July of 1947 both before and on or after July 25, it is not intended that he shall receive more than $160 in wage credits for his active military or naval service during that month.

Technical amendment

Section 5 (b) makes a technical amendment in section 205 (o) of the Social Security Act necessitated by the addition of the new section 217 (e).

Effective date

Section 5 (c) of the bill provides effective dates for the new wage credits given by section 217 (e) and extends the time for the filing of proof of support by certain survivors of deceased servicemen.

Paragraph (1) of section 5 (c) provides that wage credits granted under section 217 (e) of the Social Security Act will, except in the case of beneficiaries already on the rolls, apply in the case of monthly benefits for months after August 1952 and in the case of lump-sum death payments with respect to deaths after August 1952. In the case of beneficiaries already on the rolls, recomputation of the benefit amounts of all persons entitled on the basis of the same wages and self-employment income will be authorized only upon the filing of an application for such recomputation by one of them. Upon such filing a recomputation will be made for all of them, effective for and after September 1952 or the sixth month before the month in which the application is filed, whichever is later.

Paragraph (2) of section 5 (c) of the bill extends the time within which proof of support may be filed by the surviving dependent parent or widower of a veteran of active service after July 24, 1947, who died before September 1952. Proof of support in such cases can be

filed at any time before September 1954 instead of within 2 years of the date of death.

Reinterment of deceased veterans

Section 5 (e) of the bill (sec. 5 (d) was explained above) extends the time allowed for filing a claim for reimbursement of burial expenses in certain cases where a serviceman who dies outside the United States is later returned to the United States for burial or reburial.

Paragraph (1) of subsection (e) amends section 101 (d) of the Social Security Act Amendments of 1950 to extend the time allowed for filing application for reimbursement of burial expenses in the case of a serviceman who died outside the United States on or after June 25, 1950, and before September 1950, and who is returned to the United States for burial or reburial. Under the amendment an application for reimbursement of burial expenses may be filed, by or on behalf of the person who paid such expenses, prior to the expiration of 2 years after the date of burial or reburial in the United States. Existing provisions require that such an application be filed within 2 years of the date of death.

Paragraph (2) of section 5 (e) of the bill makes a similar extension of the time limitation on the filing of applications for reimbursement, prescribed in section 202 (i) of the Social Security Act, in the case of deaths after August 1950 and before January 1954.

SECTION 6. COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

Section 6 of the bill amends section 218 (d) of the Social Security Act to permit service performed in positions covered by a retirement system, except service performed by policemen, firemen, or elementary or secondary school teachers, to be included, under prescribed conditions, under an agreement between a State and the Federal Security Administrator covering State and local government employees for old-age and survivors insurance purposes.

Section 6 (a) amends the heading of section 218 (d) of the Social Security Act by striking out the words "Exclusion of" contained therein, by redesignating the present provisions of the section as paragraph (1) thereof, and by adding four new paragraphs.

The new paragraph (2) (A) of section 218 (d) permits coverage under an agreement of service performed by employees in positions (other than positions referred to in paragraph (4)) covered by a retirement system if there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of the retirement system with the old-age and survivors insurance program. This provision is intended to apply to States such as Wisconsin, the retirement-fund law of which contains provisions for coordinating the State system with old-age and survivors insurance.

Paragraph (2) (B) permits a State to include under an agreement service in positions (other than positions referred to in paragraph (4)) covered by a retirement system if the Governor of the State certifies that the following conditions have been met:

1. A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under section 218;

2. An opportunity to vote in the referendum was given (and was limited) to all the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees who would not be affected by the referendum because they are in positions already covered under the agreement, and other than employees in positions referred to in par. (4));

3. Ninety days' notice was given to all such employees;

4. The referendum was conducted under the supervision of the Governor or an individual designated by him; and

5. At least two-thirds of the employees who voted in the referendum voted in favor of including such positions under an agreement under section 218.

No referendum with respect to a retirement system shall be effective for the purposes of paragraph (2) (B) unless held within the 2-year period ending on the date of execution of the agreement (or modification) which extends the old-age and survivors insurance system to such retirement system.

Paragraph (3) establishes, for the purposes of sections 218 (c) and (g), a separate coverage group consisting of the following:

1. All employees in positions covered by the same retirement system on the date when an agreement (or modification) entered into in compliance with the conditions in paragraph (2) was made applicable to such system. The employees in this category are those to whose services an agreement cannot be made applicable under existing law because the services are performed in positions covered by a retirement system.

2. All employees in positions which were covered by such retirement system at any time after the date an agreement (or modification thereof) entered into in compliance with the conditions in paragraph (2) was made applicable to such system. The employees in this category are those in positions which were brought under such retirement system after the agreement was made applicable to services in positions covered by that retirement system.

3. All employees in positions which were covered by the same retirement system at any time prior to the date when an agreement or modification was entered into in compliance with the conditions in paragraph (2) and to which the old-age and survivors insurance system was not extended because of the existing provisions of section 218 (d) (which, under the bill, are contained in section 218 (d) (1)). The employees in this category are those in positions which were covered by the retirement system at the time an agreement or modification was made applicable to the coverage group of which they were members, but which were later removed from coverage under such retirement system.

Paragraph (4) provides that no agreement (or modification thereof) entered into under section 218 of the act shall be made applicable to service performed by any individual as a member of any coverage group in any policeman's or fireman's position or in any elementary or secondary school teacher's position if such position is covered by a retirement system on the date when such agreement (or modification) is made applicable to any such coverage group. Paragraph (4) would further exclude from coverage under an agreement (or modification thereof) service in any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or

fire-fighting units, agencies, or departments. For the purposes of paragraph (4), an elementary or secondary school teacher's position includes that of school principal or superintendent or other supervisor of instruction in any elementary or secondary school, or any elementary or secondary school system, of the State or any political subdivision thereof. Service performed by any employee of an institution of higher learning in a position covered by a retirement system established by the State or any political subdivision thereof may be included in an agreement or modification entered into in compliance with the conditions in paragraph (2).

Paragraph (5) provides that a retirement system which covers positions of employees of the State and positions of employees of one or more political subdivisions thereof, or covers positions of employees of two or more political subdivisions of the State, may be deemed, at the option of the State, to constitute a separate retirement system with respect to each such political subdivision, and, where applicable, a separate retirement system with respect to the State. If the State determines that such retirement system shall not be deemed to constitute separate retirement systems and a referendum is held with respect to such retirement system, then any agreement or modification entered into pursuant to such referendum must be made applicable to service performed by all employees in positions covered by such system.

Section 6 (b) of the bill amends section 218 (f) of the Social Security Act to extend from January 1, 1953, to January 1, 1955, the period within which the coverage of State and local government employees may be made retroactive to January 1, 1951. This section gives States two additional years within which to enact necessary legislation and to enter into agreements or modifications of agreements (including agreements and modifications of agreements applicable to service covered by reason of the amendments made by section 6 (a) of the bill) retroactive to January 1, 1951. An agreement or modification retroactive to a date prior to its execution, either under existing law or by reason of the provisions of section 6 of the bill, cannot, however, be made applicable with respect to service in the retroactive period performed by any individual who is not a member of a coverage group to which such agreement or modification applies on the date of execution of such agreement or modification. Thus service of individuals who die, retire, or otherwise leave the employ of the State or political subdivision prior to the date of execution would not be covered for retroactive periods covered under the agreement or modification. Likewise, remuneration received prior to the date of execution of an agreement or modification for service to which the agreement or modification applies does not constitute "wages," under existing law or by reason of the provisions of section 6 of this bill, for purposes of deductions from benefits under section 203 of the act.

SECTION 7. TECHNICAL PROVISIONS

Recomputation of benefits of certain individuals aged 75 and over

Section 7 (a) of the bill amends section 215 (f) (2) of the Social Security Act to provide that, upon application, an individual will have his benefit recomputed by the new formula prescribed in section 215 (a) (1) of the Social Security Act as amended by the bill, if (1) in

or before the month of filing such application he attained the age of 75, and (2) he is entitled to an old-age insurance benefit which was computed and could have been computed only under the conversion table, and (3) he has at least 6 quarters of coverage after 1950 and before the quarter in which he filed application for such recomputation. This change would provide these individuals with an opportunity, not now available, to have their benefits computed by the benefit formula rather than by the conversion table if this alternative results in a larger primary insurance amount.

Recomputation of benefits for certain self-employed individuals

Section 7 (b) renumbers the present paragraph (5) of section 215 (f) as paragraph (6) and adds a new paragraph (5). The new paragraph (5) provides for a recomputation of benefits to take into account certain self-employment income which was omitted from the initial computation of the benefit amounts.

Under existing law (sec. 215 (b) (4)) an individual's self-employment income for the taxable year ending in or after the month in which he became entitled to old-age insurance benefits or died, whichever first occurred, cannot be taken into account in a computation of his average monthly wage. Under section 215 (b) (1), in computing an individual's average monthly wage, a minimum divisor of 18 is required. As a result, an individual who, for example, becomes entitled or dies in 1952 can in the computation of his average monthly wage have at most only 1 year of self-employment income divided by 18. This lowers the average monthly wage and primary insurance amount.

Under the new paragraph (5) in the case of any individual who becomes entitled to an old-age-insurance benefit in 1952, or in 1953 in a taxable year which began in 1952, and whose self-employment income for the taxable year in which he became entitled (without the application of the provisions for retroactivity in sec. 202 (j) (1)) was not, because of the provisions of section 215 (b) (4), used in the initial computation of his average monthly wage, such individual would have his benefit recomputed if he files an application for such recomputation after the close of such taxable year. In recomputing his benefit, the Administrator would include the self-employment income during the taxable year in which the individual became entitled. Any increase in the amount of the benefit resulting from any such recomputation would be paid retroactively to the first month of entitlement, including months for which benefits can be paid pursuant to the provisions of section 202 (j) (1) of the act.

Similarly, where an individual, on the basis of whose wages and self-employment income survivors' benefits are payable, dies in 1952, or dies in 1953 a taxable year which began in 1952, and where he had self-employment income in the taxable year which ended with his death, the primary insurance amount of the deceased individual would be recomputed to include the self-employment income derived by him during the taxable year ending with his death. No such recomputation would be made, however, if the individual, on the basis of whose wages and self-employment income benefits are payable to his survivors, became entitled to old-age insurance benefits prior to 1952. Any increase resulting from a recomputation under this provision would be paid retroactively to the first month of entitlement, including months for which benefits can be paid pursuant to section 202 (j) (1)

of the act. Further, no such recomputation would affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation would render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

Change of wage closing date in certain cases to the first day of the quarter of death or entitlement

Section 7 (c) provides that in the case of an individual who died or became entitled to old-age insurance benefits in 1952, and had at least six quarters of coverage after 1950 and prior to the quarter following the quarter in which he died or became entitled, the wage closing date for computation of his shall be the first day of the quarter in which he died or became entitled, whichever first occurred, rather than the first day of the second quarter preceding that quarter, as provided in existing law. This provision will apply only if it will yield a higher primary insurance amount.

Maintenance of existing relationship between the old-age and survivors insurance system and the railroad retirement system

Section 7 (d) of the bill, as reported, amends the Railroad Retirement Act of 1937. These amendments are designed to maintain the relationship between the old-age and survivors insurance system and the railroad retirement system that was established by the amendments made in 1951 to the Railroad Retirement Act by Public Law 234, Eighty-second Congress.

Paragraph (1) of section 7 (d) amends section 1 (q) of the Railroad Retirement Act so as to provide that references in the Railroad Retirement Act to the "Social Security Act" and to the "Social Security Act, as amended," are references to the Social Security Act, as amended to date (that is, as amended by all previous acts and by this bill).

Paragraph (2) of section 7 (d) amends section 5 (i) (1) (ii) of the Railroad Retirement Act so as to raise from $50 to $70 a month the work clause which is applicable to individuals receiving survivor benefits under the Railroad Retirement Act. This amendment conforms this provision with the work clause of the Social Security Act, as amended by section 4 of the bill.

Paragraph (3) of section 7 (d) amends section 5 (l) (6) of the Railroad Retirement Act so as to include in the definition of Social Security Act wages the military wage credits provided in the amendment made by section 5 (a) of the bill, but only to the extent the military service is not creditable under section 4 of the Railroad Retirement Act.

It should be noted that for the purposes of section 7 (d) of the bill the effective dates will be those set forth in the appropriate provisions of the bill.

SECTION 8. EARNED INCOME OF RECIPIENTS OF AID TO THE BLIND

In order for a State to be eligible for Federal payments under title X of the Social Security Act toward the cost of assistance provided by it to its needy blind individuals, it must provide such assistance in accordance with a State plan which meets the requirements set forth in section 1002 of that act. One of these requirements is that the plan must provide for taking into consideration any income and resources of a claimant for aid in determining his need therefor,

except that, in making such determination, the first $50 per month of his earned income may be disregarded and, effective July 1, 1952, must be disregarded.

Section 8 of the bill would amend title XI of the Social Security Act by the addition of a new section 1109, providing that the amount of earned income so disregarded may also be disregarded by the State, if it so desires, in determining the need of any other individual applying for or receiving old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled under a State plan approved under the Social Security Act.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT

TITLE II—FEDERAL OLD-AGE AND SURVIVORS INSURANCE BENEFITS

* * * * * * *

REDUCTION OF INSURANCE BENEFITS

Maximum Benefits

SEC. 203. (a) Whenever the total of monthly benefits to which individuals are entitled under section 202 for a month on the basis of the wages and self-employment income of an insured individual exceeds [$150] *$168.75*, or is more than [$40] *$45* and exceeds 80 per centum of his average monthly wage (as determined under subsection (b) or (c) of section 215, whichever is applicable), such total of benefits shall, after any deductions under this section, be reduced to [$150]*$168.75* or to 80 per centum of his average monthly wage, whichever is the lesser, but in no case to less than [$40] *$45*, except that when any of such individuals so entitled would (but for the provisions of section 202 (k) (2) (A) be entitled to child's insurance benefits on the basis of the wages and self-employment income of one or more other insured individuals, such total of benefits shall, after any deductions under this section, be reduced to [$150] *$168.75* or to 80 per centum of the sum of the average monthly wages of all such insured individuals, whichever is the lesser, but in no case to less than [$40] *$45*. Whenever a reduction is made under this subsection, each benefit, except the old-age insurance benefit, shall be proportionately decreased.

Deductions on Account of Work or Failure To Have Child in Care

(b) Deductions, in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 for any month—

(1) in which such individual is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than [$50] *$70*; or

(2) in which such individual is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than [$50] *$70*; or

(3) in which such individual, if a wife under retirement age entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit; or

(4) in which such individual, if a widow entitled to a mother's insurance benefit, did not have in her care a child of her deceased husband entitled to a child's insurance benefit; or

(5) in which such individual, if a former wife divorced entitled to a mother's insurance benefit, did not have in her care a child, of her deceased former husband, who (A) is her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her deceased former husband.

Deductions From Dependents' Benefits Because of Work by Old-Age Insurance Beneficiary

(c) Deductions shall be made from any wife's, husband's, or child's insurance benefit to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's, husband's, or child's insurance benefit or benefits under section 202 for any month—

(1) in which the individual, on the basis of whose wages and self-employment income such benefit was payable, is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than [$50] *$70*; or

(2) in which the individual referred to in paragraph (1) is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than [$50] *$70*:

* * * * * * *

Months to Which Net Earnings From Self-Employment Are Charged

(e) For the purposes of subsections (b) and (c)—

(1) If an individual's net earnings from self-employment for his taxable year are not more than the product of [$50] *$70* times the number of months in such year, no month in such year shall be charged with more than [$50] *$70* of net earnings from self-employment.

(2) If an individual's net earnings from self-employment for his taxable year are more than the product of [$50] *$70* times the number of months in such year, each month of such year shall be charged with [$50] *$70* of net earnings from self-employment, and the amount of such net earnings in excess of such product shall be further charged to months as follows: The first [$50] *$70* of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of [$50] *$70* per month to each preceding month in such year until all of such balance has been applied, except that no part of such excess shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which an event described in paragraph (1), (3), (4), or (5) of subsection (b) occurred, (C) in which such individual was age seventy-five or over, or (D) in which such individual did not engage in self-employment.

(3) (A) As used in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

(B) For the purposes of clause (D) of paragraph (2), an individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Administrator that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing his net earnings from self-employment for any taxable year. The Administrator shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

* * * * * * *

Report to Administrator of Net Earnings From Self-Employment

(g) (1) If an individual is entitled to any monthly insurance benefit under section 202 during any taxable year in which he has net earnings from self-employment in excess of the product of [$50] *$70* times the number of months in such year, such individual (or the individual who is in receipt of such benefit

on his behalf) shall make a report to the Administrator of his net earnings from self-employment for such taxable year. Such report shall be made on or before the fifteenth day of the third month following the close of such year, and shall contain such information and be made in such manner as the Administrator may by regulations prescribe. Such report need not be made for any taxable year beginning with or after the month in which such individual attained the age of seventy-five.

(2) If an individual fails to make a report required under paragraph (1), within the time prescribed therein, of his net earnings from self-employment for any taxable year and any deduction is imposed under subsection (b) (2) by reason of such net earnings—

(A) such individual shall suffer one additional deduction in an amount equal to his benefit or benefits for the last month in such taxable year for which he was entitled to a benefit under section 202; and

(B) if the failure to make such report continues after the close of the fourth calendar month following the close of such taxable year, such individual shall suffer an additional deduction in the same amount for each month during all or any part of which such failure continues after such fourth month;

except that the number of the additional deductions required by this paragraph shall not exceed the number of months in such taxable year for which such individual received and accepted insurance benefits under section 202 and for which deductions are imposed under subsection (b) (2) by reason of such net earnings from self-employment. If more than one additional deduction would be imposed under this paragraph with respect to a failure by an individual to file a report required by paragraph (1) and such failure is the first for which any additional deduction is imposed under this paragraph, only one additional deduction shall be imposed with respect to such first failure.

(3) If the Administrator determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to benefits under section 202 for any taxable year will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year, the Administrator may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Administrator may specify) of the benefits payable on the basis of such individual's wages and self-employment income; and such suspension shall remain in effect with respect to the benefits for any month until the Administrator has determined whether or not any deduction is imposed for such month under subsection (b). The Administrator is authorized, before the close of the taxable year of an individual entitled to benefits during such year, to request of such individual that he make, at such time or times as the Administrator may specify, a declaration of his estimated net earnings from self-employment for the taxable year and that he furnish to the Administrator such other information with respect to such net earnings as the Administrator may specify. A failure by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year.

* * * * * * *

EVIDENCE, PROCEDURE, AND CERTIFICATION FOR PAYMENT

SEC. 205. (a) * * *

* * * * * * *

Crediting of Compensation Under the Railroad Retirement Act

(o) If there is no person who would be entitled, upon application therefor, to an annuity under section 5 of the Railroad Retirement Act of 1937, or to a lump-sum payment under subsection (f) (1) of such section, with respect to the death of an employee (as defined in such Act), then, notwithstanding section 210 (a) (10) of this Act, compensation (as defined in such Railroad Retirement Act, but excluding compensation attributable as having been paid during any month on account of military service creditable under section 4 of such Act if wages are deemed to have been paid to such employee during such month under [section 217 (a)] *subsection (a) or (e) of section 217* of this Act) of such employee shall constitute remuneration for employment for purposes of determining (A) entitlement to and the amount of any lump-sum death payment under this title on the basis of such employee's wages and self-employment income and (B) entitlement

to and the amount of any monthly benefit under this title, for the month in which such employee died or for any month thereafter, on the basis of such wages and self-employment income. For such purposes, compensation (as so defined) paid in a calendar year shall, in the absence of evidence to the contrary, be presumed to have been paid in equal proportions with respect to all months in the year in which the employee rendered services for such compensation.

* * * * * * *

QUARTER AND QUARTER OF COVERAGE

Definitions

SEC. 213. (a) For the purposes of this title—

(1) The term "quarter", and the term "calendar quarter", means a period of three calendar months ending on March 31, June 30, September 30, or December 31.

(2) (A) The term "quarter of coverage" means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in [wages.] *wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage.* In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in [wages each] *wages, each* quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so [entitled.] *entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period.*

(B) The term "quarter of coverage" means, in the case of a quarter occurring after 1950, a quarter in which the individual has been paid $50 or more in wages or for which he has been credited (as determined under section 212) with $100 or more of self-employment income, except that—

(i) no quarter after the quarter in which such individual died shall be a quarter of [coverage;] *coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;*

* * * * * * *

(iii) if an individual has self-employment income for a taxable year, and if the sum of such income and the wages paid to him during such taxable year equals $3,600, each quarter any part of which falls in such year shall (*subject to clause (i)*) be a quarter of coverage; and

* * * * * * *

INSURED STATUS FOR PURPOSES OF OLD-AGE AND SURVIVORS INSURANCE BENEFITS

SEC. 214. For the purposes of this title—

Fully Insured Individual

(a) (1) In the case of any individual who died prior to September 1, 1950, the term "fully insured individual" means any individual who had not less than one quarter of coverage (whenever acquired) for each two of the quarters elapsing after 1936, or after the quarter in which he attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he attained retirement age, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage.

(2) In the case of any individual who did not die prior to September 1, 1950, the term "fully insured individual" means any individual who had not less than—

(A) one quarter of coverage (whether acquired before or after such day) for each two of the quarters elapsing after 1950, or after the quarter in which he attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he attained retirement age, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage; or

(B) forty quarters of [coverage.] *coverage,*

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage.

(3) When the number of elapsed quarters specified in paragraph (1) or (2) (A) is an odd number, for purposes of such paragraph such number shall be reduced by one.

Currently Insured Individual

(b) The term "currently insured individual" means any individual who had not less than six quarters of coverage during the thirteen-quarter period ending with (1) the quarter in which he died, (2) the quarter in which he became entitled to old-age insurance benefits, or (3) the quarter in which he became entitled to primary insurance benefits under this title as in effect prior to the enactment of this section[.] , *not counting as part of such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage.*

COMPUTATION OF PRIMARY INSURANCE AMOUNT

SEC. 215. For the purposes of this title—

Primary Insurance Amount

(a) (1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be [50] *55* per centum of the first $100 of his average monthly [wage plus] *wage, plus* 15 per centum of the next $200 of such wage; except [that if] *that, if* his average monthly wage is less than [$50] *$48*, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

[

I Average Monthly Wage	II Primary Insurance Amount
$30 or less	$20
$31	$21
$32	$22
$33	$23
$34	$24
$35 to $49	$25

]

I *Average Monthly Wage*	*II* *Primary Insurance Amount*
$34 or less	*$25*
$35 through $47	*$26*

* * * * * * *

Average Monthly Wage

(b) (1) An individual's "average monthly wage" shall be the quotient obtained by dividing the total of—

(A) his wages after his starting date (determined under paragraph (2)) and prior to his wage closing date (determined under paragraph (3)), and

(B) his self-employment income after such starting date and prior to his self-employment income closing date (determined under paragraph (3)).

by the number of months elapsing after such starting date and prior to his divisor closing date (determined under paragraph (3)) excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage *and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage*, except that when the number of such elapsed months thus computed is less than eighteen, it shall be increased to eighteen.

* * * * * * *

[(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred.]

(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability.

Determinations Made by Use of the Conversion Table

(c) (1) The amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for an individual shall be the amount appearing in column II of the following table on the line on which in column I appears his primary insurance benefit (determined as provided in subsection (d)); and his average monthly wage shall, for purposes of section 203 (a), be the amount appearing on such line in column III.

I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$20.00	$40.00
$11	22.00	44.00
$12	24.00	48.00
$13	26.00	52.00
$14	28.00	56.00
$15	30.00	60.00
$16	31.70	63.40
$17	33.20	66.40
$18	34.50	69.00
$19	35.70	71.40
$20	37.00	74.00
$21	38.50	77.00
$22	40.20	80.40
$23	42.20	84.40
$24	44.50	89.00
$25	46.50	93.00
$26	48.30	96.60
$27	50.00	100.00
$28	51.50	110.00
$29	52.80	118.60
$30	54.00	126.60
$31	55.10	134.00
$32	56.20	141.30
$33	57.20	148.00
$34	58.20	154.60
$35	59.20	161.30
$36	60.20	168.00
$37	61.20	174.60
$38	62.20	181.30
$39	63.10	187.30
$40	64.00	195.00
$41	64.90	210.00
$42	65.80	220.00
$43	66.70	230.00
$44	67.60	240.00
$45	68.50	250.00
$46	68.50	250.00

I *If the primary insurance benefit (as determined under subsection (d)) is:*	II *The primary insurance amount shall be*	III *And the average monthly wage for purpose of computing maximum benefits shall be:*
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00

(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in [paragraph (3) and clause (B) of paragraph (2) of subsection (a) for such individual, and his average monthly wage for purposes of section 203 (a), shall be determined in accordance with regulations of the Administrator designed to obtain results consistent with those obtained for individuals whose primary insurance benefits are shown in column I of the table] *paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10.*

(3) For the purpose of facilitating the use of the conversion table in computing any insurance benefit under section 202, the Administrator is authorized to assume that the primary insurance benefit from which such benefit under section 202 is determined is one cent or two cents more or less than its actual amount.

(4) For the purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such

primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1.

Primary Insurance Benefit for Purposes of Conversion Table

(d) For the purposes of subsection (c), the primary insurance benefits of individuals shall be determined as follows:

(1) In the case of any individual who was entitled to a primary insurance benefit for August 1950, his primary insurance benefit shall, except as provided in paragraph (2), be the primary insurance benefit to which he was so entitled.

(2) In the case of any individual to whom paragraph (1) is applicable and who is a World War II veteran or in August 1950 rendered services for wages of $15 or more, his primary insurance benefit shall be whichever of the following is larger: (A) the primary insurance benefit to which he was entitled for August 1950, or (B) his primary insurance benefit for August 1950 recomputed, under section 209 (q) of the Social Security Act as in effect prior to the enactment of this section, in the same manner as if such individual had filed application for and was entitled to a recomputation for August 1950, except that in making such recomputation section 217 (a) shall be applicable if such individual is a World War II veteran.

(3) In the case of any individual who died prior to September 1950, his primary insurance benefit shall be determined as provided in this title as in effect prior to the enactment of this section, except that section 217 (a) shall be applicable, in lieu of section 210 of this Act as in effect prior to the enactment of this section, but only if it results in a larger primary insurance benefit.

(4) In the case of any other individual, his primary insurance benefit shall be computed as provided in this title as in effect prior to the enactment of this section, except that—

(A) In the computation of such benefit, such individual's average monthly wage shall (in lieu of being determined under section 209 (f) of such title as in effect prior to the enactment of this section) be determined as provided in subsection (b) of this section, except that his starting date shall be December 31, 1936.

(B) For purposes of such computation, the date he became entitled to old-age insurance benefits shall be deemed to be the date he became entitled to primary insurance benefits.

(C) The 1 per centum addition provided for in section 209 (e) (2) of this Act as in effect prior to the enactment of this section shall be applicable only with respect to calendar years prior to 1951.

(D) The provisions of subsection (e) shall be applicable to such computation.

(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted.

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Recomputation of Benefits

(f) (1) After an individual's primary insurance amount has been determined under this section, there shall be no recomputation of such individual's primary insurance amount except as provided in this subsection or, in the case of a World War II veteran who died prior to July 27, 1954, as provided in section 217 (b).

(2) *(A)* Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits

for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

(C) A recomputation under *subparagraphs (A) and (B) of* this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed.

(3) (A) Upon application by an individual entitled to old-age insurance benefits, filed at least six months after the month in which he became so entitled, the Administrator shall recompute his primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the first month in which he became entitled to old-age insurance benefits.

(B) Upon application by a person entitled to monthly benefits on the basis of the wages and self-employment income of an individual who died after August 1950, the Administrator shall recompute such individual's primary insurance amount if such application is filed at least six months after the month in which such individual died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be effective for and after the month in which such person who filed the application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph shall affect the amount of the lump-sum death payment under subsection (i) of section 202 and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

(4) Upon the death after August 1950 of an individual entitled to old-age insurance benefits, if any person is entitled to monthly benefits, or to a lump-sum death payment, on the basis of the wages and self-employment income of such individual, the Administrator shall recompute the decedent's primary insurance amount, but (except as provided in paragraph (3) (B)) only if—

(A) the decedent would have been entitled to a recomputation under paragraph (2) if he had filed application therefor in the month in which he died; or

(B) the decedent during his lifetime was paid compensation which is treated, under section 205 (o), as remuneration for employment.

If the recomputation is permitted by subparagraph (A), the recomputation shall be made (if at all) as though he had filed application for a recomputation under paragraph (2) in the month in which he died, except that such recomputation shall include any compensation (described in section 205 (o)) paid to him prior to the divisor closing date which would have been applicable under such paragraph. If recomputation is permitted by subparagraph (B), the recomputation shall take into account only the wages and self-employment income which were taken into account in the last previous computation of his primary insurance amount and the compensation (described in section 205 (o)) paid to him prior to the divisor closing date applicable to such computation. If both of the preceding sentences are applicable to an individual, only the recomputation which results in the larger primary insurance amount shall be made.

(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall

be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

[(5)] *(6)* Any recomputation under this subsection shall be effective only if such recomputation results in a higher primary insurance amount.

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OTHER DEFINITIONS

SEC. 216. For the purposes of this title—

* * * * * * *

Disability; Period of Disability

(i) (1) The term "disability" means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term "blindness" means central visual acuity of 5/200 or less in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required by regulations of the Administrator.

(2) The term "period of disability" means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (5), a period of disability shall begin on whichever of the following days is the latest:

(A) the day the disability began;

(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

Except as provided in paragraph (4), a period of disability shall end on the day on which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

(3) The requirements referred to in paragraphs (2) (C) and (5) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

(4) A period of disability may be terminated by the Administrator because of the individual's failure to comply with regulations governing examinations or reexaminations, or because of the individual's refusal without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act (29 U. S. C., ch. 4) after having been requested to do so by the Administrator. If any individual whose disability has ceased fails to notify the Administrator before the end of the quarter following the quarter in which the disability ceased, then for each quarter which elapses after the quarter in which the disability ceased and before the

quarter in which he notifies the Administrator, his disability shall be deemed to have ceased three months earlier than it did (but in no case more than one year earlier than it did).

(5) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

(A) the day such disability began; or

(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

BENEFITS IN CASE OF [WORLD WAR II] VETERANS

SEC. 217. (a) (1) For purposes of determining entitlement to and the amount of any monthly benefit for any month after August 1950, or entitlement to and the amount of any lump-sum death payment in case of a death after such month, payable under this title on the basis of the wages and self-employment income of any World War II veteran, such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States during World War II. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran during World War II is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any World War II veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran during World War II, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service during World War II shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

(b) (1) Any World War II veteran who died during the period of three years immediately following his separation from the active military or naval service of the United States shall be deemed to have died a fully insured individual whose primary insurance amount is the amount determined under section 215 (c). Notwithstanding section 215 (d), the primary insurance benefit (for purposes of section 215 (c)) of such veteran shall be determined as provided in this title as in effect prior to the enactment of this section, except that the 1 per centum addition provided for in section 209 (e) (2) of this Act as in effect prior to the enactment of this section shall be applicable only with respect to calendar years prior to 1951.

This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application;

(B) any pension or compensation is determined by the Veterans' Administration to be payable by it on the basis of the death of such veteran;

(C) the death of the veteran occurred while he was in the active military or naval service of the United States; or

(D) such veteran has been discharged or released from the active military or naval service of the United States subsequent to July 26, 1951.

(2) Upon an application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any World War II veteran, the Federal Security Administrator shall make a decision without regard to paragraph (1) (B) of this subsection unless he has been notified by the Veterans' Administration that pension or compensation is determined to be payable by the Veterans' Administration by reason of the death of such veteran. The Federal Security Administrator shall thereupon report such decision to the Veterans' Administration. If the Veterans' Administration in any such case has made an adjudication or thereafter makes an adjudication that any pension or compensation is payable under any law administered by it, it shall notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment, or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection. Any payments theretofore certified by the Federal Security Administrator on the basis of paragraph (1) of this subsection to any individual, not exceeding the amount of any accrued pension or compensation payable to him by the Veterans' Administration, shall (notwithstanding the provisions of section 3 of the Act of August 12, 1935, as amended (38 U. S. C., sec. 454a)) be deemed to have been paid to him by such Administration on account of such accrued pension or compensation. No such payment certified by the Federal Security Administrator, and no payment certified by him for any month prior to the first month for which any pension or compensation is paid by the Veterans' Administration shall be deemed by reason of this subsection to have been an erroneous payment.

(c) In the case of any World War II veteran to whom subsection (a) is applicable, proof of support required under section 202 (h) may be filed by a parent at any time prior to July 1951 or prior to the expiration of two years after the date of the death of such veteran, whichever is the later.

(d) For the purposes of this section—

(1) The term "World War II" means the period beginning with September 16, 1940, and ending at the close of July 24, 1947.

(2) The term "World War II veteran" means any individual who served in the active military or naval service of the United States at any time during World War II and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.

(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (5)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

(5) For the purposes of this subsection, the term "veteran" means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.

VOLUNTARY AGREEMENTS FOR COVERAGE OF STATE AND LOCAL EMPLOYEES

Purpose of Agreement

SEC. 218. (a) (1) The Administrator shall, at the request of any State, enter into an agreement with such State for the purpose of extending the insurance system established by this title to services performed by individuals as employees of such State or any political subdivision thereof. Each such agreement shall contain such provisions, not inconsistent with the provisions of this section, as the State may request.

(2) Notwithstanding section 210 (a), for the purposes of this title the term "employment" includes any service included under an agreement entered into under this section.

Definitions

(b) For the purposes of this section—

(1) The term "State" does not include the District of Columbia.

(2) The term "political subdivision" includes an instrumentality of (A) a State, (B) one or more political subdivisions of a State, or (C) a State and one or more of its political subdivisions.

(3) The term "employee" includes an officer of a State or political subdivision.

(4) The term "retirement system" means a pension, annuity, retirement, or similar fund or system established by a State or by a political subdivision thereof.

(5) The term "coverage group" means (A) employees of the State other than those engaged in performing service in connection with a proprietary function; (B) employees of a political subdivision of a State other than those engaged in performing service in connection with a proprietary function; (C) employees of a State engaged in performing service in connection with a single proprietary function; or (D) employees of a political subdivision of a State engaged in performing service in connection with a single proprietary function. If under the preceding sentence an employee would be included in more than one coverage group by reason of the fact that he performs service in connection with two or more proprietary functions or in connection with both a proprietary function and a nonproprietary function, he shall be included in only one such coverage group. The determination of the coverage group in which such employee shall be included shall be made in such manner as may be specified in the agreement.

Services Covered

(c) (1) An agreement under this section shall be applicable to any one or more coverage groups designated by the State.

(2) In the case of each coverage group to which the agreement applies, the agreement must include all services (other than services excluded by or pursuant to subsection (d) or paragraph (3), (5), or (6) of this subsection) performed by individuals as members of such group.

(3) Such agreement shall, if the State requests it, exclude (in the case of any coverage group) any services of an emergency nature or all services in any class or classes of elective positions, part-time positions, or positions the compensation for which is on a fee basis.

(4) The Administrator shall, at the request of any State, modify the agreement with such State so as to (A) include any coverage group to which the agreement did not previously apply, or (B) include, in the case of any coverage group to which the agreement applies, services previously excluded from the agreement; but the agreement as so modified may not be inconsistent with the provisions of this section applicable in the case of an original agreement with a State.

(5) Such agreement shall, if the State requests it, exclude (in the case of any coverage group) any agricultural labor, or service performed by a student, designated by the State. This paragraph shall apply only with respect to service which is excluded from employment by any provision of section 210 (a) other than paragraph (8) of such section.

(6) Such agreement shall exclude—

(A) service performed by an individual who is employed to relieve him from unemployment,

(B) service performed in a hospital, home, or other institution by a patient or inmate thereof,

(C) covered transportation service (as determined under section 210 (l)), and

(D) service (other than agricultural labor or service performed by a student) which is excluded from employment by any provision of section 210 (a) other than paragraph (8) of such section.

[Exclusion of] Positions Covered by Retirement Systems

(d) (*1*) No agreement with any State may be made applicable (either in the original agreement or by any modification thereof) to any service performed by employees as members of any coverage group in positions covered by a retirement system on the date such agreement is made applicable to such coverage group.

(*2*) *Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—*

(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

(iii) Ninety days' notice of such referendum was given to all such employees;

(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the two-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

(3) For the purposes of subsections (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

(B) All employees in positions which were covered by such system at any time after such date; and

(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire-fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State.

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Effective Date of Agreement

(f) Any agreement or modification of an agreement under this section shall be effective with respect to services performed after an effective date specified in such agreement or modification, but in no case prior to January 1, 1951, and in no case (other than in the case of an agreement or modification agreed to prior to January 1, [1953] *1955*) prior to the first day of the calendar year in which such agreement or modification, as the case may be, is agreed to by the Administrator and the State.

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EXAMINATION OF DISABLED INDIVIDUALS

SEC. 220. The Administrator shall provide for such examination of individuals as he determines to be necessary to carry out the provisions of this title relating to disability and periods of disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government if readily available. Examinations authorized by the Administrator may also be performed by private physicians, or by public or private agencies or institutions, designated by the Administrator for the performance of such examinations; and the cost of such examinations shall be paid for by the Administrator, in accordance with agreements made by him, either directly or through appropriate Federal or State agencies. In the case of any individual undergoing such an examination, he may be paid his necessary travel expenses (including subsistence expenses incidental thereto) or allowances in lieu thereof. Payments authorized by this section may be made in advance of or as reimbursement for the performance of services or the incurring of obligations or expenses, and may be made prior to any action thereon by the General Accounting Office.

DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

SEC. 221. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions.

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TITLE XI—GENERAL PROVISIONS

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EARNED INCOME OF BLIND RECIPIENTS

SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV.

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SECTION 101 (d) OF THE SOCIAL SECURITY ACT AMENDMENTS OF 1950 (PUBLIC LAW 734, 81ST CONGRESS)

(d) Lump-sum death payments shall be made in the case of individuals who died prior to September 1950 as though this Act had not been enacted; except that in the case of any individual who died outside the forty-eight States and the District of Columbia after December 6, 1941, and prior to August 10, 1946, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not be applicable if application for a lump-sum death payment is filed prior to September 1952[.], *and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.*

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Union Calendar No. 116

82D CONGRESS
2D SESSION

H. R. 7800

[Report No. 1944]

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 1952

Mr. DOUGHTON introduced the following bill; which was referred to the Committee on Ways and Means

MAY 16, 1952

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1952".

INCREASE IN BENEFIT AMOUNTS

Benefits Computed by Conversion Table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the

conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such Act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the

amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such Act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the Benefit Formula; Revised Minimum and Maximum Amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950

are quarters of coverage shall be 55 per centum of the first $100 of his average monthly wage, plus 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average Monthly Wage	II Primary Insurance Amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45", respectively.

Effective Dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social

Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ per centum of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of

$0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments

made by this Act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving Provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such Act for August 1952;

(B) two or more other persons were entitled (without the application of such section 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the

provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this Act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this Act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this Act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of

such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage".

(2) Section 215 (b) (4) of such Act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; Period of Disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less

in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required by regulations of the Administrator.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (5), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

Except as provided in paragraph (4), a period of disability

shall end on the day on which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraphs (2) (C) and (5) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) A period of disability may be terminated by the Administrator because of the individual's failure to comply with regulations governing examinations or reexaminations, or because of the individual's refusal without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act (29

U. S. C., ch. 4) after having been requested to do so by the Administrator. If any individual whose disability has ceased fails to notify the Administrator before the end of the quarter following the quarter in which the disability ceased, then for each quarter which elapses after the quarter in which the disability ceased and before the quarter in which he notifies the Administrator, his disability shall be deemed to have ceased three months earlier than it did (but in no case more than one year earlier than it did).

"(5) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(e) Title II of the Social Security Act is amended by adding after section 219 the following new sections:

"EXAMINATION OF DISABLED INDIVIDUALS

"SEC. 220. The Administrator shall provide for such examination of individuals as he determines to be necessary to carry out the provisions of this title relating to disability

and periods of disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government if readily available. Examinations authorized by the Administrator may also be performed by private physicians, or by public or private agencies or institutions, designated by the Administrator for the performance of such examinations; and the cost of such examinations shall be paid for by the Administrator, in accordance with agreements made by him, either directly or through appropriate Federal or State agencies. In the case of any individual undergoing such an examination, he may be paid his necessary travel expenses (including subsistence expenses incidental thereto) or allowances in lieu thereof. Payments authorized by this section may be made in advance of or as reimbursement for the performance of services or the incurring of obligations or expenses, and may be made prior to any action thereon by the General Accounting Office.

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 221. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by

subsections (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 4. (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "$70".

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "$70".

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "$70".

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "$70".

(e) The amendments made by subsection (a) shall

apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II Veterans) is amended by striking out "WORLD WAR II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the

wages and self-employment income of any veteran (as defined in paragraph (5)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50

or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the

amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after

July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217".

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only

if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act.

(2) In the case of any veteran (as defined in section 217 (e) (5) of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within two years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such Act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of

any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application

for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage

of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—

"(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum

was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the two-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g)

of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any

elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955".

TECHNICAL PROVISIONS

SEC. 7. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed

(within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after

the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended,

and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such Act, but only if it would result in a higher primary insurance amount for such indivi-

dual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

~~(d) Notwithstanding section 1 (q) of the Railroad Retirement Act of 1937, as amended, the term "Social Security Act" when used in the third sentence of section 5 (f) (2) and in section 5 (k) of such Act of 1937 means the Social Security Act, as amended by this Act.~~

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952".

(2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $70, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than $70;".

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)".

EARNED INCOME OF BLIND RECIPIENTS

SEC. 8. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

Union Calendar No. 611

82D CONGRESS
2D SESSION

H. R. 7800

[Report No. 1944]

A BILL

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

By Mr. DOUGHTON

MAY 12, 1952
Referred to the Committee on Ways and Means
MAY 16, 1952

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

OFFICE MEMORANDUM

SSA-OASI
UNITED STATES GOVERNMENT

14:D
May 20, 1952

TO : All Administrative Personnel

FROM : O. C. Pogge, Director
Bureau of Old-Age and Survivors Insurance

SUBJECT: Director's Bulletin No. 185
Status of H.R. 7800

As you know, H.R. 7800 was considered by the House yesterday under its "suspension of the rules" procedure. Passage of a bill under this procedure requires a two-thirds majority. The bill received a simple but not a two-thirds majority.

What steps will be taken toward further consideration of this bill or a similar bill this session has not yet, so far as we know, been decided.

I am sending you a copy of the bill and hope to obtain, perhaps by next week, sufficient copies of the Committee Report to send it also.

O. C. Pogge

SOCIAL SECURITY ACT AMENDMENTS OF 1952

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H .R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Social Security Act Amendments of 1952."

INCREASE IN BENEFIT AMOUNTS

Benefits computed by conversion table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	102.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ percent or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the benefit formula; revised minimum and maximum amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age 22 after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be 55 percent of the first $100 of his average monthly wage, plus 15 percent of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average monthly wage	II Primary insurance amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45," respectively.

Effective dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such months is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ percent of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple

of $0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments made by this act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of sec. 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving provisions

(d) (1) Where—

(A) an individual was entitled (without the application of sec. 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such act for August 1952;

(B) two or more other persons were entitled (without the application of such sec. 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this act, then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage.

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of 22 which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 215 (b) (4) of such act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; period of disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to 5 degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required by regulations of the Administrator.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (5), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began:

"(B) the first day of the 1-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

Except as provided in paragraph (4), a period of disability shall end on the day on which the disability ceases. No application for a disability determination which is filed more than 3 months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraphs (2) (C) and (5) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213 (a) (2) during the 13-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the 40-quarter period which ends with such quarter,

not counting as part of the 13-quarter period specified in clause (A), or the 40-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) A period of disability may be terminated by the Administrator because of the individual's failure to comply with regulations governing examinations or reexaminations, or because of the individual's refusal without good cause to accept rehabilitation services available to him under a State plan

approved under the Vocational Rehabilitation Act (29 U. S. C., ch. 4) after having been requested to do so by the Administrator. If any individual whose disability has ceased fails to notify the Administrator before the end of the quarter following the quarter in which the disability ceased, then for each quarter which elapses after the quarter in which the disability ceased and before the quarter in which he notifies the Administrator, his disability shall be deemed to have ceased 3 months earlier than it did (but in no case more than 1 year earlier than it did).

"(5) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(e) Title II of the Social Security Act is amended by adding after section 219 the following new sections:

"EXAMINATION OF DISABLED INDIVIDUALS

"SEC. 220. The Administrator shall provide for such examination of individuals as he determines to be necessary to carry out the provisions of this title relating to disability and periods of disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government if readily available. Examinations authorized by the Administrator may also be performed by private physicians, or by public or private agencies or institutions, designated by the Administrator for the performance of such examinations; and the cost of such examinations shall be paid for by the Administrator, in accordance with agreements made by him, either directly or through appropriate Federal or State agencies. In the case of any individual undergoing such an examination, he may be paid his necessary travel expenses (including subsistence expenses incidental thereto) or allowances in lieu thereof. Payments authorized by this section may be made in advance of or as reimbursement for the performance of services or the incurring of obligations or expenses, and may be made prior to any action thereon by the General Accounting Office.

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 221. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsections (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Seclurity Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 4. (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "$70."

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "$70."

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "$70."

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "$70."

(e) The amendments made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after 1952. As used in this subsection, the term "taxable year" shall have the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II veterans) is amended by striking out "World War II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purpose of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (5)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by 50 cents or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of 90 days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217."

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for Augut 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of

this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such act.

(3) In the case of any veteran (as defined in section 217 (e) (5) of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within 2 years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the 48 States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of 2 years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the 48 States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of 2 years after the date of such interment or reinterment.

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—

"(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the 2-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsection (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date, and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire-fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955."

TECHNICAL PROVISIONS

SEC. 7. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of 36 months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of sec. 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsec. (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A)

in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of sec. 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such act, but only if it would result in a higher primary insurance amount for such individual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952."

(2) Section 5 (l) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $70, or will have been charged under section 203 (e) of that act with net earnings from self-employment of more than $70."

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)."

EARNED INCOME OF BLIND RECIPIENTS

SEC. 8. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in sec. 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

Mr. RANKIN (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with, and that the bill be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Is a second demanded?

Mr. REED of New York. Mr. Speaker, I demand a second.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD just prior to the vote on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] is entitled to 20 minutes and the gentleman from New York [Mr. REED] is entitled to 20 minutes.

Mr. DOUGHTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, H. R. 7800 provides for seven urgently needed changes in the social-security program.

The Committee on Ways and Means has considered a number of revisions in the social-security law. Our committee, as you know, spent many months in hearings and deliberations in executive session on the 1950 amendments. Accordingly, we did not deem it necessary to hold hearings on the various social security matters now before our committee, but rather have combined all the urgently needed revisions in one bill H. R. 7800.

The main complaint that I have heard so far is that the bill does not go as far as some people think it should. On these points there should be continued and thorough study.

The changes proposed in H. R. 7800 will result in our social-security program being considerably improved although it will not be a perfect system. I am sure further changes will be made in the years to come so that we will have a still better social-security program in the future.

I should like to emphasize that the bill does not affect the fundamental principles of the program. Furthermore, no increase is required in the social-security taxes now scheduled.

Because of the rise in wages in the last 3 years, the income to the fund is much greater than could reasonably be estimated when we passed the 1950 law.

According to our best estimates, the amendments proposed by H. R. 7800 will not adversely affect the actuarial balance of the program and the system will remain self-supporting not only now but in the future.

I had the privilege and the honor of introducing the original Social Security Act as well as the far-reaching 1939 and 1950 amendments. The importance of the old age and survivors insurance portion of the program can be seen from a few statistics. Over 62,000,000 persons are insured under it for retirement and survivor benefits. Nearly 8 out of 10 jobs in the country are covered. There are now over 4,500,000 persons drawing monthly insurance benefits amounting to about $2,000,000,000 a year.

Now let me turn briefly to the important changes made by the bill.

First. An increase in benefits for those now on the rolls and for those retiring in the future is urgently needed. The bill provides for modest but much needed increases. Most presently retired workers get at least $5 more per month, with the average being about $6. Dependents of retired workers and survivors of deceased workers also share in these increases. The minimum payment for a retired worker is increased from the present $20 to $25, while the maximum payment is raised from $80 to $85 for those who are retired currently and from $68.50 to $77.10 for those who retired in the past. In addition to these amounts, there are of course corresponding benefits for certain dependents of retired workers. The maximum payment for the family whether of a retired worker or of a deceased one was formerly set at $150, but the bill raises this by 12½ percent to $168.75.

Second. One very pressing problem is in regard to the retirement test. Under present law, benefits are not paid to any person otherwise eligible for them if he earns $50 or more a month in a job covered by social security. It is proper that there should be some such provision because we are really paying retirement benefits and not merely age annuities since it would be wasteful of the social security funds to pay them to full-time workers just because they happen to have passed a certain age. H. R. 7800 raises this limiting amount from $50 a month to $70 a month to reflect the recent rise in wages.

Third. The 1950 amendments provided that those who served in the Armed Forces in World War II should get wage credits of $160 per month so that they would not be discriminated against in comparison with those who stayed home and worked in covered employment. It is apparent that those who have served in the present emergency, which in reality began before the shooting started in Korea, should receive similar treatment. Accordingly, the bill provides for similar wage credits from the end of World War II through 1953. The cost of the benefits arising from these credits would properly be paid from the general Treasury.

Fourth. Under present law, a worker will have his benefit rights reduced or perhaps even destroyed if he becomes permanently and totally disabled. There seems no question that this unfairness should be rectified. Most life insurance policies contain waiver of premium provisions to take care of this risk. Accordingly, this bill provides for freezing the workers' rights during periods of permanent and total disability so that he stands in the same position upon becoming age 65 or dying before then as he was at the time he became so disabled.

Fifth. In considering the 1950 amendments we had a very knotty problem about covering State and local government employees under social security. Where no retirement system of their

own existed, there was unanimity that coverage should be permitted. However, where such employees had retirement systems of their own, there was a division of opinion. Accordingly, no provision was made in the law for covering these groups although the experience in private industry of combining social security and their own pension plans had been most favorable. Now, after the passage of time, the situation has clarified. There are certain groups of State and local government employees with their own retirement systems who wish coverage and the bill permits this. On the other hand, the groups that do not desire coverage, policemen, firemen, and grade and high school teachers, are still left out. It should be emphasized that where coverage of State and local employees who have their own retirement system is permitted, this is only done if two-thirds of them vote in favor of this in a written referendum and also, of course, if their employer so desires.

Sixth. The bill also makes certain technical changes which will simplify the administration of the system and will correct certain minor inequities which were inadvertently contained in the 1950 amendments.

By a committee amendment a change is made in the Railroad Retirement Act which I understand is acceptable to all parties involved.

This change would maintain the relationship between this system and social security as was established in the well-considered railroad retirement amendments made last year.

There will be no increased cost to the railroad retirement system because of this bill. At the same time there will be definite advantage to the railroad beneficiaries.

Seventh. This bill contains a much-needed correction of a technical defect in regard to earned income of blind recipients of public assistance.

It is my earnest conviction and hope that these much needed and noncontroversial improvements in the social security law should and will be made before the Congress adjourns. The changes included in the bill are another step in the direction of extending the coverage and improving the benefits of the insurance system so that we can keep public assistance costs down to a minimum.

I urge all Members to give this bill their full support.

Mr. REED of New York. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, this political bill, H. R. 7800, has been brought to the floor of the House without any hearings whatsoever. It is a very far-reaching bill. I want to make it perfectly clear at the start that as far as the minority side is concerned, we are not objecting to the so-called benefits in this bill. We know they are purely political. One of the things we object to, of course, is the fact that we have had no opportunity to be heard. We were called into executive session, and this bill was forced out over our earnest request that in all fairness we have a hearing on the bill. The other objection we have to the bill is the fact that it is opening the door to socialized medicine. I do not care who takes the floor and tries to sidestep that issue—it is here. So when you come to vote on this bill, you can just figure that if you vote for it under this suspension, which you cannot amend and where you have no opportunity to offer a motion to recommit, then you are voting for socialized medicine. It is a very clever device to mislead the House. They have baited the trap very well, with certain benefits, which, of course, I say we are not objecting to; we just do not like this type of socialized-medicine legislation, nor this way of bringing something in here at a time when the people who are opposed to the bill have no opportunity to wire in because there is a Western Union strike. The opponents only heard of it a few hours ago. They have tried to get their telegrams in. Many of you have had them delivered to you personally, and some have come in by special delivery letters. Many of them have to use the long-distance telephone, and still they cannot get their objections across as to socialized medicine.

The great issue presented by H. R. 7800 is whether we in the legislative branch of the Government are now to surrender our prerogatives and our duty under the Constitution to the Federal Security Agency, headed by Mr. Oscar Ewing. The question is just that simple.

The increase in benefits, the liberalization of the work clause, coverage of certain employees under State and local retirement systems, the correction in the law relating to aid to the blind under public assistance—of course all these are matters which deserve attention.

But, make no mistake about it, H. R. 7800 is not before us today because of these provisions. H. R. 7800 is here today at the request of the Federal Security Agency because it contains the first major cornerstone of socialized medicine in this country. We, the minority members of the Ways and Means Committee, unanimously voted to have at least 3 days of public hearings on H. R. 7800, but no public hearings were permitted and the reason, I think, is clear. Had public hearings been held, the political icing of H. R. 7800 would have been removed and the true character and purpose of H. R. 7800 would have been exposed. To avoid this exposure this major piece of legislation is brought here today on the ground that it is noncontroversial.

But there is no such thing as noncontroversial social-security legislation, and particularly H. R. 7800. As but one example of the flood of protests from an aroused country over the "sneak attack" of Oscar Ewing by this bill, I shall later insert a telegram.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Indiana.

Mr. HALLECK. I think it ought to be pointed out that if this motion to suspend the rules is defeated today, it is a perfectly simple and easy matter for the Ways and Means Committee to get a rule and bring the matter before the House to the end that we could pass on this very important part of the bill that has raised so much controversy, and the House of Representatives could work its will. For the life of me I cannot see why the decision was not made to present this matter in that way. I venture to predict that if this fails today there will be a rule, because there are good things in this bill that should be enacted into law, and that is the proper way to do it.

Mr. REED of New York. I agree with the gentleman.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Illinois.

Mr. YATES. Will the gentleman tell the House in what way this bill provides for socialized medicine?

Mr. REED of New York. Yes. I will cover that in a very few minutes. I will just go into that right now.

Here is some of the language in H. R. 7800 which gives sweeping powers to the Social Security Administrator. On page 13 beginning at line 5, the bill reads as follows:

> An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required by regulations of the Administrator.

On page 14 beginning at line 20, the bill reads as follows:

> (4) A period of disability may be terminated by the Administrator because of the individual's failure to comply with regulations governing examinations or reexaminations, or because of the individual's refusal without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act (29 U. S. C., ch. 4) after having been requested to do so by the Administrator.

On page 15 beginning at line 23, the bill reads as follows:

> EXAMINATION OF DISABLED INDIVIDUALS
>
> SEC. 220. The Administrator shall provide for such examination of individuals as he determines to be necessary to carry out the provisions of this title relating to disability and periods of disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government if readily available. Examinations authorized by the Administrator may also be performed by private physicians, or by public or private agencies or institutions, designated by the Administrator for the performance of such examinations; and the cost of such examinations shall be paid for by the Administrator, in accordance with agreements made by him, either directly or through appropriate Federal or State agencies. In the case of any individual undergoing such an examination, he may be paid his necessary travel expenses (including subsistence expenses incidental thereto) or allowances in lieu thereof. Payments authorized by this section may be made in advance of or as reimbursement for the performance or services or the incurring of obligations or expenses, and may be made prior to any action thereon by the General Accounting Office.

How many doctors on the Federal payroll?

What is the additional cost?

No information was given the committee on even these major questions.

Before launching into the new field of socialized medicine without public hearings, without adequate information, our attention should be directed to correcting the inequities under the present system.

The question of voluntary coverage of groups now excluded; the question of refunds for persons who never get any benefits; and the over-all problem of the soundness and solvency of the whole financing of this system—these are matters to which the attention of the Congress should be directed. Even with the increase provided for in this bill the benefit payments will in many cases be too low; many deserving persons will receive no benefits, and all the inequities, discriminations, and illogical results of the present system will be compounded.

We of the Republican minority tried in executive session to correct some of the most obvious inequities, but H. R. 7800 was a take-it-or-leave-it proposition.

Increased benefit payments, liberalization of the work clause, and other provisions should be brought up for consideration, and the provisions of H. R. 7800 instituting socialized medicine should be stricken from this bill.

SUMMARY

First. The issue: The issue is whether the Congress or Oscar Ewing is to write legislation.

Second. The reason for H. R. 7800: The real reason for H. R. 7800 is not the benefit increases, and so forth—the real reason for H. R. 7800 is that it lays the cornerstone for socialized medicine in this country under the politically attractive doctrine of more for nothing.

Third. I read the telegram as an indication of the flood of protests which is coming in all over the country in opposition to this sneak attack against the doctors of the country:

WASHINGTON, D. C., *May 17, 1952.*

Hon. DANIEL A. REED,
House of Representatives,
Washington, D. C.:

Report on bill H. R. 7800.

American Medical Association objects to disability provision for following reasons:

1. It does not belong in insurance bill.

2. It gives Federal Security Administrator Oscar Ewing unusual powers in medical field, namely, (1) to promulgate rules and regulations on national basis for governing medical examinations; (2) to select and approve examiners of applicant; (3) to remunerate for examinations; (4) to refund expense of applicant going to and from examination; and most powerful of all, (5) to deny application if applicant refuses to take indicated rehabilitation under Vocational Rehabilitation Act.

This is socialized medicine and pages 12 to 16 should be stricken from the bill in the interest of the public good. As written it gives Federal Security Administrator absolute control over certain medical activities.

JOSEPH S. LAWRENCE,
Director, Washington Office, American Medical Association.

Fourth. I would read the language which is on pages 3 and 4 of this memorandum. This language shows that the whole bill is nothing but a turning over to Oscar Ewing and his crowd of vast powers in the medical field.

Fifth. Action which should be taken: The socialized medicine provisions should be stricken, or at least hearings and an honest approach to the problem should be had. The other provisions in the bill and additional provisions to correct other inequities should be put in a separate bill.

Sixth. The Republican members of the committee tried to liberalize the work clause and make other improvements.

Mr. SIMPSON of Pennsylvania. In the gentleman's opinion is this bill a direct invitation, and further than that the conferring of authority upon Mr. Ewing, to extoll federalized medicine as a practical approach to that problem in our country?

Mr. REED of New York. There is absolutely no question about that, none at all.

Mr. SIMPSON of Pennsylvania. It would be a beginning, and it would be permanent.

Mr. REED of New York. Absolutely; it is the entering wedge.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. Briefly.

Mr. CANFIELD. In reference to the earnings permitted without deduction, $70 per month, is not that a very unrealistic figure?

Mr. REED of New York. It certainly is. I offered an amendment to increase it to at least $100; and, goodness knows, that is small enough, because under inflation what does it amount to? It amounts to only about $300 a year, that is all; and it is not enough; they cannot get along on it.

Mr. CANFIELD. Did the gentleman get any support for his amendment?

Mr. REED of New York. The Republicans voted, of course, for the increase.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. JUDD. It has been said here today that the opposition to this bill just came up in the last few hours. How could it have come up earlier? I see that the bill was not introduced until May 12, and it always takes time for bills to be discussed in committee, especially bills of the length and scope of this one. But it was reported out on May 16, only last Friday. How could the American people or even Members of Congress examine it, come to considered conclusions, and register their convictions except in the last few hours?

Mr. REED of New York. I remind the gentleman, too, that there has been a Western Union strike tying up telegraph wires, and people are just beginning to learn about the bill. They are trying their best to register their opposition to this bill from all over the country.

Mr. JUDD. What possible damage could come from failure to pass this bill today? What harm could it do if we should vote down this motion to suspend and send the bill back to the gentleman's committee or to the Committee on Rules and then have it come before the House in the orderly regular way? Is that going to hurt a single person affected by the bill?

Mr. REED of New York. Not at all; that is the orderly way to do it.

Mr. JUDD. Certainly.

Mr. REED of New York. That is what we have the Rules Committee for. They can get a rule which will bring it out here under conditions to give every Member a chance to be heard on it and also which will permit a motion to recommit which cannot possibly be done under a suspension of the rules. We are beginning to receive long-distance telephone calls stating opposition to the bill. The people do not want to have this socialized medicine forced upon them. They know that in England now the people who sponsored socialized medicine in that country are backing away from it, for it is ruining the country. Our people do not want to open the door to socialized medicine here.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. BUSBEY. Mr. Speaker, there is a right way and a wrong way to bring legislation before the House of Representatives. Regardless of the opinion of others and what has been said here today, I think it is absolutely impossible for anyone to justify bringing H. R. 7800 before the House of Representatives under suspension of the rules.

This bill deals with very far-reaching, important, and permanent legislation. Should it become law it would be on the books in perpetuity unless Congress should repeal it. As everyone knows, that is a very difficult thing to do, once a law has been enacted.

There are many fine provisions in H. R. 7800 which are commendable and should receive favorable action by the Congress. On the other hand, there are provisions in the bill that would receive vigorous opposition. The only fair thing would be for the Ways and Means Committee to schedule hearings in order that the provisions could be properly considered before asking the Members of the House to take action.

I happen to know that it was the Republican members of the Ways and Means Committee who requested 3 or 4 days be set aside to receive testimony on this bill and then consider it as most other bills are considered. But the vote against this request was strictly a party vote, and the bill was railroaded through the committee by the majority members.

The conditions under which the House is now considering this legislation makes it necessary for us to take the whole thing as is—bad with the good—or none at all. I never have and never will be a party to accepting bad features of a bill in order to obtain the good features without the bill being properly considered for amendments in order to perfect it before final passage.

I particularly want to call your attention to section 4, which permits those receiving social security at the present time to earn $70 instead of $50 without being deprived of social-security benefits. In my opinion, with conditions as they are today, anyone on social security should be permitted to earn a minimum of $100 per month without being de-

prived of social-security benefits. I understand the Republican members of the Ways and Means Committee attempted to get this provision raised from $70 to $100, but their efforts were defeated by the Democratic members on the majority side of the committee.

Mr. Speaker, Mr. Harry Allenbrand, a trustee of the park employees benefit and annuity fund of the Chicago Park District, called over long-distance telephone today and stated that they had a meeting this morning of trustees representing pensions fund of 60,000 municipal employees, including teachers of the board of education, county and park employees, as well as certain employees of other offices, such as the courts, bailiff's office, and the Chicago public libraries. He stated they knew nothing about the bill until this morning and were opposed to section 6, on page 25, as presently drawn. They would like to have a representative appear before the committee and be heard on this section, as they believe the wording of this section is entirely too loose with respect to existing retirement funds. This is in substantiation of the fact that many organizations throughout the country would like to be heard on various provisions of this bill, and the House of Representatives should refuse to vote in favor of H. R. 7800 until hearings are held by the Ways and Means Committee and the bill is presented in accordance with the regular rules of the House.

Mr. REED of New York. It is true that organizations all over this country are protesting. I do not think that this bait that is put into this beautiful flower garden is going to keep you out of a trap.

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. REED of New York. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. KEAN].

The SPEAKER pro tempore. The gentleman from New Jersey is recognized for 12 minutes.

Mr. KEAN. Mr. Speaker, I am for this bill.

I am particularly pleased that the committee has seen fit to include a provision of the bill which I introduced last April which is designed to eliminate loss of the old-age and survivors insurance protection already earned by persons who become permanently and totally disabled.

If a worker who has for many years had his pay check reduced by his contribution towards his future retirement under the Old-Age and Survivors Insurance Act finds himself totally and permanently disabled while still of working age, the ultimate benefits which he will receive upon reaching retirement age of 65 may be sharply cut.

The reason for this inequity is that social-security benefits are based on the average wage received in covered employment from the time he reaches maturity until he retires at 65 or over.

Under the present law, suppose a worker aged 35 in 1951 becomes permanently and totally disabled after having worked 10 years in covered employment at a yearly average wage of $2,400. By the time he reaches retirement age—65—his total wages spread over a period of 30 years—20 of them without any earnings—will yield an average of $800 rather than $2,400 per year, and his primary old-age insurance benefit would drop from $65 to $33 a month.

This is manifestly unfair and this bill, among its other provisions, would provide that the equity the worker built up before becoming disabled should be protected by freezing his wage record.

This proposal would make $2,400 his average income so that he will receive a $65 benefit when he reaches the retirement age, instead of $33 which he would receive under the present law.

This provision corresponds to the "waiver of premium" provision used by 119 private life insurance companies, most of them for more than a third of a century. As in private insurance, totally disabled persons insured under old-age and survivors insurance would keep their insurance in force, undiminished, without having to make any further contributions. Once it was established that the disability of the insured was of a permanent total character, his wage record would be frozen for the period of his disability. When the worker died or retired, his benefit would be computed on the basis of his average earnings for the years he was not disabled.

In order to receive these benefits a man must have been in covered employment for 5 years and one-half the time during the 3 years before he becomes permanently and totally disabled.

The definition in the bill of permanent and total disability is inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent; or blindness.

Many of you have today received a telegram from Dr. Lawrence of the American Medical Association objecting to this provision in the bill. I talked to Dr. Lawrence this morning. I gathered from my conversation with him that he is not unsympathetic with the objectives of this section and realizes the inequities which we are trying to correct.

He does not, however, like to have representatives of the Federal Government check on examinations made by private physicians. In fact, he suggested that we should accept the private physician's certificate that a man is permanently and totally disabled. But the Federal Government cannot do this. They do not do it for veterans' benefits. Someone has to check the opinion of an individual's local doctor that he is permanently and totally disabled. Experience has shown that we cannot rely solely on the certification of a man's personal physician. Doctors are human. They naturally have undue sympathy for their own patients and, unfortunately, not every doctor is completely honest, and if there was no check by representatives of the Federal Government fraud would be possible.

I have a feeling that Dr. Lawrence's first four objections are not based on reality but on lack of confidence and suspicion of the objectives of Oscar Ewing, with which suspicions I am fully in accord.

However, I do not see any merit in the objections to these sections made by Dr. Lawrence.

The strongest objection made by the Medical Association was to a very minor provision of the bill, section 216 (i) (4), which provides that a period of disability may be terminated because of an individual's refusal without good cause to accept rehabilitation services available under a State plan after having been requested to do so by the administrator.

The objection to this provision is that the Medical Association does not feel that a man should be forced to be rehabilitated if he does not wish to.

Of course this provision does not provide that he must be rehabilitated but that if he does not see fit "without good cause" to accept the desire of his State to rehabilitate him he shall lose the benefits of this section.

There may be some merit to what the Association says with reference to this paragraph, though it does seem that an individual should not be receiving benefits if he is not willing to try to help himself. However, if this minor portion of the bill is wrong it can be corrected in the Senate. These details could easily have been ironed out in the House if we had had the 3-day hearings which were requested by the Republican minority. However, the Democratic majority by a unanimous vote refused the request of the minority again ducking our responsibility of writing a bill which would be without fault as to detail and passing the buck to the Senate to see that the wording and details of the bill were in the best posisble form.

If there was any socialized medicine in this provision, I would certainly be against it for I am unalterably opposed to socialized medicine but where, just as in the case of the Veterans' Administration, there are benefits to be provided by the Federal Government the integrity of the trust fund must be preserved, and the Government must be protected from possible abuse and fraud in order to see that only those who are fairly and honestly entitled to these benefits receive them.

I want to read a statement made by Mr. Albert Linton, president, Provident Mutual Life Insurance Co., Philadelphia, on this very question. He says:

> If a man were totally disabled, and it could be certified by the proper authorities that he were so, then I think the Federal Government might very properly continue his credits to old-age and survivors' insurance during the period of his disability. And that would be a very fair thing to do so that he wouldn't lose his rights.

Mr. Albert Linton is evidently in favor of this legislation.

I also want to read from the testimony of Judd C. Benson, chairman, committee on Federal law and legislation, National Association of Life Underwriters, New York City:

> Total disability obviously would affect a worker's earning record under the old-age and survivors' insurance system. It should therefore be provided that the State authorities would certify to the Social Security Administration each quarter during which an individual was totally disabled and receiving benefits or rehabilitation under the State

system. Then in computing the average wage for old-age and survivors' insurance purposes, the numerator of the fraction would contain no wages for the quarters of total disability and the same quarters would be eliminated from the denominator.

Again, Mr. Benson evidently agrees with that provision in this bill.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Minnesota.

Mr. JUDD. I know that everybody in this House has the greatest respect for the gentleman from New Jersey, but I repeat the question I asked earlier: What possible damage can be done by voting down this motion to suspend, get a rule, bring the bill here, let the gentleman then present his case and the merits thereof, and we have a chance to consider it fully?

Mr. KEAN. If I could guarantee that the majority will do that and will give everybody the opportunity to vote again on this bill, I would say you are right, but I cannot guarantee what the majority will do, and if we vote against it some people trying to attack us, might say that we have voted against all the many good provisions which are in this bill.

Mr. JUDD. But why should we compromise ourselves by voting for something which we have not had a chance to examine and which puts a lot of power into the hands of individuals whom you yourself say you do not fully trust, when there is another way to handle it? I cannot believe the Democratic leadership of this House is going to take responsibility for preventing consideration in the proper way of a bill that carries benefits for the aged, the blind and the disabled and those retired persons who obviously need the right to earn larger amounts of money themselves before they are cut off from their social security payments. Most of the bill's provisions are so good that they ought not to be combined with this other proposal which is new to some of us and when there is another way to deal with it.

Mr. KEAN. Of course I think this is the best part of the bill. Some Members have suggested that there is a dire plot by someone to sneak this provision into the law.

If anybody made up this "dire" thing, it was the gentleman from New Jersey, who is speaking because this is his provision.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Illinois.

Mr. YATES. How does this provision, of which the gentleman is the author, differ from the provision that now exists with respect to examinations by the Veterans' Administration of veterans? Is not the same provision made for examinations by the Veterans' Administration and by private doctors and by State institutions for veterans?

Mr. KEAN. Certainly, it is exactly the same.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman is to be highly complimented on this provision, but may I say that this is not the fulcrum of the bill, the fulcrum is the increase in payments.

Mr. REED of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, at the outset may I say that the examination which is proposed to be given to these men will not be anything like that which the Veterans' Bureau gives. The Veterans' Bureau is a bureau. This says an Administrator. The Administrator shall provide for such an examination. Who is the Administrator? Oscar Ewing. Do not be deceived. If you compare him to the Veterans' Bureau, then I pity the Veterans' Bureau.

My good friend the gentleman from North Carolina [Mr. DOUGHTON], for whom we all have the greatest respect, admitted that we had no hearings. He sort of chastised us a little. He said we should have demanded hearings. We did demand hearings at the first opportunity. We demanded 4 days of hearings, and we had a vote on it, and the vote was 10 to 15. The vote turned exactly on political lines, and we were denied public hearings.

I think that the most far-reaching piece of legislation ever passed by Congress since we have been a Government, is the social-security structure. We passed that legislation in 1935, and we have built on to it gradually. Today we are going to pass, if we do pass this, a very important additional provision. You may say what you please, but it does carry with it not only social security, but it does carry with it what we know is going to be socialized medicine.

Let none of you be fooled on this idea that this will do anything for old-age pensioners. This is not going to give old-age pensioners a nickel. It is not going to give the blind people a nickel. It is not going to give the dependent widows and dependent children one penny. If you are afraid to vote against this legislation because of politics, how are you going to explain this $5 that you are going to give to a man who is already drawing social security, who already has protection, when we will not be giving the old-age pensioners or the blind one single penny?

Let me talk about this $5 increase. We passed very extensive amendments to the tax laws in 1950 to go into effect in 1951, and some of the provisions of that bill are not in effect yet and will not be in effect until July. Now we come along and say we will need another addition to that recently passed legislation. We do not need another addition to that law so soon unless there is urgent demand for it. They say we are going to give them $5 more. I am in favor of that, but where is the money coming from? They are going to say, "It is because people make more earnings now, their earnings are greater, the base upon which the taxes are figured is greater. That is true. But we anticipated all of that in the bill that we passed in 1950."

Yes; I repeat that we anticipated all that they now claim as justification for what they are trying to do here today. So just as our good friend, the gentleman from Minnesota [Mr. JUDD] says, what harm could there be in letting this matter go over for a few days and until we can have public hearings so as to get the facts. Here is your only chance to assert yourselves and get for yourself the right as a Member of the Congress to vote for or against this legislation. If we have one-third of the votes against it, then it will go back and the committee will take it up again, or the Committee on Rules can take it up. This is too important a matter, and I tell you, you ought not to take the political bait of $5, which is a pretty cheap sell-out—it is a pretty cheap sell-out when you are confronted by these poor, aged people who really need the help, and do not get a penny out of this legislation. I do not think you are going to do that.

Mr. Speaker, I think without boasting I ought to be as well posted on what to expect from those who administer the social-security law as anyone.

There are many Members of this House who will remember that several years ago the officials who are supposed to be administering the social-security laws had a serious quarrel with Martin L. Davey, who was then the Governor of Ohio and who was a Democrat. Without any justification whatsoever, Mr. Altmeyer, who was then and is now the guiding genius of much of what goes on down at the Social Security Administration, decided that he would punish Governor Davey by withholding $1,338,000, which was a payment that was then already due from the Federal Government to the State of Ohio and which was to be used to pay the Federal Government's part of the money going to deserving old-age pensioners who were entitled to it. Mr. Franklin D. Roosevelt was then the President of the United States. In spite of every effort that we made to secure this money for the old-age pensioners in Ohio, Mr. Altmeyer steadfastly and spitefully refused to do what he in honor should have done.

I introduced a bill in Congress providing that the Social Security Administration should be compelled to pay to the State of Ohio the sum of $1,338,000. This bill in its natural course was sent to the Judiciary Committee of the House of Representatives. That committee approved the bill unanimously. The committee at that time, as now, consisted of a large majority of Democrats. When the bill came up for consideration in the House it was passed by a tremendous vote. The bill went to the Senate and the Senate passed it by a tremendous vote. The fine hand of Mr. Altmeyer and his cohorts could be easily seen in the machinations that were carried on with President Roosevelt. As a result of these machinations, Mr. Roosevelt who, as I understand, had promised some of the Senators that he was in favor of this legislation—vetoed the bill. At that time the Democrats were greatly in the majority in the House but in spite of that fact, when we sought

to override the President's veto, we only failed to do so by a very few votes.

My very able and distinguished colleague from Ohio, Hon. WILLIAM M. MCCULLOCH, who has for years been a very able member of the Judiciary Committee of the House, submitted to me today a written inquiry which applies strictly to the bill under consideration. This is his inquiry:

Isn't it a fact that a former Social Security Administrator under general powers, much like those conferred in the bill, penalized the State of Ohio well over a million dollars because a Democratic Governor refused to abide by the Administrator's rules and regulations?

In reply to this inquiry I will say that there is no question but that the same influence that was exercised in reference to the withholding of the large sum of money that was really due Ohio is the same influence that will, unless restrained, dominate and control the every activity of the Social Security Board and will if this bill under consideration today becomes a law, take the first big step in the direction of socialized medicine. I am confident that the Members of this House understand our protest against this legislation and that this legislation will not prevail. We must prevent Oscar Ewing and his cohorts from projecting the whole country into socialized medicine.

Mr. REED of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H. R. 7800, now before the House for consideration, is a very important piece of legislation. It is so very important that it should not have been brought before the House for consideration under a method requiring a two-thirds favorable vote for passage. Above all, it should not have been brought before the House for consideration without careful study by the House Ways and Means Committee and at least several days for hearings, when interested individuals could have, either personally or through written statements, expressed their wishes regarding the liberalization of our social security laws. Unfortunately, the majority of the House Ways and Means Committee summarily disregarded the request of the Republican minority for 3 days of hearings on this important legislation: thus denying to members of the committee and every Member of the House the right to make his recommendations. Further, the bill now before you was undoubtedly written in every detail by Mr. Ewing and his assistant, Mr. Cohen, of the Federal Security Agency, and is a political bill. Probably no Member of the House objects to the increase of the primary awards on retirement, about $5 a month, and Mr. Ewing seeks to use this bait to stampede through the House this legislation which also includes what appears to be Mr. Ewing's pet desire in life, namely, to socialize the practice of medicine in the United States.

Our citizens, in all walks of life, have repeatedly stated that they do not want socialized medicine here, which to them means they do not want any Federal agency telling them who their doctor shall be.

More than 60,000,000 of our workers are under social security. This bill would permit Mr. Ewing to set up a Federal bureau which could authorize by name, and otherwise limit, the doctors who would pass upon the physical condition of those who hope to retire under social security laws. This must not be allowed and the House should emphatically reject H. R. 7800 when we vote in a few minutes on suspension of rules.

All ten members of the Republican minority of Ways and Means Committee supported an amendment offered by Mr. REED in committee which would permit a retired beneficiary to receive his social security check even though he was earning as much as $100 monthly in private employment. At the present time the average social security payment is but $42 monthly, and if a worker earns $50 he is not allowed to receive the monthly award even though he bought and paid for it by payroll deductions during his working years. Surely Mr. REED's amendment should have been adopted, for inflation has so devalued our money that even $100 in addition to the average award of $42 is insufficient to properly maintain the worker's living standard after retirement.

The House should refuse to pass this bill by suspending the rules. Thereafter, the Chairman should request his committee to hold several days' of hearings, after which the bill can be amended to strike out that part which would lead to the socialization of the practice of medicine. The committee should insert in the bill Mr. REED's motion that a worker may earn $100 monthly after retirement, and receive his social security check. If the committee will do this, then the bill as amended, including the increase in monthly benefits, should pass the House readily. If we pass the bill in its present form we are running into certain long delay in the other body; just as certainly as we are inviting its defeat there if we retain the section on social medicine.

Mr. HALLECK. Reference was made a moment ago to the responsibility of the majority party for bringing this back, if it is not passed today under suspension of rules. I just want to say that no majority party can say that they would not bring a bill back under a rule because it could be passed in part by a majority vote, when that is the function of a legislative body.

Mr. SIMPSON of Pennsylvania. They could bring it back in 10 minutes, if they wanted to.

Mr. REED of New York. Mr. Speaker, I yield the balance of my time to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS of Nebraska. Mr. Speaker, we have before us H. R. 7800, a bill amending the social-security law. This is a technical bill of some 34 pages. It should not be considered by the House without ample debate and it should never have been reported from the committee without hearings. I do not feel that we have fulfilled our legislative responsibility in proceeding in the manner that we have in reference to this measure.

There are several items in the bill which are meritorious. I refer particularly to those sections of the bill in which our State colleges and universities are interested. I favor their proposal.

There are other items that may have merit but in the absence of hearings we are unable to determine the full effect of the language incorporated in this measure. The committee could have done a much better job if it had had the benefit of the citizens who are affected by and are interested in the propositions covered. This was not done. This measure has not received the careful scrutiny that it would have received had hearings been held.

It is my belief that our social-security system is not actuarily sound and the subject of old-age benefits needs a total revamping. I cannot permit my action on this bill to be interpreted as an approval of our general social-security program.

The aged, the workers, and the taxpayers generally are told that OASI is an insurance program. That contention becomes not only false, but ridiculous in light of the fact that the benefits are raised every 2 years just before election. I think some of these older people ought to have a raise of benefits. I am not opposing the raise as such. I am opposing the sham and the fraud of the administration in contending that this program is an insurance program that is actuarily sound.

There are many injustices now done to our older people. Some people are getting benefits that do not need them and have never paid any substantial amount for them. Other worthy people are in distress and are denied benefits. I cannot condone the continuation of such a program. I think Congress should reexamine all of the Federal programs for the aged.

This measure provides among other things that if an insured person becomes totally disabled that that period they are disabled will not count against them. If we are going to operate under the existing social-security scheme such a general principle for the disabled has merit. It is a humane thing to do and perhaps ought to be done. Such a step should not be taken, however, without careful hearings. Just how far this bill goes in granting to the Federal Security Administrator the authority to set up standards, write rules, and determine when a person is disabled no one knows. We do know that this bill will be an entering wedge and that it does give Mr. Ewing and his crowd more power. Such a proposal should never be reported to the Congress without careful hearings and an opportunity given for everyone who is qualified to make a contribution to be heard by the committee.

Mr. Speaker, time will not permit me to call attention to some other items that likewise ought to be checked into and given careful attention.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. DOUGHTON] is recognized for 4 minutes to close debate.

Mr. DOUGHTON. Mr. Speaker, I yield the balance of my time to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Member may have five legislative days within which to extend their remarks on the pending bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield for a question before he starts?

Mr. COOPER. I yield briefly.

Mr. ROGERS of Florida. There is a limitation in this bill on the amount of money that a man who is self-employed can earn, $70 a month. Is that not true?

Mr. COOPER. That is correct. It applies to retired people under the program.

Mr. ROGERS of Florida. And also, the man who gets $70, even if he is not self-employed, is contained in this bill?

Mr. COOPER. That is what is commonly referred to as the work-clause provision.

Mr. ROGERS of Florida. Yes.

Mr. COOPER. That is increased from the present $50 a month to $70 a month. Up to 2 years ago it was $15 a month. We increased it from $15 to $50 2 years ago. Now we are increasing it from $50 to $70 a month.

There are two schools of thought. One school takes the position there should not be any limitation at all. The other school of thought takes the position that it is a retirement system, and persons receiving these benefits should have some limitation. Otherwise, there would be no encouragement for people to retire. They would draw their social-security benefits and continue to work, when other people might be unemployed, seeking employment in that very position.

I cannot yield further now.

Mr. Speaker, the pending bill, H. R. 7800, provides seven urgently needed changes in old-age and survivors insurance. There are many bills pending before the Ways and Means Committee seeking to amend the Social Security Act. Your committee went through those various bills and selected these seven provisions as being the most important and urgent items which should receive immediate attention and should be brought in here and passed now so they may become law during this session of Congress. There are many other desirable provisions that could be considered, but these are the seven most urgent and desirable provisions that the committee felt should be considered and passed now to provide these needed benefits for those people who are entitled to them.

With respect to the provision about which so much controversy has developed, it was taken entirely from a bill introduced by the distinguished gentleman from New Jersey [Mr. KEAN], not only one of the ablest and most distinguished Members of this body, but also recognized by everybody as a sound, conservative Member of the House of Representatives; this was taken entirely from his bill. He has covered the point that has been raised here at some length, and it should be sufficient to meet any question that might be in the mind of any Member about this particular provision.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. COOPER. Very briefly.

Mr. JUDD. On page 16 the bill states:

> Examinations authorized by the Administrator may also be performed by private physicians designated by the Administrator for the performance, and the cost will be paid by the Administrator directly.

Does not that give the Administrator control——

Mr. COOPER. I get the gentleman's point. I am as much opposed to socialized medicine as is the distinguished doctor from Minnesota; I have always taken a position against socialized medicine. The gentleman from New Jersey a moment ago stated that these provisions are identically the same as those now used by the Veterans' Administration in handling veterans' cases. The gentleman from Ohio talks about there being a Veterans' Bureau administering the provisions for veterans. Why, the law was definitely amended; there is an Administrator of Veterans' Affairs just as there is an Administrator of the Federal Security Agency; there is no distinction on that point at all. This bill should be passed now to provide these needed benefits for the people who are justly entitled to them.

As I have stated, the bill—H. R. 7800—provides for seven urgently needed changes in old-age and survivors' insurance:

First. Benefit increases.

Second. Liberalization of the retirement test.

Third. Insurance protection for servicemen for the emergency period.

Fourth. Preservation of the insurance rights for those permanently and totally disabled.

Fifth. Removal of barrier to coverage for certain persons under State and local retirement systems.

Sixth. Correction of defects in benefit computation provisions.

Seventh. Correction of defect in aid-to-the-blind provision.

All of these changes require immediate attention. They are within the scope of previous studies made by the Ways and Means Committee at the time of the 1950 amendments; they do not require prolonged consideration now. They do not in any way change any of the fundamental principles of the program. They do not require any amendment of the present contribution schedule, nor will they disturb the self-supporting basis of the system. Other changes in the program are undoubtedly desirable, but we selected these seven because of their urgency and because of the widespread agreement on their desirability.

First. With respect to the benefit increases, the rapid rise in wages and prices during the last few years make immediate benefit adjustments necessary.

These payments are now obviously rather low. The average for a retired worker is only $42 a month.

The bill provides that they should be raised $5 or 12½ percent, whichever is the larger. For those coming on the rolls in the future under the new formula, the benefit would be 55 percent of the first $100 of average monthly wage plus 15 percent of the next $200, rather than 50 percent of the first $100 of average monthly wage plus 15 percent of the next $200, as under present law.

The increases in benefits and other changes provided in this bill can be made without any tax increase whatsoever.

The schedule of contributions in existing law was based on a 1950 estimate, which showed the level-premium cost of the present program to be 6.05 percent. These estimates were based on the wage levels of 1947. Based on 1951 wage levels, which are some 20 percent higher, the level-premium cost of the program after the adoption of this bill would be about 5.8 percent.

Second. Liberalization of the retirement test which is commonly referred to as the work-clause provision: Rising wages have also made it necessary that we adjust the retirement test in the program. It is now $50 a month; it should be $70 a month as this bill provides.

Old-age and survivors insurance is not an annuity program and to avoid high costs we must keep the retirement test. Its removal would cost $1 billion or more in 1953 alone. However, beneficiaries should be allowed to supplement their benefits with a reasonable amount of part-time work even though they are retired. Under present wage levels $70 would allow them a reasonable amount of part-time work and yet would not cost very much. Although removing the test would cost about 1 percent of payrolls over the long run, raising it from $50 to $70 would cost only one-twentieth as much or 0.05 percent of payroll.

Third. Insurance protection for servicemen: The Korean conflict has made urgently necessary a third adjustment in the program. In the 1950 amendments to the Social Security Act, we provided that military or naval service during World War II would be credited as covered employment. Wage credits of $160 were given for each month of such service. No credit was provided for any month after the end of World War II. The millions of men and women who have served their country since World War II, especially those who have fought in Korea, have every moral right to credit for that service. They should have the same opportunity to build up old-age and survivors insurance rights as people in covered employment and those who served in World War II.

Fourth. Preservation of insurance rights for those permanently and totally disabled: The people covered by old-age and survivors insurance have come to place a high value on the advantages of social insurance benefits. Yet they know that if they become disabled, their retirement and survivors' protection will be reduced, and it may disappear altogether. The bill meets this problem by a provision like the disability waiver provision in private life insurance. Under it a person who stops contributing because he becomes permanently and totally disabled would keep the same status for retirement and survivorship purposes as he had when his disability began.

There can be no question of the need for and the feasibility of such protection. The waiver of premium in the event of disability is a part of the majority of life insurance policies. Long experience has demonstrated that such provisions can be administered without substantial difficulty.

Fifth. Removal of barrier to coverage of certain persons under State and local retirement systems: The 1950 amendments to the old-age and survivors insurance program bar the coverage of members of State and local retirement systems. The bill permits the coverage of such employees under strictly defined conditions. These include the condition that coverage of members of a retirement system cannot be obtained unless approved by a two-thirds majority in a special referendum.

Old-age and survivors insurance coverage would not be made available under the bill to positions in retirement systems occupied by policemen, firemen, and elementary and secondary school teachers. The members of these groups are not agreed on the desirability of having old-age and survivors insurance coverage made available to them, and prolonged consideration might be necessary in order to work out provisions to allow the coverage of these groups. We believe it would be undesirable to delay the other amendments for this purpose.

As a result of present law, State and local governments have had to choose between old-age and survivors insurance and their existing retirement plans. In general it has not been possible under present law to have old-age and survivors insurance together with a supplementary State or local retirement system. This combination of old-age and survivors insurance and a supplementary system is a very common pattern in private industry; perhaps as many as 14,000 retirement plans covering about 10 million employees have been established in private industry to supplement the basic protection of old-age and survivors insurance. Similarly, since the passage of the 1950 amendments, most employees of nonprofit organizations covered by retirement plans have had the advantage of combined protection under these plans and old-age and survivors insurance. There is no reason why State and local employees should not have the advantages enjoyed by employees in private industry and the nonprofit area. In a number of States the desire of both employees and employers for old-age and survivors insurance coverage has resulted in the liquidation of State and local retirement plans; in other States such action is under consideration.

We believe it is desirable to take action now so that employees of State and local governments can have both old-age and survivors insurance and supplementary retirement protection.

Sixth. Correction of defects in benefit computation provisions: The bill contains several technical and administrative amendments. The most important of these would correct inequities in the benefit computation provisions which have their greatest effect on benefits computed in 1952.

Seventh. Correction of defect in aid to the blind provision,

CONCLUSION

The Congress has a right to be proud of our old-age and survivors insurance program, to which we have given so much attention and which now plays so important a role in the lives of so many Americans. Through this program we are well on the way toward our goal of security for our people against the risks of death and old age. This bill, H. R. 7800, will help the old-age and survivors insurance program catch up with the changes in our economy, which have taken place since we amended the Social Security Act in 1950.

Not only are these needed improvements urgent but they are well within the policy laid down when we considered the 1950 amendments. I urge that we pass this bill without delay.

Mr. DINGELL. Mr. Speaker, I join with my colleagues in support of the Doughton bill, H. R. 7800. This bill makes much-needed improvements in the old-age and survivors-insurance program, and I am convinced that it should be enacted immediately.

I would urge, however, that we keep in mind that the provisions of the bill are intentionally confined to the most urgently needed changes in our present old-age and survivors-insurance system. Other improvements—more comprehensive improvements—are also necessary, and should be made in the near future.

Eight out of every ten working people now have the protection of old-age and survivors insurance. Why do we continue to exclude the other two? Practically all employed people should be given the opportunity to build retirement protection under the social-security program, and their families should be protected by the insurance which the program provided when the worker dies.

The insurance program is holding down assistance costs, but it cannot be really effective in rural areas until more farm people are included. Under the present law, farm workers must meet a special test before their wages can be counted toward old-age and survivors-insurance protection; unlike most other workers, they must be steadily employed by a single employer. Self-employed farmers are not covered at all. Probably no more than 10 percent of the people who earn their living by farming are covered by the program. If the Congress really wants to keep assistance costs down, it will have to bring more farm people under the insurance program, and I hope this will be done in the near future.

I am glad that under H. R. 7800 people who are unfortunate enough to become disabled will not also lose their old-age and survivors-insurance protection. It is inexcusable that the social insurance program has not heretofore allowed for the equivalent of a waiver of premium in cases of disability. In this respect H. R. 7800 will mean a significant move in the right direction. I believe that we can go even further toward meeting the disability problem; I believe that the insurance program should assist in rehabilitating disabled insured workers, and I believe that it should provide such workers with modest amounts of current income.

We should also recognize that many older people have their savings wiped out by the costs of hospitalization. The old-age and survivors insurance program should provide benefits to cover the costs of hospital care for limited periods for all aged workers insured under the program and their dependents. Most aged people do not belong to groups through which they can purchase insurance against hospital expenses. I believe that hospital costs for aged workers should be paid by the insurance program.

H. R. 7800 raises benefit amounts under the old-age and survivors insurance program. This, too, is a step in the right direction. We must continually adjust benefit levels as wages and living costs rise. Such changes in the insurance program are required to keep it abreast of the times. People who contribute their working lives to provide retirement benefits must find these benefits adequate when they actually retire. So long as the present benefit structure is retained, it will be necessary for the Congress to repeatedly review the benefit level and adjust it to keep it in line with living costs. I am glad that at last this fact has been recognized in the present legislation.

In the long run, though, I believe it will be desirable to incorporate in the benefit structure of the program certain provisions which will help to keep benefits more nearly in line with changing economic conditions. First of all, the wage base of the program must be raised above the present figure of $3,600. A worker's benefit should be based on his earnings in his best 10 years. An increment for length of service should be included in the benefit formula, so that people who contribute to the program for many years will receive a more adequate return for their contributions. All of these provisions will help to keep benefits in line with living costs.

I suggest these improvements in the social-security program to enable it to serve more adequately the purposes for which the Congress established it. It is important that we consider these suggested improvements soon. First, however, we should deal with those aspects of the insurance program which require the most immediate attention. Now is the time. H. R. 7800, wisely conceived and well designed, is the opportunity. I urge that it be adopted.

Mr. EBERHARTER. Mr. Speaker, the Social Security Act is the most important economic legislation ever passed by the Congress. It now affects nearly everyone. There are over 60,000,000 persons insured under this program today. More than three out of four mothers and children would receive monthly benefits in the event of the death of the family breadwinner. The survivors insurance protection alone has a face value of over $2,000,000,000. There are 4,500,000 retired aged persons, widows and orphans receiving the old-age and survivors insurance benefits every month. Nearly 8 out of every 10 jobs are covered under the program.

In spite of the widespread nature of the social-security program, there are some groups who have been neglected. Among the forgotten men and women of our social-security program are the blind and the other seriously disabled people. Under present law we not only deny benefits to them when they are no longer able to work because of disability, but the way the program is set up means that their protection for old-age and death benefits toward which they have paid may be lost or seriously reduced.

At the time the 1950 amendments were being developed, the Ways and Means Committee gave intensive study to the feasibility of benefits for insured persons who become permanently and totally disabled. I am convinced that a program of disability benefits, such as that passed by the House of Representatives in 1949, is highly desirable and could be successfully administered. At the same time I recognize that a program of cash benefits for insured persons who become permanently and totally disabled could not be enacted with the speed which is necessary for the other amendments to old-age and survivors insurance provided in this bill. Therefore, action must now be directed only toward protecting the disabled person against loss of the old-age and survivors insurance benefit rights toward which his contributions have been paid. This is what this bill does.

Another group who are without protection under the present social-security law, and who deserve the protection perhaps more than anyone now under the system, are the service men and women now fighting in Korea. In the 1950 amendments we gave wage credits to the servicemen of World War II. It is now absolutely necessary that we extend the same protection to those serving during this emergency period.

I am also strongly in favor of increasing the benefits as provided in this bill and of increasing the amount of the retirement test. It needs no argument to demonstrate that the average benefit of a retired worker—$42 a month—is too low. The amounts must be raised and, moreover, those beneficiaries who are too old to work should be allowed to increase their earnings to $70 without loss of benefits.

I am one of those who believes that the old-age and survivors insurance should be made universal and should cover just about all jobs. I am, therefore, heartily in favor of the provisions in this bill which extends the opportunity to come under the program to additional employees of State and local governments.

The social-security program is fast becoming one of the best in the world. It is important that we speed the day when it shall stand first. We are now engaged in a war of ideas with the dictatorship of Communist Russia. In the old-age and survivors-insurance program we are demonstrating that democratic capitalism can provide security and can do it in the American way. Under this program security is earned as wages are earned through work and through the individual contributions of the employees who are protected. This is part of the demonstration of our concern for the welfare of the individual. The old-age and survivors-insurance program must be extended and improved. This bill is an important step in that direction.

Mr. FORAND. Mr. Speaker, any program as closely tied to the economic life of the Nation as is the social-security program would soon become obsolete and unable to fulfill its function if it were not periodically examined and brought up to date. While H. R. 7800 by no means solves all of the problems and issues which still confront the program, the bill is a step in the right direction, and it does take care of most of the more urgent and immediate problems which must be faced.

The amendments which H. R. 7800 would make are largely confined to the Federal old-age and survivors insurance program. If the vitality injected into old-age and survivors insurance by the 1950 amendments is to be retained, the program must be reassessed at comparatively frequent intervals and necessary amendments made. The amendments proposed by H. R. 7800 would preserve the gains made by the 1950 amendments, and would keep the old-age and survivors insurance program a vital forward-looking program.

Two of the changes which would be made by the bill are made necessary by the upward trend in wages and prices. The increases in living costs which have taken place necessitate an increase in the amounts payable under the program. While the benefit increases provided by the 1950 amendments were substantial, they did not adequately reflect the increase in living costs which had taken place since 1939, when the benefit rates applying until 1950 were established. Thus, the increases provided for in the bill are to take account not only of the increased living costs since 1950, but also of the fact that the 1950 increases were themselves not entirely adequate.

The benefit increase provided by the bill is a modest increase which can be financed with no increase in the scheduled tax rate. Most beneficiaries on the rolls would receive benefit increases of $5 or 12½ percent, whichever is larger. While these increases are not large, they are necessary if the program is to continue to fulfill its role as the basic security program of the Nation, upon which workers and their families can build their plans for financial security.

Recent increases in wages also make it essential that the amount which a beneficiary may earn in covered employment and still receive his benefits be increased. Accordingly, the monthly amount of permitted earnings would be increased by the bill from $50 to $70. While I favor a $100 work clause, the increase provided in the bill would be an important step in the right direction.

In addition to increasing benefits and liberalizing the retirement test of the program, the bill would protect the benefit rights of individuals who are permanently and totally disabled, give wage credits to members of the Armed Forces for service since the close of World War II, and permit certain State and local government employees under retirement systems to secure old-age and survivors' insurance coverage.

Some of the most severe hardships which occur under the present program arise when the worker becomes disabled and is unable to work over an extended period of time. Although the need for providing benefits for workers who become peramently and totally disabled is great, the committee is not now recommending the enactment of such provisions because of the shortness of time to consider this important matter. There is one phase of the problem, though, which can and should be corrected without delay. Under the present benefit provisions of the program the benefit rights of a disabled worker are gradually dissipated and in time may disappear entirely. H. R. 7800 would freeze benefit rights under the program for periods during which the individual was permanently and totally disabled. Thus, while benefits would not be paid because of the worker's disability, the period of disability would not cause the worker to lose his survivorship and retirement protection under old-age and survivors insurance.

The need for the provisions giving wage credits for military service seems clear indeed. The wage credits provided under the 1950 legislation for World War II military service were given only until July 24, 1947. The needs of the survivors of the thousands of American soldiers who have lost their lives in the Korean conflict are just as great as were the needs of the survivors of World War II servicemen. H. R. 7800 would simply extend the period for which wage credits are given from the close of World War II until the end of 1953. The social-security provisions concerning the Armed Forces should of course be reexamined by the Congress before that date.

The amendment to the bill concerning the coverage of State and local government employees is another modification in the program which takes account of current developments and attitudes, thus helping to keep the program up to date. At present all State and local government employees who are under a retirement system are excluded from coverage under the Federal-State coverage agreements. There has been considerable demand for coverage from some of the groups compulsorily excluded, and in some cases retirement systems have been abandoned so that the employees could be covered under the Federal program. I believe that the provision in the bill will be noncontroversial, as the compulsory exclusion for members of retirement systems is retained for policemen, firemen, and elementary and secondary school teachers. The bill would permit other groups covered under retirement systems to secure old-age and survivors insurance coverage if coverage is desired.

The bill also makes several technical changes which will simplify the administration of the program and correct certain inequities which have arisen under the 1950 amendments.

The changes proposed by this bill have received the careful consideration of the Ways and Means Committee. Your

committee feels that these changes are necessary to preserve the advances made by the 1950 legislation and to maintain the health and vitality of the program. While the scope of the amendments is very limited as compared with the sweeping advances made in 1950, the amendments are nevertheless of great importance to those persons affected. Your committee feels that there can be no question as to the soundness and desirability of each of these proposed changes in the Social Security Act. We believe that each change which would be made is noncontroversial in nature and has the support and approval of the groups concerned.

While the enactment of these amendments would represent a safe, thoroughly charted and well-explored course, there would be real danger in the failure to enact this legislation. If vigilance is not exercised in keeping old-age and survivors insurance an up-to-date and progressive program, the way will be open for legislative measures less sound and carefully thought out. I urge the Members of the House to support this very desirable piece of legislation.

Mr. BUTLER. Mr. Speaker, we are considering today H. R. 7800, to increase old-age and survivors insurance benefits under social security by no more than 12½ percent or $5 per month, whichever is the larger. I want to commend the members of the committee that favorably reported this measure to the floor for their interest in the participants of this fund, but am sure they are aware that in view of the unprecedented high prices of our times the monthly old-age and survivors insurance benefits paid by social security are grossly inadequate and $5 a month is not going to be of any real assistance.

We all know the people receiving these benefits are going to be grateful for the increase, but I say we should handle the problem of our elder citizens in a forthright manner. We have been and are continuing to spend billions upon billions on foreign countries while our people in the sunset of life are in need, many of them in dire need.

We should go into this problem thoroughly and provide an adequate pension for our senior citizens. I recommend to the Members of this body their serious consideration of legislation for a real old-age pension of $100 per month as provided in my bill, H. R. 6461.

Mr. GRAHAM. Mr. Speaker, under leave to extend my remarks, I include the following telegram:

PITTSBURGH, PA., *May 17, 1952.*

Hon. LOUIS E. GRAHAM,
House Office Building,
Washington, D. C.:

H. R. 7800, section 3, provides that the Security Administrator shall determine permanent and total disability in the classification included under old-age and survivors insurance of the Social Security Act. He shall also assign the physician to examine the case set and pay the fees. Please do what you can to have this provision stricken from H. R. 7800.

C. L. PALMER,
Committee on Public Health Legislation, Medical Society of the State of Pennsylvania.

Mr. WOLVERTON. Mr. Speaker, the bill now before the House, H. R. 7800, provides for certain changes in the old-age and survivors insurance program. The bill, as presented, has many commendable features, particularly benefit increases; liberalization of the retirement test; wage credits for military service during emergency period; preservation of insurance rights for those permanently and totally disabled; removal of bar to coverage for certain persons under State and local retirement systems; and, correction of defects in benefit computation provisions.

I am in accord with the view of the Committee on Ways and Means that has reported this bill, that these changes require and should have the consideration of the Congress. I am of the opinion, however, that this bill is not as adequate as it should be in meeting the changes that are necessary.

Unfortunately, the bill comes before us on a motion to suspend the rules. This precludes any amendments being offered or considered. Under these circumstances the bill must be taken or defeated in the form presented by the committee. I am of the opinion that a better bill could have been presented, and, that we would have had a much better bill to vote upon had the House been permitted to work its will and provide more adequate help to the parties who come within its provisions. But, as such amendments cannot be offered or voted upon, under the procedure adopted, it is necessary to vote either for or against the bill as reported. Under these circumstances I shall vote for the bill although I regret that the membership has been denied the privilege of improving it as would have been possible had the bill been brought up under the regular rules of the House.

It is not my intention to speak upon all the features of the legislation. That has already been done by some members of the committee. However, there are some features that I do wish to particularly emphasize as being very worth while and that will prove most helpful.

INCREASED BENEFITS

First, as to increasing benefits: The rapid rise in the cost of living during the last few years makes immediate benefit increases imperative. While wages and money income have gone up for many groups since the outbreak of hostilities in Korea, yet the benefit rates of over 4,500,000 persons now on the old age and survivors insurance rolls were determined prior to the beginning of the present emergency period. As a consequence, retired aged persons and widows and orphans are finding it very difficult to meet their cost of living. Four and one-half million persons—nearly 3,500,000 of them of age 65 or over—receive monthly payments from this program. For most of them these monthly payments are their chief source of dependable income, and often their only source. Today the average old age insurance benefits for a retired worker is about $42 per month. For an aged couple, the average is $70; for an aged widow it is $36. These incomes must of necessity be used almost entirely to procure the bare essentials of existence. They are grossly inadequate. The welfare of these old folks demands relief. Failure to do so in my opinion is not only unjust but inhuman.

The increase provided in this bill is far too inadequate. It provides, generally speaking, a monthly increase of $5 or 12½ percent, whichever is greater, but, there are certain conditions where this increase would not equal even this small amount. This is sufficient to justify my criticism that the bill should have been brought up under the usual rules of the House by which procedure amendments to increase the monthly payments could have been offered and adopted. Furthermore, there is even a chance the bill may not even pass the House in its present form as it requires a two-third vote. This would be most unfortunate as it would deny to these deserving old folks even the small increase provided in this bill.

LIBERALIZATION AND RETIREMENT TESTS

The bill is commendable as presented to the House in providing that a beneficiary will be permitted to earn $70 of wages in a month—rather than $50 as in existing law—without losing his benefits for the month. Likewise, a beneficiary may receive net earnings from self-employment averaging $70 a month—rather than $50 as in existing law—and receive all his benefits. This is further recognition of the necessity to provide additional living income because of the increased cost of living. This additonal help to beneficaries is long overdue. I am pleased to see that the bill makes provision for this change.

WAGE CREDITS FOR MILITARY SERVICE DURING EMERGENCY PERIOD

The Korean conflict has made urgently necessary an adjustment in the present law to protect the rights of servicemen. In 1950 the law was amended to provide wage credits of $160 for each month of active military or naval service during World War II. No credit was provided for any month after the end of World War II. The millions of men and women who will have served their country during the present emergency, especially those who have fought in Korea, should have the same opportunity to build up old-age and survivors insurance rights as people in covered employment and those who served in World War II. If this provision is not made then the survivors of many of the men already killed in Korea would not be able to qualify for benefits. The allowance of this credit to our men and women in service since World War II is right and just and should have the support of the House.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED INDIVIDUALS

Each year several hundred thousand workers under age 65 are forced into premature retirement by diseases of the heart and arteries, cancer, kidney disease, crippling arthritis, and other chronic ailments. Under present law, workers who are permanently and wholly disabled are penalized in their retirement or survivors benefits and may

be sharply reduced because their contributions to the program have necessarily stopped, or the individual, or his survivors may be disqualified from benefits altogether. The present bill gives some relief against this unfortunate result and has my support.

REMOVAL OF BAR TO COVERAGE OF CERTAIN EMPLOYEES UNDER STATE AND LOCAL RETIREMENT SYSTEMS

The present law bars coverage under old-age and survivors insurance of members of State and local retirement systems. The amendment to existing law, as contained in the pending bill, will remove this injustice by providing coverage of existing retirement systems subject to a favorable vote of the members of the system by a two-thirds majority in a written referendum. This provision, it will be seen, seeks to remedy a situation that has been complained against by some, by recognizing the right of acceptance of the provisions of the bill by a two-thirds vote. This seems fair to all interested parties.

EARNED INCOME OF RECIPIENTS OF AID TO THE BLIND

The committee in presenting this bill felt that the provisions of the present law prevented giving full effect to what is believed was the intent of Congress in enacting the 1950 amendments. Consequently, the bill proposes amendments to existing law that will give a more liberal recognition of the actual needs of the blind. The adoption of the provisions contained in the pending bill are highly desirable and entitled to support, although frankly, I would have been pleased if they had been more liberal.

In conclusion, I again reiterate my objection to bringing this important bill before the House under a rule that does not permit amendments of the bill, and, furthermore, because the requirements of a two-thirds majority may cause its defeat although a majority of the House might be in favor of the bill. However, the bill has my hearty support as the best that can be obtained under the circumstances.

Mr. MACK of Washington. Mr. Speaker, the main weakness of this bill is that it does not go far enough.

This bill provides that a social security pensioner may earn up to $70 in any calendar month without forfeiting his pension for that month. He ought to be permitted to earn more than that. He ought to be permitted to earn at least $100 a month, possibly more, without such earnings affecting his pension.

It is not good for the pensioner or the country to penalize him for working. If he works he has more earnings and more money to spend. The more he spends the more demand for goods that are needed to fill his needs. This demand creates jobs for those who make goods.

Unfortunately, this bill has been brought onto the floor for debate under a rule that prohibits the offering of any amendments to it. If it were not for this rule which prohibits amendments, there would be amendments offered to liberalize this bill.

Also, I am one of the many who believe that the $5 a month increase in pensions proposed by this bill is too small. I think that amount could be raised without the social security fund being jeopardized. Amendments to increase this meager $5 a month increase would be offered were we permitted to offer such amendments but the rule under which this bill is being considered prohibits the opportunity to propose such an amendment or any amendment at all.

I shall vote for this bill although I think it inadequate. I shall do so because I hope that if it goes to the Senate that the Senate will improve it. I shall vote for this bill, although I think its benefits to pensioners to be too meager, because I fear that unless we pass this bill we may get no bill at all in which event social security pensioners, whose cost of living have increased enormously, will get no increase.

Should this bill be defeated today, I hope the committee will prepare a new and more adequate one—one that will provide benefits in keeping with the drastic increase in living costs which have occurred during the past 2 years.

Mr. BUDGE. Mr. Speaker, this matter is before the House upon the motion to suspend the rules to permit the immediate consideration of this measure. If the motion is adopted the bill will immediately be before the House with a limitation to 40 minutes of debate and without the privilege of offering amendments. Although in the main I favor the provisions of the bill I do not favor this procedure since it unnecessarily restricts length of debate and prevents the adoption of amendments, which I feel the House would adopt after adequate debate.

Two occur to me offhand—the first is that the amount of income which a recipient may earn and still receive the Federal payment should in my opinion be raised to not less than $100 per month instead of $70 per month as permitted in the measure now before us.

Second—this bill incorporates a form of, to some extent, socialized medicine, which appears to me to be unsound and unworkable.

The motion to suspend the rules should be defeated and the legislation presented to the House in an orderly fashion permitting a reasonable length of time for debate and permitting the adoption of the above and perhaps other bettering amendments.

Mr. YATES. Mr. Speaker, I shall support this bill because I believe that it is an improvement over existing social-security legislation. It increases benefits, but they will still be inadequate to take care of the fundamental needs of most of the 4,500,000 persons receiving payments from this program every month. According to a recent survey of the beneficiaries of this program, even when all their money income is taken into account, nearly three-fourths of the retired, aged individuals and married couples have less than $50 per month per person in addition to their benefits.

This bill contains a much-needed provision for the benefit of the totally and permanently disabled and the blind. It protects them from losing benefits which should be theirs under a social-insurance program. I want to commend the gentleman from New Jersey [Mr. KEAN] for having offered it in this bill and I hope that the smokescreen created by opponents to the social-security program who argue that this amendment will promulgate a system of socialized medicine in this country, will not be accepted by the House. Private insurance companies recognize the necessity for a provision waiving premiums when the assured become totally and permanently disabled. Is it not paradoxical then, that some Member argue that such a provision in the social-security-insurance program amounts to a socialization?

Furthermore, this bill takes a half step in the right direction by increasing from $50 to $70 per month, earnings permitted to beneficiaries from outside sources. I would much have preferred that the increase should be raised to $100 per month or that this limitation on earnings of beneficiaries should be eliminated entirely because I disagree with those who favor the prevailing theory that the social-security program is a retirement system. Under their viewpoints, therefore, they deny to beneficiaries the opportunity to work and earn additional funds beyond the meager amount the law stipulates and doom them to an unrealistic scale of living.

Their viewpoint was one born during the depression years when there was an abundance of workers and it was deemed socially desirable that persons reaching a certain age should be compelled to retire. I am opposed to compulsory retirement. I believe it results in an inordinate social waste and rejection of the talents and abilities of many people of advanced age who have much to contribute to society. I reject the idea that a birth certificate should be the sole test of a person's ability to work, regardless of his physical and mental talents. We must face up to the fact that our people are living longer.

Today a person aged 65 must have accumulated approximately $17,000 to have an income of $100 per month for the rest of his life. They cannot retire under the benefits accorded to them by the social-security laws and still live decently. Annuitants have a right to ask, as was pointed out in the excellent editorial appearing in the Saturday Evening Post of April 5, 1952, "Is This Insurance or a Dole?"

We must remember that for Americans, work is not only a way of earning their livelihood—it is the democratic way of keeping one's self-respect, of avoiding the frustration and discouragement which is seeping into the lives of so many of our aging people today.

Mr. DONOHUE. Mr. Speaker, as one who has, since being privileged to become a Member of Congress, consistently advocated and fought for just enlargement and reasonable revision of our antiquated Social Security system, I am very glad to speak in support of this bill.

The purpose of this act is to increase old-age and survivors benefits, to preserve insurance rights of permanently and totally disabled individuals, and permit the increase of amount of earnings without loss of social security benefits.

If these objectives are not in line with a modern advancing Christian demo-

cratic civilization, as opposed to the inhumane Communistic slave state regimentation, then I cannot conceive why this great Nation of ours is making any fight against communism at all. If we cannot give a concrete demonstration of the ability of this country to reasonably protect our older citizens' enjoyment of American life then we have no substantial right to tell the Kremlin leaders and the rest of the world that our democratic process is more inherently Christian than their pagan godless state of servility.

What will be accomplished by the enactment of this measure is in no way substantially different from the recognized procedure followed by private insurance companies of this country, nor is it in any principle different from the provisions carried out under the great majority of our State compensation and insurance programs.

When the subject of amending the Social Security Act came up in August of 1950, I pointed out that, up to that time, no comprehensive changes had been made in our social security laws since the year of 1935 and I made the observation then that the accelerating economic changes in our modern society would make it imperative for additional revisions to be enacted in the near future. I had hoped that these sensible adjustments we are considering now would be adopted long ago, so it is a particular pleasure, as well as a simple duty, to urge their approval today.

Let us remember that we are engaged in a vital struggle with a relentless enemy of our decent way of living whose devilish design appears to be to destroy the spirit and morale of our people in appreciation of American life while at the same time keeping our nerves psychologically on edge with the constant threat of overt military aggression. I say to you in the words of that great emancipator, Abraham Lincoln, that "If this country is ever destroyed it will be from within and not from without."

In my firm judgment, adequate social security legislation is an even more sound barrier, than military preparation, against the advancing scourge of Communistic propaganda and philosophy which is this minute eating away at the foundation roots from which our country grew into its present leading world position.

How much stronger, how much more vitally resistant to Communist intrigue and entreatment our people will be when they are assured our great business system and our Government, working harmoniously together, have established a dignified humane way to make them eligible for that which every loyal citizen of this great democracy is entitled to receive, namely, economic security in time of adversity and need. In this hour of extending charitable assistance to the security of friendly allies, it would be the height of national foolishness to disregard the plight and neglect to provide for our older citizens against the blameless misfortunes of sickness and unemployment in the sunset of their patriotic lives.

Because this measure reasonably increases old-age insurance benefits, because it justly preserves the recognized insurance rights of permanently and totally disabled individuals, and because, in the light of ever-rising modern living costs, it increases the amount of earnings permitted without loss of benefits, I urge the adoption and approval of this act without delay. It is in the Christian democratic spirit upon which this county was founded and it is only by an enlargement and progression of that spirit that this Nation can hope to endure. I urge you, my colleagues, to vote in favor of this measure of civilized recognition of the vital needs of our older citizens.

Mr. YORTY. Mr. Speaker, our failure to grant a suspension of the rules for passage of H. R. 7800, will prove rather shocking to most citizens because there exists widespread support for Social Security System improvements. H. R. 7800 made such slight improvements in the system that it should have met with no opposition. The fact that it was opposed by so many Republicans indicates their growing willingness to openly fight all measures calculated to improve the economic security of wage earners. This attitude is, I believe, based upon a mistaken interpretation of current political trends. The pendulum has not swung so far to the right as they seem to think. Our Social Security Act insurance plan which provides for retirement benefits is here to stay, and it must be liberalized and improved, not junked, no matter who is in power. I do not believe the American people will ever knowingly vote for candidates pledged to obstruct reasonable progress toward real security, particularly for the aged, blind, and physically handicapped.

This bill certainly made what by any standard were minor needed improvements in the Social Security Act. These were:

First. Benefit increases.

Second. Liberalization of the retirement test.

Third. Wage credits for military service during emergency period.

Fourth. Preservation of insurance rights for those permanently and totally disabled.

Fifth. Removal of bar to coverage for certain persons under State and local retirement systems.

Sixth. Correction of defects in benefit computation provisions.

The benefit increases mentioned above first were so small that it is hard to understand how anyone could oppose them.

This bill did nothing for those receiving old-age assistance. My bill to permit such pensioners to augment their pensions by part-time work is still not scheduled for hearing. This session of Congress is proving disappointing to those of us who would like to make our democracy a dynamic and improving example of what can be accomplished by a free people through a free economic system.

Mr. GROSS. Mr. Speaker, the public is entitled to know that this social-security legislation was introduced in the Ways and Means Committee on May 12, reported out of the committee on May 16, and brought to the House floor for passage under a virtual gag rule on May 19. Thus, a total of only 4 days elapsed from the time the bill was introduced until it was reported out of committee, and only 3 days elapsed until it was brought up for final consideration.

Here is another attempt to ram important legislation down the throats of Members of the House. Under this proposal to suspend the rules and pass this legislation, debate is limited to 40 minutes; there can be no amendments, and not even a motion to recommit.

I know of no Member of the House who is not ready to vote an increase in compensation and raise the present limit on earnings, but there are broad delegations of power to the bureaucrats in this bill—grants of power which ought to be eliminated or at least circumscribed. This is the second time in 2 or 3 years that the same drive has been made to ram a social-security bill through this House under gagging procedure. I support revisions in the Social Security Act, but not at the price of accepting patently bad legislation along with the good. Let the administration come forth immediately with a bill which we can consider decently and fairly under the usual rules of the House.

Mr. REES of Kansas. Mr. Speaker, it is unfortunate this bill should be brought to the floor of the House under suspension that does not permit amendments of any kind and provides for a limit of only 40 minutes debate. The time is divided among only a half-dozen Members of the House.

A bill amending the Social Security Act is entitled to the fair consideration of the Members of the House and is entitled to be open for amendments on the floor. It is an important piece of legislation and should be carefully considered.

I am in favor of most of the provisions in this bill—those that provide for increases in benefit amounts. It should be observed that the increased benefits in this measure are small. It should also be observed that the liberalization provisions in this bill are smaller than they appear.

My principal objection to the bill is with regard to the provisions that border cosely on socialized medicine. According to statements made on the floor, this bill opens the door for socialized medicine.

Of course, Members have not had a chance to examine or study this bill. As a matter of fact, copies were only made available over the weekend. The report, consisting of 50 pages, was filed only 3 days ago.

I do not want to be in the position of supporting a bill that either directly or indirectly provides for socialized medicine. The proper thing, as I see it, with respect to such an important measure, is for the committee to reconsider this proposal and bring to the floor a bill that deals only with amendments to the Social Security Act. Members can then be permitted to vote on the bill after it has been thoroughly considered and subjected to amendment and debate.

I think the Members generally believe that the Social Security Act should be amended. I have amendments I would like to submit at the proper time and place. To handle such an important problem in this manner, in my judgment,

is not the right way to go about it. I hope the committee will reconsider the measure and return a bill in the near future dealing with social-security amendments that will take out a number of inequities that have already been brought to the attention of this Congress and to the people.

Mr. KERSTEN of Wisconsin. Mr. Speaker, the political maneuver of administration leaders whereby socialized medicine is today brought on the House floor in a bill which also provides much needed increases in old-age pensions is typical of Fair Deal duplicity. The manner in which the bill is brought in under a suspension of the rules affords no opportunity to strike the objectionable and dangerous part inaugurating socialized medicine and of passing the needed increases in social security. The Republican leadership will introduce a bill this week, without the socialized medicine features, providing for the needed increases in old-age benefits under social security, and which will also raise the work clause to $100, which we can all support without dragging in socialized medicine through the back door. If the Fair Dealers prevent this Republican-sponsored bill from coming to the floor they will be committing a fraud upon the aged and others who need these increases.

Mr. VURSELL. Mr. Speaker, there is a right way and a wrong way to bring legislation to the floor of the House. If ever an important bill was brought to the House in the wrong way H. R. 7800 is it.

Here is an important piece of legislation that will amend the Social Security Act and what we do here today in amending this legislation will affect children yet unborn. It is important legislation in perpetuity. Let me explain the wrong way the majority party is handling this legislation.

There should have been several days hearings before the Ways and Means Committee where expert insurance actuaries would have had a chance to testify. Experts in social-security legislation should have been called in to testify in the hearings in the committee. The Republican members insisted that these hearings should be held. We are just as willing and anxious to increase benefits as is the majority party. We do want a chance to increase social security benefits, but we want sound legislation. The administration forces, who have a majority on the Ways and Means Committee, refused to hold hearings. They voted this important, far-reaching bill out over the objections of the Republican minority on a straight party vote.

The next mistake was made in not sending the bill to the Rules Committee. Had it been sent to the Rules Committee they would have sent it to the floor of the House providing that amendments could be offered so that the objectional features could be cut out. But they did not do that. They bring it to the floor of the House today in a condition where not a change of a word can be made. It is not subject to amendment. We must take the bad, which is the socialized medicine part of this bill, with the good that is in it, and it must pass the House by a two-thirds vote under the suspension of the rules.

Those who are handling this bill have placed we members who object to the socialized medicine part of this bill, and other bad features, in a position where we must take the whole smelly mess or we must vote against the measure. They realize this will give them a campaign issue whereby they can go to the public and say we, who had the courage to take this position, have voted against increasing social-security benefits. Of course, it will be a false issue. We are only trying to force the administration to bring in a better bill and we will, of course, support it.

I will vote against this bill notwithstanding that I am anxious to increase social-security benefits because in voting this down, it is the only way we can get the socialized-medicine program out of it. I will help to vote this bill down because when we do that, we will force the administration leaders to bring all of the good parts of this bill back to the floor of the House with the bill open to amendments so that we can approve the good in the bill and cut out the bad. In fact, if we vote this bill down, when it comes back to the House we will help to write a better bill with more good provisions in it than the bill before us and every man and woman who is paying in for social-security benefits will benefit by the action we, who oppose this bill, are about to take.

Mr. Speaker, it should be pointed out that this bill will affect only those who contribute to social security and who have social-security status. It does nothing for the older people on old-age assistance. It affects only those who carry a social-security card. Do not let them tell you that it affects those on relief.

Mr. Speaker, Congressman REED of New York, the minority Republican leader on the Ways and Means Committee; Congressman JENKINS, of Ohio; Congressman SIMPSON of Pennsylvania; Congressman CURTIS of Nebraska, all able members of the Ways and Means Committee, have told you the necessity for voting this piece of legislation down so that legislation can be brought in here promptly that will really give those in social-security status the increases to which we all agree they are entitled. In fact, Congressman REED, if this bill is voted down will, I understand, immediately introduce a bill that will preserve all the benefits in this bill, and more benefits, and leave out the socialized-medicine part which is included in this bill which practically all of the people of the Nation are against. Yet, they try to sneak it in through the back door in this bill believing that not enough Members of the House have the courage to stand up and vote against this present, blackjack political legislation now before us.

Mr. Speaker, there is a principle involved here that far outweighs any political advantage one might feel it might have if he voted for this iniquitous piece of legislation. We must protect and preserve the social-security structure in the interest of those now paying to the fund and for those who will pay into it in the future.

I will not sacrifice the principle involved here and become a party to deceiving social-security beneficiaries in the hope that it may secure a few extra votes next November.

Mr. HELLER. Mr. Speaker, as one who is vitally interested in extending social-security benefits to help provide a greater degree of economic security and independence to our citizens over the age of 65, I am glad to support H. R. 7800 which calls for increased benefits under our social-security system. This bill deserves unanimous support and approval as a token of our recognition to the senior citizens of the United States, who have given a lifetime to help build this great country of ours and to make it what it is today.

To ignore the problems and the difficulties faced by our aging population is to commit a grave injustice to these people, who have every right to look forward in their declining years for their country to provide them with a certain degree of security at a time when they are no longer able to work and to earn a livelihood. Their needs have not diminished with the years, they still require a home, food, clothing, medical care, and other necessities of life.

In these days of higher cost of living and constantly rising prices, the benefits extended to our elderly citizens under the social-security system are woefully inadequate. Just how these people are able to maintain themselves and to pay their daily bills on the small annuities or monthly payments granted them is hard to understand. If anything these payments provide only the most meager attempt to stave off hunger and want, but they are a far cry from our goal of economic security in old age.

The bill now under consideration is a step in the right direction, although it is far from sufficient. I had hoped Congress would be more generous toward our older citizens and would extend to them a more substantial increase in their social-security benefits than is provided in this bill.

The main provisions of this bill call for an increase in the monthly old-age and survivors' assistance benefits by either $5 or 12½ percent, whichever is greater. I understand that the average monthly increase would be around $7, which would be most welcome to these people whose income is so limited and fixed and who have been struggling desperately to maintain their standard of living under trying circumstances.

Another major provision in this bill is to increase from $50 to $70 per month the earnings or income which beneficiaries are permitted to have from various sources, outside of social-security benefits. This, too, is a logical and reasonable step since it would enable these people to continue to remain useful to the extent their health will permit them to do so and to enhance their income. My only objection is that the limitation of $70 is not realistic enough. I would much rather it be raised to at least $100 or possibly a little higher so that we give them the fullest opportunity for a better life in old age.

In addition, the bill contains several other important provisions, each of which answers a need and is therefore desirable. Among these are: insurance protection for those who have served in our Armed Forces since the end of World War II and particularly in the Korean conflict; preservation of insurance rights for persons permanently or totally disabled so that they would not suffer a reduction in their benefits; correction of certain inequities in the computation of benefits, such as to maintain the relationship between the Railroad Retirement Act and the social-security system which would be advantageous to railroad-retirement beneficiaries.

Mr. Speaker, since the social-security system was instituted Congress has found it necessary on two occasions to amend and improve the system so that more and more of our people would become eligible for this protection: First, in 1939, and more recently in 1950. On both of those occasions Congress widened the scope of the social-security coverage for many millions of people and provided greater economic security by increasing the benefits.

Now we are considering a third and no less important effort to improve the system so that it can serve more adequately the purposes for which it was established. The need for these improvements is undeniable. In fact, I should like to see these benefits extended to a much greater degree in the very near future so that the older population of this country can really enjoy the full measure of security they deserve.

I am glad to support this bill and I trust it will be enacted at an early date.

Mr. PHILBIN. Mr. Speaker, I am very sorry that H. R. 7800 was not brought to the floor of the House under a regular rule rather than under the suspension rule. If the House could work its will upon this legislation, it would be possible to amend and clarify several of the provisions which produced considerable controversy and misunderstanding. I refer to the view held by some Members that certain provisions of this bill move in the direction of socialized medicine.

I have read pertinent provisions of the bill very carefully and have studied the report, and I can find nothing in the bill which could fairly be construed as implementing or tending toward the principles of socialized medicine. I make special reference to the language in subsection 4 on page 14, and section 220 on pages 15 and 16, providing respectively for termination of disability and examination of disabled individuals, since these are the sections claimed by some able and sincere Members to represent the pattern and provision for socialized medicine.

Careful examination of these sections indicate very clearly to me that there are no such fair intendments to be drawn from these provisions, which merely give the Administrator power to terminate disability for failure to comply with regulations governing examinations or for reexaminations, or for refusal without good cause to accept rehabilitation services available under the plan of the claimant's own State.

Section 220 provides for physical examinations by private physicians or by private or public agencies or institutions and these, in general, are the same as the provisions which for years have governed. and now govern, examinations by the Veterans' Administration of our disabled veterans.

Obviously, the agency must be authorized to conduct examinations to ascertain the true condition of the individuals and claimants involved and prevent irregularity or fraud upon the government which might conceivably ensue. Insurance companies have followed these practices virtually since they got into the business of social insurance and there is nothing unreasonable, unusual, or inconsistent with the free enterprise system and the private practice of medicine, either express or implied, in these provisions.

I am opposed to socialized medicine as such and if I thought for one moment that these provisions even moved in the direction of socialized medicine, I would not support this bill, despite other good features it might possess.

Frankly, while the motivation of the bill is good, the results, as to some provisions of the bill, are decidedly disappointing. For one thing its meager benefit increases, in this time of expanded prices, inflation, and high cost of living, are paltry indeed. If the bill had come to the House under a regular rule, the situation might have been changed in that it could be corrected by appropriate amendments not possible under this rule.

I have noted that the bill somewhat liberalizes the retirement tests, provides for wage credits for military service during the emergency period, preserves insurance rights for those permanently and totally disabled, as is the case with many private insurance policies and also veterans' insurance, removes current bars to coverage for certain persons under State and local retirement systems and corrects defects in benefit computation provisions.

The bill is somewhat of a potpourri affair of several meritorious bills pending before the Ways and Means Committee and I wish that extended hearings had been held, instead of no hearings at all. so that these various measures might have been reconciled and integrated into a more compact, precise, and more equitable piece of legislation.

While I commend the committee's action in raising the exemption to $70 per month, thus permitting persons to receive benefits notwithstanding the fact of their other income in that amount, I am personally of the view that this limitation is too low. In fact, I would be disposed to eliminate the limitation entirely. I recognize the views of the other school of thought but believe, nevertheless, that the limitations, not only discourage the initiative, independence, and reasonable activity of retired persons, but by forcing them into a passive or greatly limited work status, in a large number of cases, might actually prove detrimental to their health, state of mind, and well-being. I believe that, in general, any American citizen, who wants to work and is able to work, should be permitted to do so without suffering arbitrary handicaps imposed by a Government agency.

Frankly, I must state that I will support this measure with my eyes wide open, even with its shortcomings, limitations, and inequities, because I believe that it is the best bill that we can get at the present time and I am not willing to vote against the attempted improvement and perfection of our social-security laws and rely, as some Members are disposed to do, upon the possibility of further or different legislation at a later date.

I reiterate, and I am glad that the distinguished gentleman from New Jersey [Mr. KEAN], an able, sound, and penetrating Member, who has made a special study of this legislation, has unequivocally stated that this bill is definitely not socialized medicine in whole or in part. It has its drawbacks, to be sure, but that is not one of them and I will, therefore, support it as evidence of my own invariable desire to improve, broaden, and perfect our social-security laws whenever reasonable opportunity is presented.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 86, noes 91.

Mr. McCORMACK. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 151, nays 141, not voting 139, as follows:

[Roll No. 79]

YEAS—151

Allen, Calif.	Forand	Murdock
Allen, La.	Fulton	Norblad
Andrews	Furcolo	O'Brien, Ill.
Angell	Gamble	O'Brien, Mich.
Aspinall	George	O'Brien, N. Y.
Auchincloss	Gordon	O'Konski
Ayres	Graham	Perkins
Baker	Granahan	Philbin
Barrett	Grant	Polk
Battle	Green	Price
Bennett, Fla.	Gregory	Priest
Bennett, Mich.	Hand	Radwan
Boggs, Del.	Harrison, Va.	Rains
Boggs, La.	Hart	Ramsay
Bolling	Hays, Ohio	Rankin
Bosone	Heselton	Reams
Brown, Ga.	Hillings	Redden
Bryson	Hinshaw	Rhodes
Buchanan	Holmes	Richards
Burdick	Horan	Roberts
Burnside	Hull	Rogers, Mass.
Burton	Javits	Rooney
Byrnes	Jones, Ala.	Ross
Canfield	Jones, Mo.	Sasscer
Cannon	Jones, Woodrow W.	Saylor
Carnahan	Karsten, Mo.	Scott, Hugh D., Jr.
Carrigg	Kean	Seely-Brown
Case	Kearney	Shelley
Celler	Kearns	Sikes
Chudoff	Keating	Simpson, Ill.
Clemente	Kee	Sittler
Cooper	Kelley, Pa.	Smith, Va.
Corbett	Kluczynski	Spence
Cotton	Lanham	Springer
Crosser	Lantaff	Staggers
Dague	Larcade	Steed
Davis, Wis.	Lind	Stigler
DeGraffenried	McCarthy	Thomas
Dempsey	McCormack	Tollefson
Denny	McDonough	Trimble
Denton	McGrath	Van Zandt
Dingell	McGuire	Walter
Donohue	McMullen	Widnall
Donovan	Mack, Ill.	Wier
Dorn	Mack, Wash.	Willis
Doughton	Madden	Withrow
Eberharter	Magee	Wolverton
Elliott	Merrow	Yates
Evins	Mills	Yorty
Feighan	Morrison	Zablocki
Flood		

NAYS—141

Abernethy	Fenton	Mumma
Adair	Fernandes	Murray
Allen, Ill.	Fisher	Nicholson
Andersen, H. Carl	Ford	Norrell
	Forrester	O'Hara
Anderson, Calif.	Frazier	Patman
Andresen, August H.	Fugate	Patten
	Gathings	Phillips
Arends	Golden	Pickett
Baring	Goodwin	Poage
Bates, Mass.	Greenwood	Reece, Tenn.
Beamer	Gross	Reed, Ill.
Belcher	Gwinn	Reed, N. Y.
Bentzen	Hagen	Rees, Kans.
Berry	Hale	Regan
Betts	Halleck	Riley
Bishop	Hardy	Rivers
Blackney	Harris	Rogers, Fla.
Bow	Harvey	Rogers, Tex.
Bray	Hays, Ark.	Sadlak
Brehm	Herlong	Schenck
Brown, Ohio	Hess	Scrivner
Budge	Hill	Scudder
Buffett	Hoffman, Mich.	Shafer
Burleson	Hope	Short
Busbey	Ikard	Simpson, Pa.
Bush	James	Smith, Kans.
Butler	Jenison	Smith, Miss.
Chenoweth	Jenkins	Smith, Wis.
Chiperfield	Jensen	Stockman
Church	Judd	Tabor
Clevenger	Kersten, Wis.	Talle
Cole, Kans.	Kilday	Teague
Cole, N. Y.	LeCompte	Thompson, Mich.
Colmer	Lyle	
Cox	McConnell	Thornberry
Crawford	McCulloch	Velde
Crumpacker	McGregor	Vursell
Curtis, Mo.	McMillan	Welchel
Curtis, Nebr.	McVey	Whitten
Davis, Tenn.	Mahon	Williams, N. Y.
Devereux	Martin, Iowa	Wilson, Ind.
Dolliver	Mason	Wilson, Tex.
Dondero	Meader	Winstead
Eaton	Miller, Md.	Wolcott
Ellsworth	Miller, Nebr.	Wood, Ga.
Elston	Miller, N. Y.	Wood, Idaho
Fallon	Morano	Woodruff

NOT VOTING—139

Aandahl	Harden	Murphy
Abbitt	Harrison, Nebr.	Nelson
Addonizio	Harrison, Wyo.	O'Neill
Albert	Havenner	Osmers
Anfuso	Hébert	Ostertag
Armstrong	Hedrick	O'Toole
Bailey	Heffernan	Passman
Bakewell	Heller	Patterson
Barden	Herter	Potter
Bates, Ky.	Hoeven	Poulson
Beall	Hoffman, Ill.	Powell
Beckworth	Holifield	Preston
Bender	Howell	Prouty
Blatnik	Hunter	Rabaut
Bolton	Irving	Ribicoff
Bonner	Jackson, Calif.	Riehlman
Boykin	Jackson, Wash.	Robeson
Bramblett	Jarman	Rodino
Brocks	Johnson	Rogers, Colo.
Brownson	Jonas	Roosevelt
Buckley	Jones, Hamilton C.	Sabath
Camp		St. George
Carlyle	Kelly, N. Y.	Scott, Hardie
Chatham	Kennedy	Secrest
Chelf	Keogh	Sheehan
Combs	Kerr	Sheppard
Cooley	Kilburn	Sieminski
Coudert	King, Calif.	Stanley
Cunningham	King, Pa.	Sutton
Davis, Ga.	Kirwan	Tackett
Dawson	Klein	Taylor
Deane	Lane	Thompson, Tex.
Delaney	Latham	Vail
D'Ewart	Lesinski	Van Pelt
Dollinger	Lovre	Vinson
Doyle	Lucas	Vorys
Durham	McIntire	Watts
Engle	McKinnon	Welch
Fine	Machrowicz	Werdel
Fogarty	Mansfield	Wharton
Garmatz	Marshall	Wheeler
Gary	Martin, Mass.	Wickersham
Gavin	Miller, Calif.	Wigglesworth
Gore	Mitchell	Williams, Miss.
Granger	Morgan	
Hall, Edwin Arthur	Morris	
	Morton	
Hall, Leonard W.	Moulder	
	Multer	

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

Mr. Martin of Massachusetts with Mr. Rabaut.

Mr. Leonard W. Hall with Mr. Thompson of Texas.

Mr. Herter with Mr. Ribicoff.

Mr. Bender with Mr. Cooley.

Mr. Prouty with Mr. Secrest.

Mrs. St. George with Mr. Murphy.

Mrs. Harden with Mr. Heller.

Mr. Ostertag with Mr. Mitchell.

Mr. Bramblett with Mr. Jackson of Washington.

Mrs. Bolton with Mr. Vinson.

Mr. Vorys with Mr. Passman.

Mr. Werdel with Mr. Williams of Mississippi.

Mr. Hoeven with Mr. Miller of California.

Mr. Hardie Scott with Mr. Doyle.

Mr. Gavin with Mr. Sheppard.

Mr. Morton with Mr. Engle.

Mr. Coudert with Mr. Roosevelt.

Mr. Brownson with Mr. Hébert.

Mr. Cunningham with Mr. Kennedy.

Mr. Lovre with Mr. Lesinski.

Mr. Nelson with Mr. Dawson.

Mr. Potter with Mr. McKinnon.

Mr. Osmers with Mr. Mansfield.

Mr. Patterson with Mr. Marshall.

Mr. D'Ewart with Mr. Fogarty.

Mr. Poulson with Mr. O'Neill.

Mr. McIntire with Mr. Preston.

Mr. Riehlman with Mr. Wickersham.

Mr. Edwin Arthur Hall with Mr. Blatnik.

Mr. Sheehan with Mr. Bailey.

Mr. Harrison of Nebraska with Mr. Kerr.

Mr. Taylor with Mr. Bates of Kentucky.

Mr. Harrison of Wyoming with Mr. Kirwan.

Mr. Vail with Mr. Havenner.

Mr. Hoffman of Illinois with Mr. Holifield.

Mr. Van Pelt with Mr. Howell.

Mr. Aandahl with Mr. King of California.

Mr. Hunter with Mr. Camp.

Mr. Armstrong with Mr. Anfuso.

Mr. Jackson of California with Mr. Heffernan.

Mr. Wharton with Mr. Buckley.

Mr. Bakewell with Mr. Keogh.

Mr. Wigglesworth with Mr. Klein.

Mr. Johnson with Mr. Dollinger.

Mr. Beall with Mr. Fine.

Mr. Jonas with Mr. Garmatz.

Mr. Latham with Mr. Granger.

Mr. King of Pennsylvania with Mr. Morris.

Mr. Kilburn with Mr. Gary.

Mrs. ROGERS of Massachusetts changed her vote from "nay" to "yea."

Mr. BURDICK changed his vote from "nay" to "yea."

Mr. LARCADE changed his vote from "nay" to "yea."

Mr. SCUDDER changed his vote from "yea" to "nay."

Mr. BATTLE changed his vote from "nay" to "yea."

Mr. GRANT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

H. R. 7800

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, the poor people of this country were defeated today in the House of Representatives.

The old men and old women who are trying to buy food and clothing and pay their rent with the little pittance they get from social security were turned down cold by the Republicans today.

Today's bill would have increased benefits for retired persons $5 a month or by 12½ percent, whichever is larger.

The bill would also raise from $50 a month to $70 a month the amount an individual could earn without sacrificing his benefit payments.

But the old folks of America have no lobby. They have no high pressure boys fighting their battles for them. They do not make big political contributions to campaigns.

So they lost today. And that defeat is, I think, a shameful thing.

When a political party gangs up against the old folks of America, politics has reached a new low.

I point out also H. R. 7800 would provide $160 a month social security credit for military service since July 24, 1947, taking care of veterans of Korean war. World War II veterans are already covered.

SOCIAL SECURITY ACT AMENDMENTS OF 1952

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, with amendments that I send to the Clerk's desk.

Mr. CURTIS of Nebraska. Mr. Speaker, I make a point of order against the motion.

The SPEAKER. Does the gentleman make a point of order against the motion to suspend the rules?

Mr. CURTIS of Nebraska. Against the motion to suspend the rules and to offer an amendment. My point of order is that an amendment cannot be offered under a motion to suspend the rules.

The SPEAKER. This rule has been in effect for a long time. As long as the Chair recognizes a Member to suspend the rules, the one in charge has the right to offer the motion to suspend the rules. A point of order would not lie in a case like that.

Mr. CURTIS of Nebraska. Mr. Speaker, may I be heard?

The SPEAKER. The Chair will be glad to hear the gentleman but will perhaps repeat the decision when the gentleman gets through.

Mr. CURTIS of Nebraska. Mr. Speaker, I regret that situation very much and perhaps I should not take the time. I shall try to be brief.

It is my contention that the procedure to suspend the rules and pass a bill is that we must take the bill as is in a motion to suspend the rules and by the very nature of the limited time involved for debate the motion must be to pass without amendment.

There are two or three decisions that are reported in the Fifth Volume of Hinds' Precedents. I will not at this time refer to all of them, but I call attention to paragraph 5322 of Hinds' Precedents where it is stated in the caption:

> The motion to amend may not be applied to a motion to suspend the rules.

That involved a case where a resolution was called up on January 14, 1840. Mr. Edward J. Black, of Georgia, asked if the motion of the gentleman from South Carolina, Mr. Thompson, to suspend the rules should prevail it would be in order for him to offer an amendment to the resolution. The Chair replied in the negative.

Now there are two or three other similar decisions that would indicate that it was the intent that the measure be considered without an amendment. Now I am willing to grant that there is one section and in the same volume, paragraph 6849, where it was permitted, that a motion to suspend the rules whereby a resolution had been passed was reconsidered, the resolution was amended, and the amendment passed. Now that was a situation where a measure had passed the House on a previous day. The record is not too much in detail, but it would indicate that they wanted a correction in the record and so they used the vehicle of a motion to suspend the rules and reconsider the resolution with an amendment, and that was permitted. I am unable to find any precedent whereby an amendment can be offered to a bill that is considered under suspension of the rules. I believe, Mr. Speaker, that unless a bill is to be accepted by the House as it comes from the committee, that the right to amend must either be defined by the Committee on Rules sending a rule here or else it be considered under a procedure whereby any Member can offer an amendment which definitely is not the case with reference to suspension of the rules.

I submit, Mr. Speaker, that there are no precedents for this procedure.

Mr. McCORMACK. Mr. Speaker, I think my friend fails to differentiate between a motion to suspend the rules with an amendment and a motion to suspend the rules and an attempt by someone else to offer an amendment. They are two entirely different cases. The precedent that the gentleman referred to at the opening of his remarks apparently relates to an attempt of a Member to offer an amendment on the floor, which is entirely different, and cannot be in order, as I understand the rules. But any Member can, if the Chair recognizes him on a proper day, offer an amendment to suspend the rules with an amendment, and that is not only provided for definitely in the rules but it has been a time-honored custom of this body.

Mr. CURTIS of Nebraska. I call attention to the fact that there is no committee amendment; that this is a situation where a Member is permitted to offer an amendment, and the precedents very clearly provide that it is not subject to amendment. The legislative effect of a motion to suspend and consider with an amendment is the same as suspending and then offering an amendment.

Mr. McCORMACK. The gentleman fails to distinguish again the differentiation. This is a motion offered by the chairman of the committee with an amendment, and that is clearly, as I see it, and respectfully submit to the Chair, within the rules of the House and the time-honored custom of this body.

The SPEAKER. The Chair is ready to rule again.

Suspension of the rules is a matter that can come up only twice a month, either on the first and third Mondays, or the last 6 days of the session if an adjournment date has been fixed. There can be no amendment offered to the motion to suspend the rules and pass a bill, but it is entirely in order for the Speaker to recognize a Member to move to suspend the rules and pass a bill with amendments and recognition for that is entirely within the discretion of the Chair. The Chair can recognize a Member to move to suspend the rules on the proper day and pass a bill with an amendment that has been authorized by a committee, or if the Chair so desires he can recognize a Member to move to suspend the rules and pass a bill with his own amendment.

The Chair overrules the point of order made by the gentleman from Nebraska.

Mr. CURTIS of Nebraska. Mr. Speaker, a further parliamentary inquiry. Would it be possible to offer a substitute

motion to suspend the rules in reference to the motion now before the Chair?

The SPEAKER. Well, the Chair would not recognize the gentleman for that purpose.

Mr. CURTIS of Nebraska. Perhaps I could induce another Member to offer the amendment.

The SPEAKER. The Chair would not recognize any other Member to make that motion.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Assuming that this bill on which it is now proposed to suspend the rules for action should be passed by the House, go to the other body, be changed there somewhat, and subsequently go to conference, and then after the conferees agreed the matter came back to the House for action, would a motion to recommit with instructions be in order as to the conference report that would be so reported to the House?

The SPEAKER. A motion to recommit would be in order if the House acts first on the conference report. If the Senate acts first on the conference report then a motion to recommit would not lie in the House of Representatives.

Mr. HALLECK. A further parliamentary inquiry, and I think it is properly so, under the normal procedures of the House would not the papers come to the House first on this measure, in the event of conference action?

The SPEAKER. That would depend upon whether the Senate asked for a conference after they amend the bill or pass it as is.

Mr. HALLECK. Would that be a matter that would be within the control of the leadership of the House, if the leadership chose to act in that direction?

The SPEAKER. It is in the control of the Senate and the House.

Mr. MILLS. Will the Chair indulge me for just a moment on the question raised by the gentleman from Indiana?

I think I am correct, Mr. Speaker, in the observation that on matters originating in our committee, almost without exception, where the House is entitled to act first on a conference report, the House has acted first. In this particular instance, no one could commit the committee of conference at this time because no one yet knows who will be on the committee of conference, but I did want to observe the past record of the conferences between the House Committee on Ways and Means and the Senate Finance Committee.

Mr. REED of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. REED of New York. I fear I am not too much up on the rules, especially as we have gotten into this situation here, but I assume the rules are based very much on common sense, as law is supposed to be. I would suppose that the motion to suspend the rules would be used in those cases where it was felt there was no great opposition to a bill, otherwise they would not have the two-thirds rule and the short debate, 20 minutes on each side. It has developed here that there is intense opposition to this bill, yet we are resorting to a suspension of the rules, which under these circumstances strike me really as a gag rule.

The SPEAKER. The Chair does not know anything about how much opposition there is to this bill, until the roll is called.

Mr. REED of New York. We did have one roll call on it, and that did not develop a two-thirds vote in favor of the bill, so there must be opposition to it.

The SPEAKER. The Chair was advised by the gentleman requesting recognition on this motion that this is a different proposition than the one considered recently.

Mr. REED of New York. This is not something that was reported by the committee.

The SPEAKER. The Chair recognized the gentleman from North Carolina on the motion he made, which he had a right to make, and on which the Chair had a right to recognize him.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 105]

Aandahl	Goodwin	Miller, Md.
Abbitt	Granahan	Morgan
Abernethy	Green	Morris
Addonizio	Greenwood	Morrison
Albert	Gwinn	Morton
Anfuso	Hall, Leonard W.	Murphy
Armstrong	Hardy	Nelson
Aspinall	Hart	O'Brien, N. Y.
Barrett	Harvey	O'Konski
Bates, Ky.	Hays, Ohio	O'Neill
Battle	Heffernan	Osmers
Beckworth	Heller	O'Toole
Belcher	Herter	Patman
Bender	Hoffman, Ill.	Philbin
Bolton	Holifield	Potter
Bow	Howell	Powell
Buckley	Jackson, Wash.	Rabaut
Burdick	James	Redden
Burleson	Javits	Reed, Ill.
Burnside	Jonas	Richards
Burton	Jones, Mo.	Rogers, Colo.
Butler	Jones, Hamilton C.	Rogers, Mass.
Camp	Judd	Sabath
Canfield	Kelley, Pa.	Sasscer
Cannon	Kelly, N. Y.	Scott, Hardie
Carlyle	Kennedy	Shafer
Carnahan	Keogh	Sheehan
Case	Kersten, Wis.	Shelley
Celler	Kilburn	Stanley
Chatham	Kilday	Steed
Chudoff	King, Pa.	Stigler
Church	Kirwan	Sutton
Corbett	Klein	Tackett
Coudert	Kluczynski	Taylor
Crumpacker	Latham	Teague
Dawson	Lucas	Thornberry
Dempsey	Lyle	Van Pelt
Dollinger	McConnell	Vorys
Donovan	McCulloch	Watts
Durham	McGrath	Weichel
Ellsworth	McMullen	Welch
Elston	Machrowicz	Wharton
Evins	Mack, Ill.	Whitten
Fallon	Madden	Wickersham
Fenton	Mansfield	Widnall
Fine	Mason	Wilson, Ind.
Flood	Meader	Wolcott
Fulton	Merrow	Wolverton
Gamble	Miller, Md.	Zablocki
Garmatz	Morgan	

The SPEAKER. On this roll call 280 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SOCIAL SECURITY ACT AMENDMENTS OF 1952

The SPEAKER. The Clerk will read the bill as amended.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Social Security Act Amendments of 1952."

INCREASE IN BENEFIT AMOUNTS

Benefits computed by conversion table.

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsec. (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ percent or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall

be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the benefit formula; revised minimum and maximum amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age 22 after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be 55 percent of the first $100 of his average monthly wage, plus 15 percent of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average monthly wage	II Primary insurance amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45," respectively.

Effective dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ percent of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of $0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this act, differs from the amount of such benefit which would have been payable for August 1952 under such title as so amended, if the amendments made by this act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such act for August 1952;

(B) two or more other persons were entitled (without the application of such sec. 202 (j) (1) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in sec. 216 (i), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of whch was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage."

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of such 13-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of 22 which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in sec. 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 215 (b) (4) of such act is amended to read as follows:

"(4) Nothwistanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided

therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; period of disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to 5° or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in par. (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the 1-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

"A period of disability shall end on the day on which the disability ceases. No application for a disability determination which is filed more than 3 months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraphs (2) (C) and (4) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in sec. 213 (a) (2)) during the 13-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the 40-quarter period which ends with such quarter,

not counting as part of the 13-quarter period specified in clause (A), or the 40-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(e) Title II of the Social Security Act is amended by adding after section 219 the following new section:

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsections (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 4. (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "$70."

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "$70."

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "$70."

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "$70."

(e) The amendments made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II Veterans) is amended by striking out "World War II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in par. (5)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of 90 days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual

who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217".

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such act.

(2) In the case of any veteran (as defined in section 217 (e) (5) of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within 2 years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such act is amended by striking out "a system established by such agency or instrumentality," in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of 2 years from the date of such interment or reinterment."

(2) In the case of any individual who died outside the 48 States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of 2 years after the date of such interment or reinterment.

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—

"(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the 2-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivision of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955."

TECHNICAL PROVISIONS

SEC. 7. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of 36 months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b)

if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsection of this section (other than subsec. (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of sec. 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage_closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such act, but only if it would result in a higher primary insurance amount for such individual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952."

(2) Section 5 (l) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $70, or will have been charged under section 203 (e) of that act with net earnings from self-employment of more than $70;".

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)."

EARNED INCOME OF BLIND RECIPIENTS

SEC. 8. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

The SPEAKER. Is a second demanded?

Mr. REED of New York. Mr. Speaker, I demand a second.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Speaker, you will recall that on May 19th last, the House considered the question of whether or not it would suspend the rules and pass the bill H. R. 7800. On that occasion a majority of the membership of the House voted in favor of the bill, but the required two-thirds majority was lacking. The matter is now back before the House this morning under suspension of the rules with an amendment which was not offered on May 19.

My main purpose today is to confine my remarks exclusively, if I may be permitted to do so, to the change in this motion today and the motion which was made on May 19 last. Members have been offered the opportunity of studying the bill (H. R. 7800) since May 19, and in the last few days they have been supplied with copies of the committee print on H. R. 7800 which discloses the amendment which has been offered in connection with the bill today.

I would like to have the attention of the Members, if I may, as to the exact amendment which is now being offered for the first time. You will recall that when the matter was before the House last the American Medical Association resoluted against certain language in the bill. That language is contained in section 3 where this amendment is to be offered. On pages 13, 14, 15, 16, and 17 of committee print of the bill you will find the amendment to which I am referring.

Now there is a fundamental change made in section 3 of the bill by the amendment which is being offered. It has been said by some that it is merely window dressing; that there is no actual change made in section 3 of the bill as a result of this amendment. In my opinion nothing could be further from the actual fact of the situation.

The doctors raised objection to one section in particular on page 16 of the bill, section 220, which provided for an examination of disabled individuals. They raised objection to the fact that Mr. Ewing, as Administrator of this program, would have authority to select doctors; that he could pay these doctors for examining the applicants; that he could pay mileage fees, and so on, of the applicants in going to and from the doctors. Now that language of the bill has been stricken.

It is said by some that that makes no difference at all because section 205 of the Social Security Act grants to the Administrator a whole lot of authority with reference to evidence, procedure, and certification for benefits.

Now, let us understand exactly what the Social Security Act provides in section 205:

The Administrator shall have full power and authority to make rules and regulations and to establish procedures, not inconsistent with the provisions of this title, which are necessary or appropriate to carry out such provisions, and shall adopt reasonable and proper rules and regulations to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits hereunder.

This authority contained in section 205 is limited in its application, and the lawyers will catch this point, "in order to establish the right to benefits hereunder." This does not to me mean that the Social Security Administrator must pay the mileage fees of the applicant, or that he must pay the fee of a doctor for making the examination. Certainly, there is no authority in the bill, there is no authority in the Social Security Act, as I understand it, for any such payment to be made for the exercise of any control over the medical profession or any other profession, but there is authority contained in the law with reference to the question of proof. On page 13 of the bill, line 13, appear these words:

An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

I am certain the Members would not want anything passed by this Congress that would make available Federal funds, either out of the General Treasury or out of this trust fund, except that someone reached the conclusion that the applicant was entitled thereto. We have done that with reference to the Civil Service, the Railroad Retirement, the Employees' Compensation systems, and so forth. Someone within the agency has to be charged with the responsibility for making a finding, and definitely that is contained here in this law.

This amendment was prepared by our good friend, the gentleman from New Jersey [Mr. KEAN] from whose bill this entire section was taken originally. What we thought we were doing, and what he thought he was doing, was removing any legitimate excuse that anyone could have for opposing this provision. Now I am advised that the entire section has been characterized as socialized medicine.

I find myself in a position that I do not ever like to be in, of course. No one has any higher regard for the med-

ical profession than I do. No one has any closer associates within that profession than I. Some of my strongest friends at home, political and personal, are doctors. I think they recognize the fact that I would not do anything here or elsewhere, and I am sure you realize the fact, Mr. Speaker, that would in any way destroy or threaten to destroy that association or that group of high-minded professional men. I would not do it to lawyers or anyone else. I am just as opposed to socialized medicine as any human being can be. But I have studied this provision, and I think that all in the world that we are doing here is saying that the individual to whom the gentleman from New York refers, who becomes disabled because of blindness while on a job covered by social security, shall not have that period of blindness figured in to reduce the amount of the benefits to which he will be entitled when he gets to be 65 years of age or to eliminate entirely his eligibility for benefits. Yes, it is a wonderful provision for those individuals, some 500,000 of them who are now permanently and totally disabled and whose benefits are rapidly diminishing or are being taken away from them as well as the 75,000 to 100,000 who become disabled each year.

I certainly hope the Members of the House will pass the bill with this amendment to section 3.

Mr. REED of New York. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, let no person on this floor be deceived. You have the same old H. R. 7800 here before you. While the socialized medicine advocates pretend to remove the specific instructions to the Administrator, they now give him more powers under general provisions of the law than he had before. You have socialized medicine here stronger in this bill than was H. R. 7800, heretofore defeated. This is the same old Oscar Ewing socialized medicine provision before you today, and you have before you the most unfair bill to the old people than can be imagined.

You pretend to give the old people $5, yet there are hundreds of thousands of people, single and married, that are drawing only from $10 to $20 under social security. You know from experience what happened before—the States took that $5 away from them under old-age assistance.

I want to warn you today that what you are doing is going contrary to the wishes of one of the most noble professions in history. Many men and women on this floor would not be alive today if it were not for the medical profession.

There has been a campaign going on around here against the medical profession, charging that all they are interested in is a fat fee. In my district where we have these heavy winter storms there are country doctors—I know one who has a plane on runners. A call comes by telephone from a farmer living on a side road. The main roads are open but the side roads are blockaded with snow. The doctor will say, "Stand out in the field and wave a red tablecloth and I will be there." In 15 minutes he is there, his plane glides along the snow, he treats the patient, and in emergency cases he operates right then and there.

I know a boy whom I coached in football who became a noted surgeon in this country, one of the great surgeons and bone specialists. Coming through Pennsylvania in the early days he drove into a farmyard in a wheezing old car. The farmer said, "Stop this noise." The young doctor said, "What is the matter?" He said, "My son is very sick." He said, "Where is your local doctor?" He said, "We have none. He passed on shortly." The young doctor said, "Put a spool of linen thread in a teakettle and start it boiling. I will be with you in a few minutes." This courageous doctor drove to a district village and procured the surgical instruments of the deceased doctor. He spread the boy out on the kitchen table and operated on him, and saved his life. You smear artists berating the doctors might ask that man who is living today, who was sewed up with a linen thread, if all the doctor is interested in is a fat fee. The service was rendered without any fee.

Now, in the short time we have here today, it is impossible to read this bill in all of its details, but I repeat that while they have removed specific instructions to the Administrator, under the general law he can do more to promote socialized medicine than he could before. He can do all the examining. He can select the doctors. He can run the whole gamut. So I do not want you to be deceived in regard to this and H. R. 7800.

Another thing about this bill is the work clause. You know what inflation is doing to the purchasing power of the old people. If I were to call for a show of hands of those who would remove this work clause entirely if they could, I believe it would be 100 percent. But we are limiting it to $100. You have increased it to $70, and when you reduce that by half, with the 50-cent dollar, who is going to live on that? They cannot do it. All they ask is to supplement their meager income by working. When they work that increases the national income. That is helping everybody. I say the time has come in this age of Democratic inflation when we know that these old people are not getting enough to live on—they cannot buy clothes, they cannot have proper shelter. I wish I could pass these pictures around to all of you people and give you some idea of the snowbound conditions up in our country during the severe winter months. All you are doing in this bill is to put them in the hands of Oscar Ewing under this bill.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. JENKINS. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. REED of New York. That will give me time to read a little bit in regard to this examination of disabled individuals.

This is no time for people to be faint-hearted. This is the time to stand up and be counted. Were you right before when you voted? Are you going to admit you were wrong, when the same provisions are in here? I like to see people fight. I am wondering what the people are going to say when we on this side, now in the minority, do not have the courage to stand up and vote against iniquitous pieces of legislation. What are they going to expect if we ever get into the majority? I tell you the people want some courage in this Congress. They do not want to be betrayed by a fraudulent bill. That is what this dressed-up H. R. 7800 is.

I have a bill pending which could be reported out in 2 minutes which would satisfy everybody, for I have changed the work clause, given all the benefits to soldiers, to everybody; and we would not be here with this type of a contest under a gag rule.

This change in H. R. 7800 was all done in secret, Mr. Speaker; we were not even called in, and I think we have shown great cooperation with the chairman and his committee. You will see my stand, and that of others on this side who have gone along by unanimous consent on dozens and dozens of bills to save the annoyance of getting rules. Now what happens? They meet in secret session and bring out this amendment of which I believe the author is none other than Oscar Ewing. I repeat that it has now become well known throughout the country that the Democratic members of the Ways and Means Committee met in secret conclave to dress up H. R. 7800 to obscure so far as possible the socialized-medicine provisions.

As I have said, instead of deleting the socialized-medicine provisions, it gives Oscar Ewing far more power to socialize our medicine than was carried in the original H. R. 7800.

It was because of the iniquitous changes contemplated that the secret conclave was held.

The offered amendments simply delete from the measure (a) the specific administrative machinery and (b) the express grant of rule-making power which are involved in the administrative determination of permanent and total disability status. But it was not necessary that these items be included in the first instance. Without them Mr. Ewing would already have had ample authority under his general regulatory powers to issue rules and regulations and take other necessary steps for the purpose of carrying out the program as established by the Congress. The fact is that a deletion of the specific authorizations as proposed by the amendments would give Mr. Ewing even more unbridled discretion. Under H. R. 7800 as it stood on May 19 and as it is presented today, Monday, June 16, with the offered amendments, the Social Security Administrator will have the power to, first, determine what constitutes permanent and total disability; second, establish the types of proof necessary to establish permanent and total disability; third, provide by regulation when and where physical examinations should be taken; fourth, be authorized to prescribe the examining physician or agency—including Federal installations; fifth, establish the fees; and sixth, be authorized to pay travel expenses and subsistence incident to the taking of such physical examinations.

The House should resist this attempt to introduce socialized medicine into the OASI program by coupling it with needed

benefit increases. It should demand a clean bill—one entirely devoted to giving needed increases to old-age benefit recipients and increasing the work clause to $100. There is such a bill now pending providing this direct and straightforward treatment—H. R. 7922.

I condemn the secret method employed by the Democratic members of the Ways and Means Committee to exclude the Republican members of the committee from the secret political conclave. It was only by accident that the Republican members of the Ways and Means Committee found out that such a meeting had been held for the purpose of making changes in the once defeated H. R. 7800. I repeat again that now the defeated H. R. 7800 socialized-medicine bill is again presented to the House under suspension of the rules.

Under this gag procedure the Members of the House cannot amend the bill to permit the retired old people to earn $100 a month to keep the wolf from the door and keep their social-security benefits. The Republican bill, known as the Reed bill, H. R. 7922, not only contains every benefit included in H. R. 7800 but in addition, if it had been reported and passed, would let every old retired person under social security earn $100 a month without loss of benefits.

What is more honorable than for a retired person to work and produce if he is so inclined? Why treat a person like a criminal to be penalized to the extent of losing his benefits if he or she is willing to work and earn after retirement? No honest man can say that even a single person who retires under the maximum pay of $43 a month can out of that meager amount pay for rent, fuel, food, clothes, and medicine. He or she certainly cannot do it if there is another member of the family to support.

The purchasing power of the $43 is of course reduced by inflation to about $22. What do the leading economists say to this penalty against an old person working and earning enough to live? Referring to the penalty provision for continuing to work and earn, a leading economist has this to say: I qoute from the Keys to Prosperity by Dr. Willford I. King, professor emeritus, New York University, as follows:

> This provision of the law was evidently inserted by economic illiterates who believed that the number of jobs in the Nation was fixed and that it was unfair for a man having a pension to take away another man's job. They did not realize that their action not only condemned the aged to poverty but also reduced the national income by cutting off the goods which the elderly could and should produce.

Under the work clause proposed by the Democrats in H. R. 7800 the retired person can earn only $70 a month without losing all his benefits. It must be remembered that $70 under inflation has a purchasing power of only $35. Under the Republican bill, H. R. 7922, which is opposed by the Democrats the retired worker could draw $100 in salary, which when reduced by inflation would at least permit him to earn the equivalent of $50 in purchasing power without loss of his benefits. Thus H. R. 7800 sought to be forced down the throats of the membership of the House under a gag rule will rob the old people of $30 a month.

This is meager enough and if these bills had been brought in under a rule permitting amendments or motion to recommit, the work clause could have been eliminated altogether and even the meager $5 could have been increased to $10 by a Republican amendment.

The only purpose of the dressed-up H. R. 7800 is not to benefit the old people but to implant socialized medicine in our system of government. Those advocating this socialized medicine completely ignore what a similar system has done to the economy of England. Were it not for our billions of dollars flowing into England this great empire would have been staggering under financial impoverishment.

As you know, H. R. 7800 was rejected by this body on May 19 for three reasons:

The first and principal reason was that the bill established a new Federal program under which the Federal Security Administrator was given broad and sweeping powers over the medical profession of our country.

The second reason was that many Members of the House believed that amendments to the bill liberalizing the work clause and making other improvements in our social-security system should have been permitted.

The third reason was the strong resentment by Members of the House against the technique of using the commendable benefit-increase provisions of the bill as a vehicle for the opening wedge of Oscar Ewing's pet socialized-medicine program.

Every Member of the House should now clearly understand that none of these three objections has been removed by the proposed amendments to H. R. 7800. Let me impress upon the Members again that the plain fact is that every power given to the Federal Security Administrator under H. R. 7800 as it was rejected by the House on May 19 is still contained in H. R. 7800 as it is now proposed to be amended. Because this is the only issue before the House today let me repeat this statement: Every power given to the Federal Security Administrator under H. R. 7800 as it was rejected by the House on May 19 is still contained in H. R. 7800 as it is now proposed to be amended.

The offered amendments simply delete from the measure (a) the specific administrative machinery and (b) the express grant of rule-making power which are involved in the administrative determination of permanent and total disability status. But it was not necessary that these items be included in the first instance. Without them Mr. Ewing would already have had ample authority under his general regulatory powers to issues rules and regulations and take other necessary steps for the purpose of carrying out the program as established by the Congress. The fact is that a deletion of the specific authorizations as proposed by the amendments would give Mr. Ewing even more unbridled discretion.

Let me show you what I mean. The proposed amendments strike from the bill the following language:

> EXAMINATION OF DISABLED INDIVIDUALS
>
> SEC. 220. The Administrator shall provide for such examination of individuals as he determines to be necessary to carry out the provisions of this title relating to disability and periods of disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government if readily available. Examinations authorized by the Administrator may also be performed by private physicians, or by public or private agencies or institutions, designated by the Administrator for the performance of such examinations; and the cost of such examinations shall be paid for by the Administrator, in accordance with agreements made by him, either directly or through appropriate Federal or State agencies. In the case of any individual undergoing such an examination, he may be paid his necessary travel expenses (including subsistence expenses incidental thereto) or allowances in lieu thereof. Payments authorized by this section may be made in advance of or as reimbursement for the performance of services or the incurring of obligations or expenses, and may be made prior to any action thereon by the General Accounting Office.

Instead, however, of limiting the scope of the Federal Security Administrator's power in this field by substituting for the stricken language new language, the amendments make no provision whatsoever as to the medical examination of disabled individuals.

Obviously, therefore, if the bill is amended so that it now fails to provide how persons shall be examined for disability, where they shall be examined, who shall examine them, how payments to doctors shall be made—if the bill fails to provide how these things shall be done, the Federal Security Administrator must of necessity make his own determination and his own rulings. This is exactly the principal objection which was raised to H. R. 7800 as it was originally presented to the House, and this objection is just as, and even more, valid today.

As another example of how the amendments now proposed to H. R. 7800 do not change the fundamental character of the bill, take the language on page 13. Line 5 through line 8 on page 13 of H. R. 7800 reads as follows:

> An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required by regulations of the Administrator.

The proposed amendment simply strikes out the words "by regulations of the Administrator."

Obviously when the bill provides that an individual "shall not be considered disabled unless he furnishes such proof as may be required" it means required by the Federal Security Administrator.

In brief, H. R. 7800 as it is now amended provides that the Social Security Administrator will, first, determine what constitutes permanent and total disability; second, establish the types of proof necessary to establish permanent and total disability; third, provide by regulation when and where physical examinations should be taken; fourth, be au-

thorized to prescribe the examining physician or agency, including Federal installations; fifth, establish the fees; sixth, be authorized to pay travel expenses and subsistence incident to the taking of such physical examinations.

If this is not the basis of socialized medicine, then I should like to know what is.

I say today, as I said May 19, we should resist this attempt to introduce socialized medicine into the OASI program through the back door by coupling it with needed and meritorious benefit increases. We should assert our legislative prerogative and demand a clean bill—a bill entirely devoted to raising the amount of benefit payments and increasing the work clause to $100 instead of to only $70 as is proposed in H. R. 7800. The increase from $50 to $70 in the amount which a person may earn without losing his benefits provided for in H. R. 7800 is entirely too low.

The motion before us to suspend the rules and pass H. R. 7800 with the proposed amendments should be defeated. If this is done the Ways and Means Committee can bring forth in 24 hours a bill stripped of the controversial section 3. This would avoid the necessity of long public hearings by the Senate Finance Committee and assure that increased benefits will be provided OASI recipients without delay.

I deplore the attempt to smear the medical profession. This time-honored noble profession seeks to save the people of this Nation from the devastating effect of socialized medicine.

The 5-percenters, the deep freeze, the influence peddlers can operate within the Government, but must a great profession devoted to a great humanitarian life-saving service remain silent when they see a legislative move to destroy their profession as well as the solvency of the country?

The devotion and the responsibility of physicians to their patients are measured by the beautiful Oath of Hippocrates, which each physician takes as he enters upon the practice of medicine:

THE OATH OF HIPPOCRATES

I swear by Apollo the physician, and Aesculapius, and health, and all-heal, and all the gods and goddesses, that according to my ability and judgment I will keep this oath and this stipiulation—

To reckon him who taught me this art equally dear to me as my parents;

To share my substance with him and relieve his necessities if required;

To look upon his offspring in the same footing as my own brothers and to teach them this art if they shall wish to learn it without fee or stipulation, and that by precept, lecture, and every other mode of instruction I will impart a knowledge of the art to my own sons, and those of my teachers, and to disciples bound by a stipulation and oath according to the law of medicine, but to none others.

I will follow that system of regimen which, according to my ability and judgment, I consider for the benefit of my patients, and abstain from whatever is deleterious and mischievous;

I will give no deadly medicine to anyone if asked, nor suggest any such counsel. And in like manner I will not give to a woman a pessary to produce abortion.

With purity and with holiness I will pass my life and practice my art. I will not cut persons laboring under the stone, but will leave this to be done by men who are practitioners of this work.

Into whatever houses I enter I will go into them for the benefit of the sick, and will abstain from every voluntary act of mischief and corruption—and further, from the seduction of females or males, of freemen and slaves, whatever.

In connection with my professional practice, or not in connection with it, I see or hear in the life of men which ought not to be spoken of abroad, I will not divulge as reckoning that all such should be kept secret.

While I continue to keep this oath unviolated, may it be granted to me to enjoy life and the practice of the art respected by all men in all times, but should I trespass and violate this oath, may the reverse be my lot.

AMERICAN MEDICAL ASSOCIATION,
HOUSE OF DELEGATES,
June 12, 1952.

RESOLUTION ON H. R. 7800 ADOPTED BY THE HOUSE OF DELEGATES

Whereas Congressman DOUGHTON, Democrat, North Carolina, on May 12 introduced in the Congress an omnibus measure, H. R. 7800, Eighty-second Congress, providing for various amendments to title II of the Social Security Act, which bill was reported favorably by the Ways and Means Committee of the House of Representatives on May 16 and brought before the House of Representatives on May 19 under a suspension of the rules; and

Whereas section 3 of this measure provided for the introduction of a new theory in the social-security program which in its implementation could result in the socialization of the medical profession inasmuch as it would provide that the Federal Security Administrator should (a) determine what constitutes permanent and total disability; (b) establish the types of proof necessary to establish permanent and total disability; (c) provide by regulation when and where physical examinations should be taken; (d) be authorized to prescribe the examining physician or agency (including Federal installations); (e) establish the fees; (f) be authorized to pay travel expenses and subsistence incident to the taking of such physical examinations, and (g) have power to curtail Old Age and Survivors' Insurance benefits because of noncompliance with regulations of this section; and

Whereas the American Medical Association strongly protested against its adoption without full and complete hearings with respect to the controversial provisions of section 3 of the bill; and

Whereas following the rejection of the bill on May 19 by the House of Representatives, certain amendments were made to the bill by the House Ways and Means Committee which purport to eliminate the objectionable features of section 3; and

Whereas notwithstanding certain deletions from section 3 the fundamental purpose of this bill to extend the power and authority of the Federal Security Administrator remains unchanged, and the deletions which have been made are only another attempt to hoodwink the public into believing the section is completely altruistic; and

Whereas the attempt is again being made to present this bill to the House of Representatives next Monday (June 16) under a suspension of the rules; and

Whereas the defeat of H. R. 7800, depriving social security beneficiaries of numerous additional benefits, was a direct result of the Truman administration's attempt to play politics by tying in a socialized medicine scheme with an otherwise popular measure: Therefore be it

Resolved, That the American Medical Association condemns the breach of faith by this administration with those who would benefit from this bill in a flagrant attempt to railroad through a provision to aid in the socialization of medicine, which could not possibly be adopted if considered openly and fairly; and be it further

Resolved, That the American Medical Association urges that Congress rerefer this bill to the committee where it should be subject to the ordinary democratic processes of leigslation.

NEW YORK, N. Y., *June 16, 1952.*
DANIEL A. REED,
House of Representatives,
House Office Building,
Washington, D. C.:

Medical Society of the State of New York urges H. R. 7800 be referred to committee for study and public hearings. We object to its extending power of Federal Security Administrator regarding medical matters.

J. STANLEY KENNEY, M. D.,
Chairman, Legislative Committee.

MORRIS, N. Y., *June 15, 1952.*
HON. DANIEL A. REED,
House of Representatives,
Congress of the United States of America, Washington, D. C.:

Livingston County Medical Society, 44 members, unanimously opposed to socialized medicine features contained in social-security bill being introduced in House Monday.

V. L. BONAFEDE, M. D.,
Secretary.

NEWBURGH, N. Y., *June 15, 1952.*
DANIEL REED,
House of Representatives,
Washington, D. C.:

Am unalterably opposed to passage of socialized-medicine bill.

Rt. Rev. STEPHEN P. CONNELLY.

NEWBURGH, N. Y., *June 15, 1952.*
DANIEL REED,
House of Representatives,
Washington, D. C.:

Am opposed to passage of socialized-medicine bill.

Rev. JOHN D. SIMMONS.

KINGSTON, N. Y., *June 15, 1952.*
Congressman DANIEL REED,
Washington, D. C.:

This is in support of your stand on bill H. R. 7800, also amendment 7922.

W. S. BUSH, M. D.

PORTLAND, OREG., *June 7, 1952.*
HON. DANIEL A. REED,
House Office Building,
Washington, D. C.:

Understand attempt being made reintroduce H. R. 7800 under suspended rules. Section 3 this bill socialized medicine bill should be recommitted to committee for study hearings and introduction through regular procedure. Urge you again oppose section 3 and bills introduction under suspended rule tactics your past help deeply appreciated.

OREGON STATE MEDICAL SOCIETY.

CHICAGO, ILL., *June 7, 1952.*
HON. DANIEL A. REED,
House of Representatives,
Washington, D. C.:

The American Medical Association strongly urges deletion of section 3 from H. R. 7800 for reasons indicated in telegram previously transmitted from Washington office. The association has taken no action with reference to other sections of the bill which it does not consider within its purview.

BOARD OF TRUSTEES,
AMERICAN MEDICAL ASSOCIATION.

KINGSTON, N. Y., *June 14, 1952.*
Congressman REED,
Washington, D. C.:
Ulster County supporting your opposition to H. R. 7800.
EMIL S. GOODYEAR.

DUNKIRK, N. Y., *June 13, 1952.*
Hon. DANIEL A. REED,
House of Representatives:
Chautauqua County Medical Society, representing 130 physicians, definitely opposed to socialized medicine as contained in social security bill.
EDGAR BIEBER, *Secretary.*

FRIENDSHIP, N. Y., *June 13, 1952.*
Representative DANIEL A. REED,
House Office Building, Washington, D. C.:
The Medical Society of Allegany objects to the socialized medicine provisions in the social-security bill coming up before the House Monday. Social security has no funds, therefore their collections are a tax. Taxation and the use thereof are prerogative of the people.
JAMES H. GRAY, Jr., M. D.,
Secretary.

ATLANTA, GA., *June 13, 1952.*
Representative DANIEL REED,
House Office Building, Washington, D. C.:
H. R. 7800 very dangerous. If Oscar Ewing and his Communists want to give old people $5 more per month, put in a separate bill to do so. Surely we do not need the Federal Government operating an insurance agency under the Social Security Act or any act. Please do not be deceived when bill comes up Monday.
NEEDHAM B. BATEMAN, M. D.

NEW ORLEANS, LA., *June 13, 1952.*
Representative DANIEL REED,
United States House of Representatives:
The Louisiana State Medical Society recognizes your past achievement in opposing H. R. 7800 and we hope that you will be successful in preventing its passage on Monday, June 16.
P. H. JONES, M. D.,
Chairman, Committee on Congressional Matters, Louisiana State Medical Society.

KINGSTON, N. Y., *June 16, 1952.*
Congressman DANIEL REED,
House Office Building, Washington, D. C.:
Ulster County Medical Society backs you on H. R. 7800.
B. J. DUTTO, M. D.,
Secretary.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may care to consume to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. As I spoke at considerable length when this bill was under consideration on May 19, and my remarks appear at page 5476 of the RECORD, realizing that time is limited and that many members of the committee have not had a chance to speak, I shall only ask your indulgence long enough to say that I am still supporting the bill H. R. 7800 and that I think it should pass promptly.

DEFEAT THE AMERICAN MEDICAL ASSOCIATION BY PASSING THE SOCIAL-SECURITY BILL WHICH HELPS THE DISABLED

Mr. DINGELL. Mr. Speaker, the American people have lost faith in the ossified and reactionary leadership of the American Medical Association.

In the past several weeks we have again seen how the American Medical Association fights against the welfare of the people. It is abusing its professional responsibility by injecting itself into a matter which it falsely charges involves socialized medicine.

AMA OPPOSES PROGRESS

The AMA is again opposing progress. The reactionary leadership of the AMA does not have a constructive policy of its own for improvement of the health and welfare of the American people. It has been "agin" every important piece of social legislation which would be helpful to millions of people.

The obstructionist policies of the AMA are evident today when they are lobbying in opposition to the passage of this social-security bill.

AMA IS A POLITICAL GROUP

The AMA is a closed shop, monopolistic lobby which is trying to dictate to the American people and to the Congress. It is trying to foist its do-nothing philosophy on the Congress.

There is no question that the AMA is a political group. It has been and still is a reactionary political outfit.

Dr. Paul B. Magnuson, an outstanding doctor and Chairman of the President's Commission on the Health Needs of the Nation, has said:

When you speak of the American Medical Association, you're speaking to me of a political group. (New York Times, June 4, 1952, p. 24.)

INDEPENDENT DOCTORS OBJECT TO THE AMA PARTY LINE

I believe the events of the last few days involving the American Medical Association are singularly in point in this debate. All of us have read with astonishment about the indignation shown by the American Medical Association leadership over the work of the President's Commission on the Health Needs of the Nation. Apparently, even a study of the health needs of our people, headed by a doctor of such renown as the former Chief Medical Officer of the Veterans' Administration, Dr. Magnuson, is considered by the AMA an insult and a threat to the rights of doctors. The Commission is defamed by the AMA and they try to discredit its work when it has just stated on its assigned task.

I believe, as do many other people in Congress, that the AMA is taking a narrow-minded, selfish, and, in the long run, exetremely unwise attitude. Said Dr. Magnuson:

It has gotten to the point that any health legislation proposed to Congress no sooner is introduced than highly paid publicists spew forth a stream of invective which has little or no relation to the issue at hand.

I dare say that the cry of "socialized medicine" is even more farfetched in connection with the waiver of premium provision in this bill than it is in connection with an inquiry into the health needs of the Nation. But, as the Washington Post put it very aptly in its editorial, "AMA in Its Place," of June 12, 1952, "apparently you either agree with the leadership of the AMA all the way or you are a Socialist."

I propose, Mr. Speaker, that we pay no more attention to the false issues raised by the AMA and go on with the business of pasing the bill on its merits.

AMA AND REPUBLICANS IN CAHOOTS

In considering and reporting out the social-security bill, H. R. 7800, the members of the Ways and Means Committee had thought—and had good reason to think—that they were dealing with a thoroughly noncontroversial piece of legislation. Equally clear to anyone who does not choose to close his eyes to it is the need for its provisions. As far as I know, no responsible voice had ever been raised up to that time in protest against the disability waiver. In fact, there was definite and clear testimony in the Senate hearings at the time of the 1950 amendments to indicate that even the opponents of a disability benefit program felt that a waiver provision of this kind would be just and reasonable. Its application and use is commonly accepted by all line insurance companies. Then all of a sudden the day H. R. 7800 was reported the AMA had a bright idea. By wantonly misconstruing the language and intent of one portion of this bill the AMA was able to see in it socialized medicine. I dare say this novel interpretation born on or about May 17 in the Washington office of the AMA was as much a surprise to the opposition Members of this House as it was to the majority Representatives. Certainly, when Mr. KEAN, the Republican Member from New Jersey, introduced his bill on H. R. 7549 on April 23, containing the same provision, no Republican then professed to see dangers of any sort lurking in that bill. Nor did any Republican member of the Ways and Means Committee ever see any such dangers in the bill prior to May 19. It was only after the bombshell of socialized medicine was manufactured and thrown by the reactionary AMA leadership that we got all this spontaneous excitement and these indignant protests. Then the Republican Party lined up with the AMA to attack the disability provisions of the bill.

CHICAGO TRIBUNE SPREADS FALSE INFORMATION ON THE BILL

At the same time the AMA bombarded Congressmen with telegrams, they apparently sent word back to the several State medical societies and to some newspapers—with insufficient information on the facts of the matter—and thus started an avalanche of misrepresentation. The Chicago Tribune, for example, on the day preceding the debate on the floor, made the false report that the bill would "for the first time have the Federal Government make direct medical payments for the care of totally disabled persons, on the condition that they submit to medical care as directed by the Social Security Administrator."

An utter and complete fabrication.

FALSE INFORMATION SPREAD IN MICHIGAN AND COLORADO

More nonsense was spread in a telegram sent out by the secretary of the medical society of my own State and is erroneously supported by a Republican gentleman from Detroit, declaring section 3 in H. R. 7800 to be an attempt to

introduce a new undesirable compulsory health-insurance program. These fabrications snowballed into even more fantastic versions. Thus, the Denver Post reported on the 22d day of May statements made by a spokesman for the Colorado State Medical Society in which he interpreted this bill as bringing compulsory state medicine to millions of our citizens. The way he read H. R. 7800—if he ever read it at all, which I have every reason to doubt—it would pay benefits for permanent and total disability not just to indigents but to all enrollees of social security and the medical care of citizens found eligible for such compensation would be handled by the Federal Government. To top it all off, he alleged that the taxpayers would be footing the bills for millions of social security enrollees including many with more than sufficient means to pay for their own medical care.

If anybody here can recognize the remotest similarity between this interpretation of the bill and its true content, I challenge him to get up and explain how.

THE BILL IS 100 PERCENT AMERICAN

Now let us leave the land of fancy and revert to sanity as we take another look at section 3 of this bill. There is no provision here for socialized medicine or for State medicine or for health insurance—compulsory or otherwise—or for medical care or for the payment for such medical care—be it to doctors or private institutions. Nor, I am sorry to say, does the bill provide benefits for the permanently and totally disabled, whether they be indigent or not. All this bill can ever do and ever purported to do is to keep retirement rights and life insurance benefits already earned in years of covered employment from being whittled down or wiped out as a consequence of long periods of incapacity preceding death or attainment of age 65. The only medical aspects involved are examinations and laboratory tests needed to find out if an applicant is really permanently and totally disabled as he claims to be. The only control over these activities consists in having the proper authorities look into a questionable case to make sure that a disability adjudged as permanent has in fact turned out to be permanent.

AMA HAS 20-YEAR OBSTRUCTIONIST RECORD

The AMA is lobbying today to oppose the social-security bill. Just as they have been lobbying against Federal aid to medical education. Just as they opposed voluntary health-insurance plans for many years.

The record of the AMA is one of unparalleled opposition to economic and social progress. They have shown themselves to be stubbornly opposed to helping improve the welfare of the American people.

They are blind to human needs and they resist any reforms whatsoever.

Yet at the same time they recently came before the Ways and Means Committee and asked for special provisions in the tax laws to permit doctors to buy permanent and total disability insurance and deduct such expenses from their income taxes.

AMA WANTS SPECIAL PRIVILEGES FOR DOCTORS

The AMA asks for special privileges from the Congress for tax deductions for the doctors. But the AMA is oppposed to preserving the social-security rights of other persons who become disabled.

What a mockery the AMA is making of the Hippocratic oath.

They favor tax deductions for the rich and they oppose social security for the poor.

They ask for special privileges for themselves and at the same time ask that we deny simple justice for the rest of the American people.

They ask for social security for themselves but wish to deny it to millions of others.

AMA BELIEVES IN THE BIG LIE

The AMA said that the defeat of the bill "was due to the fact that its sponsors sought to trick their fellow Congressmen by a hidden section in the act, designed to establish a legal basis on which the Federal Security Administrator could begin to exercise political control over the care of the sick and the practice of medicine."

This statement by Dr. Lull, AMA secretary and general manager, is a stupid, foolish, reckless pack of misstatements.

There was nothing hidden in the bill. This provision had been public since April 23 when it was introduced in H. R. 7549.

It was contained in H. R. 7800 as introduced which was not opposed by the Republicans in executive session in the Ways and Means Committee.

It did not give any powers to exercise political control over the practice of medicine.

These reckless charges show why you cannot believe what the AMA says. They have become skilled in the dissemination of the "big lie."

MANY OTHER FEDERAL AND STATE LAWS HAVE DISABILITY PROVISIONS

The AMA is of the opinion that the waiver of premium provision does not belong in an insurance bill. I wonder how thousands of doctors would react if the waiver clause in their own life insurance policies were declared not to belong there. It is all right for them to have this protection but they want to deny it to millions of other people.

Furthermore, if the AMA really thinks that the bill gives the Administrator unusual powers in the medical field, then they have not taken note of the Federal and State statutes and commercial insurance contracts that have been with us for decades, which provide for precisely the same administrative and financial safeguards as does H. R. 7800 and under which, incidentally, many private physicians have netted considerable income in performing examinations governed by comparable rules and paid for in comparable ways—usually on a fee basis negotiated with and acceptable to the local medical societies. I am referring to our veterans laws, our civil service retirement law, our Federal statutes providing compensation for injuries to employees of the United States and for longshoremen's and harbor workers' compensation and for railroad retirement; I am referring further to our State cash sickness programs and many of our State workmen's compensation plans. There is no reason to believe that individual doctors will find it repugnant to perform an examination on a fee-for-service basis for the Bureau of Old-Age and Survivors Insurance. They already do it under standard provisions for many other Government agencies.

"THE ISSUE RAISED BY THE AMA WAS ENTIRELY FALSE," SAYS THE CHARLOTTE (N. C.) NEWS

Fortunately for the intelligence of our people and in particular our press, this red herring raised by our medical lobbyist has been readily recognized for what it is, a smoke screen, a false and sham issue. I should like to quote from but two or three of many similar editorial accounts that have come out attacking the AMA. Take, for instance, the Charlotte (N. C.) News of May 22, 1952:

It was a distressing display by the House. The issue raised by the AMA was entirely false. The Government, as the insurer, has the full right to lay down the rules that would govern applications for premium relief by disabled persons, the same right that a private insurance company exercises. To call this socialized medicine is to abuse the English language.

The editorial in the Charlotte (N. C.) News continues:

The House—and the AMA—merit the strongest possible rebuke from the American people for * * * this hand-in-hand conspiracy to defeat a worthy piece of legislation on entirely false grounds.

IS CATFISH CAVIAR?

The Louisville (Ky.) Times of May 24 points out that:

The section in question proposed, reasonably enough, that Federal Security Administrator Oscar Ewing be authorized to set rules and select physicians or agencies to examine persons claiming total and permanent disability. If this is socialized medicine or anything approaching it, then catfish is caviar.

The Denver Post of May 25, said:

The point at issue in this instance is only how disability is to be determined and how rehabilitation is to be supervised. Those are administrative problems which Congress should be able to solve.

Meanwhile paying up the disabled person's insurance out of social-security funds, at a rate prevailing at the time he is removed from the labor force, will not cost the general taxpayer a dime.

BILL ASSURES FULL FREEDOM TO INDIVIDUAL DOCTORS

It looks, indeed, as though the American people are finally getting wise to the high-powered obfuscations of the AMA. They refuse to swallow its malicious propaganda any longer. No doctor needs to cooperate with the program we are discussing today, if he does not want to. Those who do wish to cooperate will not in any respect whatsoever yield any of their present freedom of action or their proper medical functions performed as medical examiners, diagnosticians, and advisers on medical prognoses.

CONGRESS SHOULD SEE TO IT THAT THE PROVISION PROTECTING THE RIGHTS OF THE DISABLED ARE INCLUDED IN THE BILL

Instead of worrying about the whims of the AMA hierarchy it is about time

that the Congress started worrying about the needs of the hundreds of thousands of present and potential insurance beneficiaries whose working lives have been shortened by prolonged disability and who, therefore, cannot get an adequate old-age insurance benefit that in fairness is due them. After all, they have contributed their share of the social-security tax for many years. When this proposal becomes law, these hundreds of thousands of insured people and their eventual survivors will at least be guaranteed old-age and death benefits undiminished by the period of their disability. It is time we worried about the thousands of insured persons newly entering the ranks of the disabled each year who would partake of this same opportunity to preserve their old-age and survivors benefit rights. Last, but not least, it is high time that we worried about the present old-age and survivors' insurance beneficiaries—nearly 5,000,000 of them—who are aged and widowed and orphaned. They have been eyeing Congress with anxiety in the hope that long-overdue action will be taken to bring their benefits in line with the increased cost of living.

I strongly urge the House to pass this measure and pass it now and as it stands.

AMA OBJECTIONS ANSWERED

The opposition of the American Medical Association to the disability waiver of premium provision in H. R. 7800 apparently is limited to the fact that the program would be administered at the Federal level. Dr. Louis H. Bauer, president of the association, in a statement to the press following the recent adoption of a resolution by the House of Delegates opposing the provision, stated that, and I quote:

> The AMA is not necessarily opposed to payments to the permanently disabled. We are, however, opposed to any such benefits administered at a Federal level.

This statement by Dr. Bauer is extremely significant for two reasons. First, it points up again that the AMA has completely misunderstood the purpose of the disability section of H. R. 7800. This bill does not provide any cash benefits for permanently and totally disabled workers. It simply preserves their rights to retirement and survivors benefits.

Secondly, Dr. Bauer's statement makes it clear that the AMA is not concerned about the medical aspects of disability administration. It is not the program's administrative practices per se that bothers the Association—not even its program content, for Dr. Bauer confirms the official AMA endorsement of benefits for the disabled which was adopted by the House of Delegates in 1938. Rather, the sole objection to the provisions of H. R. 7800 is the fact that it is administered by the Federal Government.

The American Medical Association sees no control of doctors in disability programs whose scope and authority are much more comprehensive than that provided under H. R. 7800. Apparently there is no control of doctors under the State workmen's compensation programs or the State cash sickness benefit programs. Apparently there is no interference in the usual doctor-patient relationship in their administration. Apparently there isn't even any socialized medicine in the disability waiver of premium provision in the National Service Life Insurance for Veterans—a Federal program whose provisions, purpose and concomitant administrative aspects are the same as the provisions of H. R. 7800 as revised by the committee.

The whole issue and the only issue is that the AMA does not want the Federal Security Agency to exercise the reasonable administrative authority that it admits is proper for a State agency or bureau to have. In other words, the AMA's entire argument is simply a political maneuver. The AMA has taken the indefensible position of trying to dictate governmental policy in an area that is completely outside the medical field. They would deprive hundreds of thousands of disabled workers of their earned rights, not because of any danger to the medical profession, but in reality only because the present Federal Security Administrator has advocated health insurance.

Workers under old-age and survivors insurance have as much right to their earned protection as holders of Government insurance or private insurance. The AMA in trying to deprive these workers of their rights is trying to dictate social policy. The membership of the house of delegates has been misled by a distortion of the facts and by an unseeming and frenzied fear on the part of its leaders that anything that strengthens our social security law per se is wicked and to be opposed. The misguided and ill-conceived opposition of the AMA's leadership to H. R. 7800 should be fairly assessed and discounted as having no bearing whatsoever on the merits of this bill.

The bill which we are considering today is a bill which should be passed. The rights of the disabled are preserved in the bill. We have not accepted the unreasonable arguments of the AMA. We have rejected their unwarranted demands for deletion of the entire disability waiver section. We have retained the responsibility of the administrative agency to determine who is permanently and totally disabled.

LIBERALS WILL CONTINUE TO FIGHT FOR FURTHER IMPROVEMENTS IN SOCIAL SECURITY

Mr. Speaker, I favor improvements in the social security program. I am for increasing the insurance benefits.

I have introduced a bill, H. R. 6750 which would greatly expand and liberalize the insurance program. I introduced this bill on February 21, 1952, along with Senators LEHMAN, HUMPHREY, MURRAY, MAGNUSON, and Representatives ROOSEVELT, JACKSON, and MITCHELL.

We are going to continue to fight for these necessary and essential changes in our social security program.

We are going to reintroduce our bill in the next Congress and keep on fighting for these improvements until we get them.

We will fight the AMA-Republican coalition.

We will oppose the reactionary vested interests which are trying to halt the progress we have made in the last 20 years under Democratic leadership.

[From the Washington Post of June 12, 1952]

AMA IN ITS PLACE

Dr. Paul B. Magnuson was in an enviable position to rebuke the leadership of the American Medical Association at its meeting in Chicago, and he made the most of his opportunity. He charged, with eminent justification, that the outgoing president of the AMA, Dr. John W. Cline, "has done more to harm the AMA public relations and the American doctor than anything that has happened in the last 10 years." The AMA has sponsored an almost unparalleled campaign of propaganda designed to stigmatize as "socialized medicine" anything faintly smacking of an effort to meet health needs on other than AMA's terms: As Dr. Magnuson put it:

"It has gotten to the point that any health legislation proposed to Congress no sooner is introduced than highly paid publicists spew forth a stream of invective which has little or no relation to the issue at hand."

Particularly Dr. Magnuson has cause to resent the tactics of the AMA leadership. No sooner had he agreed last winter to take the chairmanship of the new President's Commission on the Health Needs of the Nation than Dr. Cline blasted the commission as a political move and an AMA representative withdrew. Yet the virtue of the new commission is that it is making a fresh and independent survey; it has carte blanche to suggest new methods, and it has no connection with any previous scheme. Dr. Magnuson, an outstanding surgeon in his own right and the man responsible for the veterans' medical program after World War II, has himself been an outspoken critic of the Ewing plan for compulsory health insurance.

Apparently, however, you either agree with the AMA leadership all the way or you are a Socialist. The approach is most unbecoming for men who have taken the Hippocratic oath, and it is refreshing to have a doctor whose own position is unimpeachable speak out for the traditional right of Americans to advocate new ideas without having their motives questioned. We strongly suspect that Dr. Magnuson also speaks for the rank and file of AMA members who, despite the propaganda, know in their hearts that the pressing health needs of Americans are not being met.

Mr. REED of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, this is a very important piece of legislation; it is a part of the second most impressive and most complicated legislative structure of any with which Congress deals. Here is what I mean: Tax legislation is probably the most complicated and far-reaching of any class of legislation with which we deal; social security is the next most complicated.

It has been the policy of the administration during this present session of Congress not to consider any legislation dealing with tax laws or social-security laws.

The Ways and Means Committee, under the guidance of the gentleman from North Carolina [Mr. DOUGHTON], our distinguished friend, has during this session of Congress given the impression that they would not be much inclined to consider bills the purpose of which would be to amend the tax laws or the social-security laws. I have written many letters telling people that it was

the policy of the Ways and Means Committee we would not touch the tax structure this year, and neither would we touch the social-security structure this year, because they were too big and too complicated. But one day out of a clear sky the gentleman from North Carolina [Mr. DOUGHTON] introduced H. R. 7800. I cannot prove this, but I dare say that nobody on the Ways and Means Committee had anything to do with the writing of H. R. 7800; it came up from downtown, and the committee considered it in executive session for a few hours. We Republicans made a strong demand that the committee hold public hearings on this subject. The medical associations should have been given an opportunity to express their views, and the old-age pensioners should have had a chance to ask why they were not considered, and the representatives of 200,000 State employees and teachers in Ohio should have been permitted to express their views, but the committee reported it out with only a few hours' explanation from Oscar Ewing's boys. When the bill was reported out, it was accompanied by a beautiful big report. I daresay that nobody on the Ways and Means Committee wrote a line of that report, containing 51 pages of very illustrative tables and figures. And nobody saw that report as far as I know; I know I did not see it. And what does this report say? Here is a summation of what this report says about this important legislation:

PURPOSE AND SCOPE OF THE BILL

This bill provides for six urgently needed changes in the old-age and survivors insurance program:

1. Benefit increases.
2. Liberalization of the retirement test.
3. Wage credits for military service during emergency period.
4. Preservation of insurance rights for those permanently and totally disabled.
5. Removal of bar to coverage for certain persons under State and local retirement systems.
6. Correction of defects in benefit computation provisions.

Now, there is much more in this bill than socialized medicine; there is a whole lot more in it.

It deals with benefit increases, purely political; liberalization of retirement tests—purely political; wage credits for military, for the soldiers, in this case—purely political. It deals with six or seven very important matters, all of which should have come before the committee—all of which should have been discussed fully, but none of which was considered but very briefly.

What is the hurry about this legislation today? Why not let it come up in the regular way so that we can give it thorough consideration? Just think of it—only 20 minutes of discussion on each side. I am much in favor of the $5 provisions in this bill, but it must be remembered that not one penny of that money is going to go to the aged people, I mean the old-age pensioners; and none goes to the widows and dependent children; and none of it goes to the blind. Whom does it go to? It goes to those persons who are getting social-security payments. They are getting what they paid for. I would be perfectly willing to vote to provide $5 per month additional because the fund can stand it, although it will amount to about $20,000,000 a month.

Let us talk a minute about this matter of socialized medicine. I agree with Mr. REED of New York. There is no doubt that this legislation is the first step in socialized medicine, and when this same bill was up for consideration in the House last week and when we defeated it overwhelmingly, those who are favoring the bill today said that there was no socialized medicine in it then. They came back today and said that they have cut out from the bill of last week about 25 lines that dealt with socialized medicine. I say most emphatically that this bill yet contains much language that is considered as socialized medicine.

Take for instance the first bill. It carries the following language: "an individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required by regulations of the Administrator."

The new bill carries the same language except that it strikes out the words "required by regulations of the Administrator" and inserts in lieu thereof the word "require." The new bill, therefore, reads: "an individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required."

This language of the new bill means in effect that Oscar Ewing and his crowd will determine what the proof must consist of and they will have the full control of it.

It stands to reason that the medical men of the country will know more about this matter of what will be socialized medicine and what will not be than anyone else. They have been watching this legislation. The American Medical Association in its national meeting in Chicago last week, being entirely familiar with all of the provisions of the first bill and of the new bill, adopted a resolution which is as follows:

AMERICAN MEDICAL ASSOCIATION,
HOUSE OF DELEGATES,
June 11, 1952.

RESOLUTION

Whereas Congressman DOUGHTON on May 12 introduced in the Congress an omnibus measure, H. R. 7800, Eighty-second Congress, providing for various amendments to title II of the Social Security Act, which bill was reported favorably by the Ways and Means Committee of the House of Representatives on May 16 and brought before the House of Representatives on May 19 under a suspension of the rules; and

Whereas section 3 of this measure provided for the introduction of a new theory in the social-security program which in its implementation could result in the socialization of the medical profession inasmuch as it would provide that the Federal Security Administrator should (a) determine what constitutes permanent and total disability; (b) establish the types of proof necessary to establish permanent and total disability; (c) provide by regulation when and where physical examinations should be taken; (d) be authorized to prescribe the examining physician or agency (including Federal installations); (e) establish the fees; (f) be authorized to pay travel expenses and subsistence incident to the taking of such physical examinations, and (g) have power to curtail Old Age and Survivors' Insurance benefits because of noncompliance with regulations of this section; and

Whereas the American Medical Association strongly protested against its adoption without full and complete hearings with respect to the controversial provisions of section 3 of the bill; and

Whereas following the rejection of the bill on May 19 by the House of Representatives, certain amendments were made to the bill by the House Ways and Means Committee which purport to eliminate the objectionable features of section 3; and

Whereas notwithstanding certain deletions from section 3 the fundamental purpose of this bill to extend the power and authority of the Federal Security Administrator remains unchanged, and the deletions which have been made are only another attempt to hoodwink the public into believing the section is completely altruistic; and

Whereas the attempt is again being made to present this bill to the House of Representatives next Monday (June 16) under a suspension of the rules; and

Whereas the defeat of H. R. 7800, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Truman administration's attempt to play politics by tying in a socialized medicine scheme with an otherwise popular measure: Therefore be it

Resolved, That the American Medical Association condemns the breach of faith by this administration with those who would benefit from this bill in a flagrant attempt to railroad through a provision to aid in the socialization of medicine, which could not possibly be adopted if considered openly and fairly; be it further

Resolved, That the American Medical Association urges that Congress re-refer this bill to the committee where it should be subject to the ordinary democratic processes of legislation.

The great State of Ohio, of which I am proud to be a citizen, has encouraged State and county employees and the teachers to organize themselves for their own protection when they would reach the age of retirement or when they would become incapacitated. The State teachers' fund and the fund of the State and municipal employees have been guarded with great care and have been well managed. Today these funds run into the millions. For instance the public employees' funds in Ohio amounts to $115,000,000.

The following is a letter that I received a few days ago from the Public Employees Retirement Board of the State of Ohio:

In re H. R. 7800.

The Honorable THOMAS A. JENKINS,
Congressman, the Tenth Ohio District,
New House Office Building,
Washington, D. C.

We understand that this legislation will be brought out this week, possibly on Wednesday, for vote on the House floor.

Section 6 of this legislation denies the more than 105,000 employees of the State of Ohio and of all units of local government the protection from indiscriminate social-security extension that is provided for Federal employees, for teachers and for fire and police personnel. We contend this is discriminatory and we urge that you insist on the deletion of section 6 or of modification to specifically include public employees who have their own sound retirement system such as the public employees retirement system of Ohio.

Please understand we are not opposed to H. R. 7800 in its entirety but only to section 6, which threatens the continued solvency

of the Ohio program, which has a reserve fund of more than $115,000,000. Our program will not add to the load of future taxpayers, as will social security, for our funds are invested in high-grade interest-bearing bonds and are not spent (as soon as collected) for a variety of purposes other than for retirement benefits.

We plan to be in Washington on Wednesday and Thursday and hope to be able to report to our membership your support in deleting or modifying objectionable section 6.

PUBLIC EMPLOYEES RETIREMENT BOARD,
FRED J. MORR, *Chairman.*
FRED L. SCHNEIDER, *Secretary.*

The following is a copy of a telegram which I received from the executive secretary, Ohio State Medical Association, who is a competent and very sincere gentleman:

COLUMBUS, OHIO, *June 15, 1952.*

Hon. THOMAS A. JENKINS,
House Office Building, Washington, D. C.:

Objectional features still in section 3 of amended H. R. 7800 as it still gives Social Security Department power to establish a socialized-medicine plan. Unfortunate that leaders insist on no public hearings, suspension of the rules, and no floor amendments on measure of such vital importance. Please seriously consider referral back to committee so hearings can be held and corrective amendments considered. This is not an objection to certain pension provisions provided for in other sections of bill.

CHARLES S. NELSON,
Executive Secretary, Ohio State Medical Association.

The following is a copy of a telegram that I received from Mr. Switzer, president of Ohio Civil Service Employees Association:

COLUMBUS, OHIO, *June 9, 1952.*

In re H. R. 7800 social-security amendments.
Hon. THOMAS A. JENKINS,
House Office Building,
Washington, D. C.:

Vigorously opposed to passage of this resolution in present form. Approximately 200,000 public employees in Ohio already covered by existing retirement plans under which benefits provided exceed those of social security. These workers and their interests require that opportunity be afforded them to be heard before action is taken. No public hearings on this resolution were held.

RALPH J. SWITZER,
President, Ohio Civil Service Employees Association.

The following is a telegram that I received from the president of the Public Accountants Society of Ohio:

TOLEDO, OHIO, *June 16, 1952.*

THOMAS A. JENKINS,
House of Representatives,
Washington, D. C.:

House bill 7893, section 302, far too discriminatory against many hundred Ohio public accountants. Your good judgment we trust will prevail in favorable consideration of recommendations made by National Society, Public Accountants; my regards.

CLINTON C. VAN WORMER,
Spitzer Building, Toledo, President, Public Accountants Society, Ohio.

The following is a telegram received from Dr. Dixon, president, Ohio State Medical Association:

COLUMBUS, OHIO, *May 18, 1952.*

Congressman THOMAS A. JENKINS,
House Office Building,
Washington, D. C.:

Have been advised that H. R. 7800 before you for immediate action has provision in connection with disability and rehabilitation benefits which would compel beneficiaries to secure examinations from physicians selected by Social Security Administrator in addition to other questionable procedures. Looks like another back-door attempt at socialized medicine program. Please check on those sections carefully and support amendments to correct which will be submitted. Highly desirable that hearings on this bill be held which is not contemplated, we understood, because of special rule. Respectfully.

FRED W. DIXON, M. D.,
President, Ohio State Medical Association.

The following is a telegram that I received from Mr. Howard, president of the Ohio Association of Public School Employees:

COLUMBUS, OHIO, *June 9, 1952.*

Re H. R. 7800, social-security amendments.
THOMAS A. JENKINS,
House Office Building,
Washington, D. C.:

We strongly protest passage of this bill in what we understand present form of section 218 to be regarding extension of coverage to public employees. Every public employee in Ohio is covered by a retirement system providing more ample benefits than social security. There are approximately 200,000 public employees in Ohio who could have present retirement benefits affected by the results of this legislation on which they haven't even had the opportunity to be heard.

HAROLD L. HOWARD,
President, Ohio Association of Public School Employees, Columbus, Ohio.

I have received many other telegrams from similar organizations in other States.

Mr. Speaker, let us not be mistaken. This is very important legislation which should have had thorough consideration by the Ways and Means Committee. This is purely a political bill and it is intended to serve two purposes. First, it will seek to distribute about $20,000,000 a month to our people, most of whom are very deserving. Second, it will give Mr. Altmeyer and Mr. Cohen and Mr. Oscar Ewing, three of the smartest legislative manipulators I have ever seen, an opportunity to socialize our social-security program and to socialize medicine. I have repeatedly said that the doctors of our country do more for nothing than any other class of people and that the school teachers do more for less than any other class of our people. Neither of these two great groups is in favor of this legislation. The Ohio Chamber of Commerce—the largest State chamber of commerce in the country is opposed to this legislation. The Insurance Federation of Ohio is also opposed to it.

Mr. Speaker, for all these reasons and some more cogent reasons I cannot in good conscience support this bill. Let's write a fair bill and support it.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. EBERHARTER].

SOCIAL SECURITY FOR ALL THE AMERICAN PEOPLE

Mr. EBERHARTER. Mr. Speaker, I am wholeheartedly in favor of the social security bill we are considering today. The bill provides for increasing the insurance benefits of nearly 5,000,000 persons. It liberalizes various provisions. It preserves the insurance rights of persons who become disabled. I want to say that the amendments which have been offered to the disability section of the bill are really self-explanatory. I want to say that, in my opinion, they do not involve one single concession to any of the unreasonable demands of the American Medical Association. They do not diminish any rights of those persons who become permanently and totally disabled. They do not take away any of the basic administrative responsibility of the Social Security Administration to see that the rights of the disabled are fully protected and that the Federal Government is properly protected at the same time.

The leadership of the American Medical Association has made, and is continuing to make, unsubstantiated charges about this one section of the bill. The amendments offered by Chairman DOUGHTON would delete the sections which related to examinations and physicians so that the AMA could not continue to distort and misrepresent the effect of this provision of the bill.

However, it should be clear to everyone that not one bit of administrative responsibility is taken away from the Bureau of Old-Age and Survivors Insurance to see to it that only persons who are bona fide permanently and totally disabled have their rights protected and preserved.

It is absolutely clear under H. R. 7800, as amended, that the disabled individual must still furnish full proof of his disability. The bill specifically requires that this be done. The bill specifically provides that the final finding that the individual is permanently and totally disabled must be made by the Federal agency.

The bill does not create any authority to establish socialized medicine or provide continuing medical care to anyone. Medical examinations obviously have a necessary part in making a finding of permanent and total disability. No one has been or would be socialized by such examinations. No one could be forced to undergo any examination.

The leadership of the AMA called for deletion of the entire disability provision of the bill. We have absolutely refused to bend to this unjustified demand of the AMA. I am sure that most private doctors throughout the United States do not share this unwarranted demand of the American Medical Association.

But we have eliminated some of the superfluous language so the leadership of the AMA could not continue its false and misleading campaign against the bill.

The Bureau of Old-Age and Survivors Insurance will at times find it necessary to have medical examinations and medical tests made in order to protect the workers' interests. Under this program, the burden of proof is on the person claiming disability. Thus, the Bureau must always disallow claims when the evidence which the worker submits does not clearly establish the disability. By authorizing additional tests and examinations in doubtful cases, the Bureau will be able to make a fair examination of the facts. If such additional tests were not made, the claimant would always lose

out when the evidence submitted by the patient's own physician was inconclusive.

The passage of this bill, H. R. 7800, will be a great victory for those, like the gentleman from North Carolina [Mr. DOUGHTON], who has fought for preserving the rights of the disabled. I am sure that nobody here will charge that the gentleman from North Carolina [Mr. DOUGHTON], who sponsored the bill, is in favor of socialized medicine.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman from Ohio and the gentleman from New York talked about socialized medicine in this bill. This bill covers an insurance program. The National Service Life Insurance Act, which is the act providing insurance for veterans, also covers an insurance program.

Mr. EBERHARTER. The provisions of the two are the same.

Mr. YATES. No complaint has been made that examinations covered by that act would result in socialization of medicine, and yet it, too, provides for regulations by one administrator. In section 802 (n) of the National Service Life Insurance Act it is provided:

> The Administrator shall provide by regulations for examination or reexamination of an insured claiming benefits under this subsection and may deny benefits for failure to cooperate.

Is it not elementary that the Government or a private insurance company or any organization which provides an insurance system incorporating waiver of premium for total disability should have the right of examination of the insured in order to check and prevent fraudulent claims?

Mr. EBERHARTER. The answer is obviously "Yes." To prevent fraud, proper check must be made.

The social-security program first was enacted in 1935 under the sponsorship of a Democratic administration. The program was liberalized in 1939 under the sponsorship of a Democratic administration.

In 1950 the social security program was broadened and expanded as a result of the initiative and leadership of a Democratic administration. And today again, under the sponsorship of a Democratic administration a social security bill has been drafted which will aid millions of persons throughout the entire United States.

Four weeks ago this same bill was brought before the House of Representatives for a vote. But as a result of Republican opposition the bill was defeated. Today, we are giving the Republicans another chance to vote for improving the social security law.

THE REPUBLICAN OPPOSITION TO SOCIAL SECURITY

The recent action of the Republicans in opposing necessary improvements in the social security law is not something unusual. They have opposed the insurance provisions of the law from the very beginning.

On May 19 of this year the American people saw again that the Republicans take every opportunity to oppose improvements in the social-security program to help the disabled. Responding to the whip-lash of the American Medical Association, the Republicans voted against the social security bill which would have increased social security benefits and would have preserved the social security rights of persons who become permanently and totally disabled. As a result of this opposition, the entire social security bill was defeated, and 4,500,000 beneficiaries are in danger of losing the increase they so desperately need.

This action of the Republicans is not just an isolated performance. It is part and parcel of their program for the last 20 years.

It is part of the 20-year campaign of the Republicans to delay, emasculate and defeat the Democratic effort to improve the social security protection of the American people.

THE REPUBLICAN OPPOSITION IN 1935

When the Democratic members of House Committee on Ways and Means reported out the social-security bill in 1935, the Republican members of the committee strongly opposed the old-age insurance provision of the bill. In their minority report on the bill every single one of the Republican members of the committee attacked the old-age insurance provisions on the grounds that—

First. It was unconstitutional.

Second. It would not in any way contribute to the relief of present economic conditions, and might in fact retard economic recovery.

Third. It would impose a crushing burden upon industry and upon labor.

Fourth. It would establish a bureaucracy in the field of insurance in competition with private business.

Fifth. It would destroy old-age retirement systems set up by private industries.

All of these fantastic objections by the Republicans turned out to be wrong. The old-age insurance plan is now enthusiastically endorsed by leading representatives of the insurance companies, employers, bankers, and labor.

The Republicans then attempted on the floor of the House to eliminate the old-age insurance program from the bill. Mr. Treadway, the ranking Republican member of the Ways and Means Committee, moved to strike out the insurance program.

In attacking the old-age insurance provisions of the bill on the floor of the House in 1935 the gentleman from New York [Mr. REED], now the ranking Republican member of the Ways and Means Committee, said:

> Now, my colleagues, you know that what you are attempting to do is unconstitutional, and you know that for that reason title II and title VIII ought to be eliminated from the bill. They are not relief provisions, and they are not going to bring any relief to the destitute or needy now nor for years to come. It is more of your compulsory, arbitrary program. * * * This title ought to be removed from the bill.

The gentleman from Ohio [Mr. JENKINS], one of the three ranking Republicans on the Ways and Means Committee at the present time, said in his attack on old-age insurance:

> We are by title II saying to every young man that if he does not save, if he does not provide for himself and pay for an annuity there will be no old-age pension for him and that charity will have vanished from America. In other words, you enact title I and you boast that you are charitable, and in title II what do you do? You seek to compel every wage earner to pay for an insurance policy even though he cannot afford it. You should not mistake this for a voluntary annuity. They took out the voluntary annuity title, but they retained the compulsory title. You do not say to these people, "if you want to do so we will provide a system whereby you may save." You say, "You have got to save." Thrift is as far from compulsion as freedom is from slavery. * * *
>
> This is compulsion of the rankest kind. Do not be misled by the title. The title says "Old-age benefits." Shame on you for putting such a misleading and unfair label on such a nefarious bill. Old-age benefits? Think of it. Oh, what a travesty. Yes; if you work and sweat and scheme and drive yourself for a generation or for all your life, this title says that the Government will then pay you a little annuity when you are 65 years of age. Who knows who is going to become 65 years of age? Who knows about the uncertainties of life?

The motion by Mr. Treadway to eliminate the old-age insurance title was defeated on a division of the House 41 to 131 and then by a teller vote 49 to 125. Under the vigorous leadership of the Democrats, the bill was passed in the House by a vote of 372 to 33.

Three of the Republican members of the committee who opposed old-age insurance in 1935 are members of the House Ways and Means Committee today—Messrs. REED, WOODRUFF, and JENKINS.

The Republicans' effort to eliminate the old-age insurance provision was defeated in the House of Representatives in 1935. The gentleman from New York [Mr. REED], the present ranking Republican member in the Ways and Means Committee, voted against the entire social security bill. The gentleman from New York [Mr. TABER], the present ranking Republican on the Appropriations Committee, also voted against the entire social security bill.

When the original social security bill was being considered in the Senate, the Republican opposition continued. Senator Hastings, the Republican Senator representing the du Ponts, of Delaware, moved in the Senate Committee on Finance, to strike out the old-age insurance provision. When Senator Hastings was defeated in this move in the committee he then made another final effort to get the provision struck out on the floor of the Senate. He was soundly defeated by a vote of 63 opposed to only 15 in favor, 12 of whom were Republicans.

On the final vote on passage of the social-security bill in the Senate there were 77 in favor and 6 opposed. Five of the six opposition votes were Republicans.

Some influential representatives of insurance companies and business interests supported Senator Hasting's efforts to strike out the insurance program. They used the argument that there should be more time for consideration of

some of the problems and that the Congress should delay action on the insurance program and take action only on the program providing old-age assistance to needy persons. The Democratic Congress refused to heed this advice.

Although the Democratic Congress passed the social-security bill, the Republican opposition did not stop. The Republicans then started a two-pronged drive to prevent the program from going into operation.

THE REPUBLICAN OPPOSITION: 1936 AND 1937

The Republicans then began a two-front war against the insurance provisions of the social-security law—

First. To get the insurance provisions repealed by Congress before it went into effect; and

Second. To try to get the insurance provisions declared unconstitutional.

They started this two-pronged attack simultaneously. The first part of the program broke down completely in November 1936. Governor Landon, as the Republican presidential candidate in 1936, came out against the social-security program as a "cruel hoax." Governor Landon had the nerve to advocate repeal of the social-security law. John G. Winant, the Republican Chairman of the Social Security Board, was so incensed and disgusted with this unfair attack on the social-security program that he resigned in protest of Landon's action.

During the 1936 campaign the Republican National Committee purchased radio time to fight the social-security program. The Republican National Committee, through its industry committee composed of representatives of big business, had stuffers put into pay envelopes during the last week in October 1936 to try to frighten the workers into voting for repeal of the social-security program. These pay-envelope notices were printed in such a way as to give the false impression that the Social Security Board in Washington had issued them officially. They were grossly misleading, untrue and, of course designed to frighten the voters. But their effort was a total failure.

Another effort to frighten the people was also unsuccessful. In cooperation with many of the reactionary newspapers, the Republicans began a campaign to make people believe that if social security went into effect each person would have to wear a dog tag around his neck. There were false rumors that individuals would have to have their social-security numbers tatooed on them. There were false rumors that all of the information received by social security would be made public and would be used as a black list. It was a vicious campaign which backfired. The voters of the country were not deceived. The first part of the Republican attack went down to defeat at the polls.

The second part of the attack was defeated May 24, 1937, when the United States Supreme Court completely rejected the Republican contention that the law was unconstitutional.

THE 1939 AMENDMENTS TO THE SOCIAL SECURITY ACT

Despite the Republican opposition, the Democrats continued to urge improvements in the social-security program. In 1939, under sponsorship of the Democrats, the social-security program was liberalized and expanded. The vote on passage of the bill in the House was 361 to 2. The two opposing votes were both Republican.

In the Senate, the vote on the bill was 57 to 8. Six of the eight votes in the opposition were Republican. Senator TAFT voted against the bill, as did Senator BRIDGES, the present minority leader in the Senate.

THE REPUBLICAN OPPOSITION: 1940–47

The Republican opposition to the old-age insurance provisions of the law did not stop when they were defeated in both the 1936 Presidential campaign and in the 1937 ruling of the United States Supreme Court.

They then started a campaign to freeze the payroll taxes which provide the income for the payment of the insurance benefits. They argued that if the payroll taxes were not frozen the reserve fund would become too big and there would be demands for liberalizing the insurance benefits. The movement to freeze the taxes was led by the Republican Senator from Michigan, Mr. Vandenberg. On several occasions the provision to freeze the contribution rates was added on as a rider to a general tax bill where it was almost impossible to defeat. In this way, the income to the social-security fund was frozen and the liberalization of social-security benefits was delayed. At the same time the Republicans took advantage of the preoccupation of the Congress in winning the war to prevent action during 1940–45 to improve the insurance benefits.

Shortly after the war had ended the Democratic members of the House Committee on Ways and Means instituted extensive hearings on proposals to improve the social-security program. Several important improvements were adopted in 1946.

THE REPUBLICAN-CONTROLLED EIGHTIETH CONGRESS: 1947–48

The Republican-controlled Eightieth Congress again showed its true views on social security by passing two laws aimed at emasculating the old-age and survivors insurance program. The first of these was enactment of a law excluding a large number of persons from the insurance program. The second was passage of an appropriation bill making it impossible for the Commissioner for Social Security to carry out effectively his statutory responsibilities for studying needed changes in the program.

The Gearhart resolution: Shortly after the second session of the Eightieth Congress convened in 1948, Representative Gearhart, Republican, of California, introduced a resolution to exclude some 500,000 to 750,000 salesmen from the insurance provisions. Under the leadership of Congressman Knutson, at that time the Republican chairman of the Ways and Means Committee, the bill was reported out of committee. I opposed this action, along with three other Democratic members of the Ways and Means Committee, who signed a minority report opposing adoption of the bill. I led the opposition to the bill on the floor of the House of Representatives. In the House of Representatives, every one of the 13 Republican members of the Ways and Means Committee who voted favored and voted for the Gearhart resolution.

After the Republican-controlled Congress passed the resolution, President Truman vetoed it. The resolution was passed over the President's veto. On the vote to sustain the President's veto, all of the 15 Republican members of the Ways and Means Committee voted against the veto and in favor of excluding the salesmen from the insurance law.

President Truman vigorously opposed the Gearhart resolution in the presidential campaign of 1948 and both Congressman Gearhart and Congressman Knutson, the Republican chairman of the Ways and Means Committee, were defeated for reelection. The people of their districts saw that they were not working for the people's welfare.

In 1950, under a Democratic Congress, the social-security law was amended to include all of the 500,000 to 750,000 salesmen under the insurance program. The Democrats showed that they were concerned with the welfare of these people.

Emasculation by appropriation reductions: Emasculation of the insurance program by direct legislation turned out to be a difficult job for the Republicans. However, they were successful in the Eightieth Congress in almost entirely eliminating the appropriation to the Social Security Administration for the over-all direction and development of a coordinated social-security program. In this way they hoped to nullify section 702 of the Social Security Act, which specifically provides that the Administration shall have the responsibility for studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects.

Despite the fact that the Republicans were in complete control of Congress for the 2 years, 1947 and 1948, they did not enact a single bill improving or expanding the social-security program.

During these 2 years the cost of public assistance continued to increase, while the social-insurance benefits became wholly inadequate because of the increased cost of living. But the Republicans did not increase the social-security benefits. They were more interested in reducing the taxes of the millionaires. They were more interested in helping big business. They did not have time to pass legislation for the people of the United States.

1949–50

With the election of a Democratic President and Congress, steps were taken immediately to improve and expand the social-security program. Based upon recommendations of the President, the Democratic members of the House Committee on Ways and Means reported out a social-security bill in 1949. The opposition to the bill in the committee was led by three Republican members of the committee—CURTIS, MASON, and BYRNES—who in a minority report opposed the social-insurance program in its entirety.

However, the official view of the majority of the Republicans endorsed the insurance principle but proposed to restrict and limit the benefits in a number of ways. They proposed that benefits be limited by cutting the maximum basis on which contributions and benefits would be computed from $3,600 to $3,000 a year, by completely eliminating the provision for increasing benefits for each year of contributions, by eliminating the provision for payment of a lump-sum death benefit in certain cases, and by eliminating the provision for payment of insurance benefits to persons permanently and totally disabled.

The Republican strategy was first directed toward voting against the closed rule on the bill. In this way, they believed they could offer their restrictive amendments to each of the various sections of the bill. Their effort to kill the rule was defeated, however, 189 to 135. All of the nine voting Republican members of the Ways and Means Committee voted for a rule to permit restrictive amendments to be offered to the bill.

Next, they attempted to offer as a substitute their bill which contained all the restrictions and limitations. Due to the Democratic leadership this restrictive Republican bill was fortunately defeated, 112 in favor, 232 against.

All of the nine voting Republican members of the Ways and Means Committee voted for the restrictive substitute bill.

On final passage of the bill in the House of Representatives, 12 Republicans voted against the bill. The bill was passed 333 to 14 in the first year of the Democrats' return to power in the House of Representatives.

In the Senate Committee on Finance the fight for liberalizing amendments was led by two Democrats—Senators Lucas and Myers—who issued a statement of supplemental views and reservations. Minority views opposing the entire social-insurance program were issued by Senator BUTLER, a Republican.

Senator BUTLER advocated his program for repeal of the social-insurance program and substitution of the means-test program. This proposal of Senator BUTLER's was opposed by Senator MURRAY, Democrat from Montana. Opposition to the social-insurance plan was led on the floor of the Senate by Senator CAIN, a Republican.

In the Senate all the important and constructive and liberalizing amendments were offered by Democrats. The only restrictive amendment adopted on the floor was offered by a Republican, Senator KNOWLAND. The vote was 45 to 37 for the Knowland amendment. Republicans voted 33 for it while 34 of the Democrats voted against it.

The final Senate vote on the bill was 81 in favor, 2 opposed. Both opposition votes were Republican — BUTLER and CAIN.

The main action on the conference report took place in the House. There, under the leadership of a Democrat, Congressman Lynch, a motion was made which would have permitted the House to vote on whether to restore the provision for paying insurance benefits to persons permanently and totally disabled and to strike out the Knowland amendment. The opposition to this motion was led by a Republican, Congressman BYRNES. The motion was defeated by a close vote, 186 to 188.

On this vote every one of the nine Republican members of the Ways and Means Committee who voted opposed giving the Members of the House an opportunity to vote to improve the bill.

On final adoption of the conference report the vote in the House was 374 to 1. The one vote against the bill was by a Republican—BYRNES.

THE 1952 OPPOSITION

What is the Republican record on social security in 1952?

On the vote 4 weeks ago on the social-security bill only three of the Republican members of the Ways and Means Committee voted in favor of the bill. The other seven Republican members of the committee voted against the bill.

The three Republican members—REED, WOODRUFF, and JENKINS—of the Ways and Means Committee who opposed old-age insurance in 1935, who are still members of the committee today, also opposed H. R. 7800—17 years later.

The gentleman from New York [Mr. REED], the present ranking Republican member of the Ways and Means Committee, who voted against H. R. 7800 on May 19, 1952, voted against the entire social-security bill in 1935. Nevertheless, the gentleman from New York [Mr. REED] now contends he has always been for social security and presents us with a bill to take the place of the one presented by the Democrats, who, the record shows, have been for social security from the beginning.

But Mr. REED's bill eliminates the provisions for preserving the benefit rights of persons who become permanently and totally disabled. The Republican bill is a farce. The Republicans say they are for social security but take every opportunity to oppose it, to cut it back, to prevent it from being improved.

It is the Democrats who have consistently shown that they are in favor of sound social security. It is the Democrats who have consistently fought for the liberalizations and improvements.

THE DEMOCRATS ARE WORKING FOR FURTHER IMPROVEMENTS IN SOCIAL SECURITY

The sweeping improvements in the social-security law which the Democrats made in 1950 were very important. The improvements we have made in the bill before us today are another forward step.

But the Democrats are working for still further improvements which are vitally needed. They are:

First. More adequate insurance benefits so that people who retire can be assured of having an American standard of living.

Second. More adequate insurance benefits for widows and orphans.

Third. Insurance benefits for persons who, prior to age 65, became permanently and totally disabled and cannot work.

Fourth. Abolition of the old-fashioned poorhouse. Better homes for the aged for those who cannot care for themselves.

Fifth. More adequate public assistance benefits for all needy aged persons, the blind, dependent children and the helpless disabled.

Sixth. Better health and welfare service for children, regardless of race, creed or color.

I pledge myself to fight for these improvements. I believe we can achieve these goals under the leadership of a Democratic administration.

I am in favor of decent wages which will permit all of the American people to save for their old age. Our social security system is now part of our American way of life. It is part of our economic and social system. We must fight off all attacks to cripple and destroy it.

THE FALSE CHARGE OF SOCIALISM AND THREAT OF FREEDOM

Many Republicans have tried to pin the label "socialism" to social security as they have tried to pin this label to other improvements the Democrats have sponsored for the people. This is their way of proclaiming that if they ever return to power they will try to tear the heart out of social security—or, at best, stand in the way of needed improvements.

Many Republicans charge that the Democratic emphasis upon security threatens individual freedom. This is merely a way for people with millions of dollars behind them—either in their pockets or in the coffers of their campaign contributors—to say that they want more security for themselves but less for everyone else. This is merely another device for obscuring the rather obvious fact that social security under the leadership of the Democratic Party has both strengthened our free enterprise system and provided a stronger base than ever before for human dignity and individual freedom.

Mr. REED of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H. R. 7800, now before us under a procedure we call suspension, limits debate on this very important bill to 40 minutes. We defeated this same bill on May 19, principally because it was considered under a suspension rule at that time, and amendments could not be

made. It was a case of accepting or rejecting the bill in its entirety, and the House chose to reject the bill. It is now before us again, and this time the chairman of the Ways and Means Committee has moved that the rules be suspended for the passage of the bill with an amendment.

Thus, we are now witnessing a drive for passage of very important legislation without due consideration on the floor of the House of Representatives. We are witnessing a very good example of why a political party should not bring embarrassment upon itself by the willy nilly acceptance of legislation written in the executive departments of Government downtown. H. R. 7800 was unquestionably written by the administrator, or his assistants, of the Federal Security Agency, and handed to the distinguished chairman of Ways and Means for introduction. No public hearings were ever heard on this bill which vitally affects millions of our citizens who are covered by social security. Nevertheless, the bill was reported favorably by a majority of the committee after discussion with proponents of the legislation from the Federal Security Agency.

When the bill originally came to the floor without adequate study, members of both the committee and the House, or both political parties, found that they had been sold a bill of goods, and in H. R. 7800 the Democratic Party was supporting legislation which inadequately helps the aged, while damaging all of our citizens. This is true, for concealed in the bill is a sleeper which marks the beginning of socialized medicine in the United States.

The Federal Security Agency, in preparing H. R. 7800, worded it so that that agency could issue regulations which would designate doctors, fix their pay, define procedures and findings they must make, and otherwise restrict the practice of medicine in the conduct of their profession. By urging passage of H. R. 7800, the Democratic majority in the House of Representatives, most of whose Members oppose socialized medicine, give it their blessing. Fortunately, on May 19 the deception was discovered, and sufficient Democrats joined the Republicans to defeat H. R. 7800 in its original form.

Today, H. R. 7800 is called up with an amendment. The purpose of the amendment, according to the Democrats, is to remove from the bill the provision which spelled out socialized medicine. thus, under fire, the leadership seeks to clear their skirts of any lasting charge that they support socialized medicine. Unfortunately, it can be argued effectively, and I believe accurately, that the large delegation of power to make regulations, contained in the bill even with amendment, will permit Mr. Oscar Ewing, Mr. Altmyer, and Mr. Cohen to make a beginning in socializing the practice of medicine.

Hereafter, bills from departments should be more carefully scrutinized, and above all on important legislation public hearings should be held, when all interested persons may present their arguments for and against the proposed measures.

I am opposed to H. R. 7800 for another reason. Many social security payments are as low as $10 or $15 per month, and the average payment is approximately $40. In the light of our Government's poor fiscal policies, which have brought about a high degree of inflation through which the dollar value has decreased 50 percent in the last 10 years, it is ironical to offer a man $5 per month and expect him to be pleased. This bill is political, and is designed by the Democratic administration to attract votes based upon a $5 increase in social security payments.

This money was earned by the workers in past years, and it is his by right, and both the condition of the social security fund, and the needs of the retired workers, demand that a realistic increase be granted.

Wages are a lot higher today, with a result that tax receipts from social security are higher. The committee should study the entire situation, and will I am sure find that $5 is merely a stab in the dark. It is intended more to attract votes than it is to pay the insured worker what he has earned, and what the fund can afford. As a matter of fact, the excess money collected from the workers, and not paid back to retired individuals, has all been spent for Government expenditures. The money is gone—all the social security fund has is a lot of I O U's. These I O U's are bonds which will have to be sold to pay our social security obligations.

Further, the Federal Security Agency refuses to admit that a man should be permitted to receive his social security payment if he earns more than $70 a month. This is a ridiculous and unfair limitation, for in effect the Federal Security Agency, under Oscar Ewing, is saying that a man can live on $70 a month. This limitation should be stricken from the bill, so that a man can earn any amount and at the same time receive social security which he has bought and paid for.

The great trouble with this legislation is that it was not considered by the Ways and Means Committee, nor is it brought before us today under a rule permitting the Members of the House to amend it on the floor. It should be sent back to committee with instructions to report a bill immediately striking out the provision which permits socialized medicine, and including a realistic increase in benefits to retired workers, while eliminating the provision that a man cannot receive social security benefits if he earns $70 per month. We are the trustees of money taken in taxes from the workers of our country. We must handle it wisely.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Speaker, I am somewhat embarrassed in getting this time from what I consider the wrong side of the House, but I understand that all the senior Members of my committee on my side wanted all the time, so there was none left.

I want to join with my good friend, the gentleman from New York [Mr. REED], in his eulogy of the doctors. They are a wonderful group. I am especially cognizant of this point today, because for the past 2 or 3 weeks I have talked to a good many doctors on this point, and every single one of them has agreed with the position I have taken except one doctor who called me on the telephone on Sunday, and I said, "Why do you object to this?" He said, "Well, I was asked to telephone you by the people in Washington." He did not not know the exact provisions of the bill.

No one seems to be finding fault with the objectives of this controversial section, with the proposal to freeze the insurance benefits under OASI of those, who, having contributed for at least 5 years to the trust fund, are so unfortunate as to become totally and permanently disabled. Where the objection seems to lie is entirely on the question of by whom and how shall this section be administered. In the original bill the method of administration was spelled out, but this was objected to in the telegram which we all received from the Washington representative of the American Medical Association.

I could not see any objection to the bill as originally presented. However, all legislation is a matter of compromise and in order to as far as possible meet the objections made in the telegram, all sections which were objected to have been stricken from the bill as it is presented to you today.

Now how does this leave the situation? The only reference to administration is in line 13, page 13, which reads, "An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required." There is even still objection to this from certain quarters. They say some one will have to decide what proof is required, and that this will necessarily be the Social Security Board. Of course it will. Who else could do it? You would not ask that it be done by the Bureau of Internal Revenue or the Farm Board. Some Government bureau must check a man's statement that he is permanently and totally disabled. The American Medical Association is on record in agreement with this. The house of delegates passed the following resolution on September 17, 1938:

> It is, however, in the interest of good medical care that the attending physician be relieved of the duty of certification of illness and of recovery, which function should be performed by a qualified medical employee of the disbursing agency.

Some say, what is the difference between the original bill and this one, if the Social Security Board will administer this anyway? There is a great deal of difference. Under the original bill, methods of administration were spelled out in law, and as we all know, laws are most difficult to amend. With these amendments, administration will be by regulation, and regulations, if distateful, can easily be changed.

Frankly, how this section will be administered is not to me the important question. The important issue, in my mind, is shall this inequity continue by which those who become totally and

permanently disabled or blind after having regularly and faithfully paid their tax toward their retirement benefits, now find themselves, when they reach the age of 65, receiving much lower social-security benefits owing to their misfortune. That is the issue on which you will be called upon to vote tomorrow.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Michigan.

Mr. DINGELL. May I ask this question for the benefit of the Members? Is not this waiver of premium, which we are now discussing, a common and an old practice of many years standing in the old-line life-insurance companies?

Mr. KEAN. Certainly, but of course the old-line life-insurance companies do have their doctors look at the people, and that is exactly what we would have to do.

Mr. DINGELL. I say it is a desirable thing.

Mr. KEAN. Very desirable.

Mr. DINGELL. Anyone who has a lick of sense in taking out a policy generally tries to take out a waiver of premiums so in case he breaks down he at least does not have to worry whether or not his insurance goes on.

Mr. KEAN. The gentleman is absolutely correct. It is something which has been in insurance policies for a long time.

Mr. REED of New York. Mr. Speaker, I yield to the gentleman from New York [Mr. OSTERTAG] for a unanimous-consent request.

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, our social-security system is full of inequities, and the present amendments, so far from correcting them, only accentuate them.

One of the least justifiable of these inequities is the provision in section 4 of the present bill, which puts a ceiling of $70 monthly on the amount a person of 65 can earn, without loss of his benefits, while removing this ceiling entirely at age 75.

In the interests of good faith, in the interests of fair play, in the interests of the health and happiness of our old people, and in the interest of our economy, this ceiling should be removed entirely. It does not belong in the Social Security Act.

It is preposterous to tell a man who has contributed to this system through many years of his life that the only way he can draw benefits is to retire from productive work and live on the pittance that it affords him. At a time of life when he needs to be encouraged to make full use of his capacities, lest they deteriorate and make him a burden to himself, his friends, and his relatives, our so-called social-security insurance system provides that he shall have no help from it, unless he becomes economically a second-class citizen, dependent upon the Government for his main support.

Furthermore, the system is not even consistently even-handed in laying down this arbitrary ruling; on the contrary, it compounds injustice by providing that if a man has an independent income at 65, he can draw his full social-security benefits without hindrance. It is only if he is gainfully occupied at 65 that he is penalized. Thus, as in so many other ways, this administration encourages indigence while it penalizes the industrious.

Mr. Speaker, every possible consideration—hunmanitarian, economic, psychological—points to the urgent importance of eliminating this wage ceiling in the social-security system, as would be done under my bill, H. R. 6810.

I have been seeking for many months to get full and adequate data from the Social Security Administration on this matter, and I am still waiting for it, but certain statistics which have been vouchsafed to the public are indicative of the size of the injustice perpetrated by the imposition of the wage ceiling in the Social Security Act. I am informed that 1,200,000 men and women over 65 who would otherwise be eligible for social-security benefits are today being deprived of them because they have the initiative, the spirit, and the capacity to continue working at 65. Another 300,000 widows and children who would also be eligible for social security are prevented from collecting it because they have elected to work at productive jobs rather than live on social security's inadequate benefits.

It cannot be argued that there would be a net economic loss if those 65 and older were encouraged to continue at productive work rather than being penalized for it. On the contrary, medical men and economists are both agreed that the arbitrary fixation of the retirement age at 65 is damaging to the individual both physically, psychologically, and economically. Dr. Thomas Parran, former Surgeon General of the United States, estimates that the potential economic gain to the country of keeping 1,500,000 people of 65 or more gainfully occupied would be about $4,500,000,000 annually. Wilbur J. Cohen, technical adviser to the Social Security Administrator, himself estimated that "the value to the national economy of the services of the aged who are now working is about ten to twelve billion dollars a year," and he further estimates that if another 500,000 older workers were added to the work force, as during World War II, "it would increase the national production about $1,500,000,000 annually." Thus there is ample evidence that it is greatly to the country's advantage, economically, to keep old people gainfully employed.

By contrast, the report on H. R. 7800 estimates that the cost of removing the wage ceiling would be about one billion dollars a year. This, I should like to point out, is about one-fifth of the estimated saving to be achieved by the establishment of a carefully planned central buying agency for the Armed Forces. It is less than one-sixth of the amount we are now planning to give to foreign governments during the next fiscal year. It is about one eighty-fifth of this year's budget.

The Social Security Administration takes the position that removal of the wage ceiling would be expensive. Yet the history of this program is that it started paying benefits earlier than was anticipated; the benefits are already much higher than was expected; the social-security fund has continued to grow, and the wage ceiling has already been raised from $15 to $50 a month and is now, under this bill, to be raised to $70 a month. In other words, the Social Security Administration has been consistently raising its sights as to the extent and amount of benefits, while consistently resisting this one adjustment, which, aside from consideration of equity, would tend to further reduce supplementary relief payments under old-age assistance, and augment the social security fund itself through continued deduction of the tax on the earnings of those between 65 and 75 who elect to continue at work.

But the most important reason, in my judgment, why the ceiling on earnings should be removed, is that the social security fund is made up of money exacted by this Government from its citizens on the promise of providing them with insurance; yet when they become eligible for it, they are deprived of it, if they elect to continue as independent, self-supporting members of the community. Could anything be more cynical, more misguided, or more irresponsible?

I expect to support the legislation which is before the House today, but I deplore the steam-roller tactics which are being employed, to lump desirable with undesirable provisions, and stampede the measure through the House, without preliminary hearings and with no opportunity for amendment or even ample consideration of the provisions involved. This is no answer to the grave inequities in which our social-security system abounds, but rather a hastily contrived campaign-year adjustment, which, in the long run, particularly with respect to the disability clauses, has the most questionable connotations. I earnestly hope that a more orderly, far-reaching and sound analysis and adjustment of this vastly important program will be undertaken in the near future.

Mr. RADWAN. Mr. Speaker, I want to join with the distinguished gentlemen from New York [Mr. REED] and the distinguished gentleman from Arkansas [Mr. MILLS] in the deserving tribute paid to the medical practitioners of this country.

I want to make it unmistakably clear, and my record as a public official will bear me out, that I have been, I am now, and I will continue to be opposed to socialized medicine for the evil that it is, to the same degree that I will oppose any socialism. On May 19, this year, I voted for this measure because it meant an increase, a needed increase in social security benefits. Some say that increase is not enough and this I say, Mr. Speaker, is the only justification for a vote against the bill before us. A vote against this bill because the increase is not

enough, could be defended. I want to join with my colleague from New York [Mr. OSTERTAG] in opposing the present work clause in the bill before us. I agree also with the gentleman from New York [Mr. REED] that his legislation is a far better bill from every standpoint than the legislation before us.

However, the good must be balanced against the undesirable, and that being so, I urge the entire membership of this House support the legislation before us as a needed step in the upward revision of benefits.

I have hope, Mr. Speaker, that when a Republican majority takes control and responsibility of the Congress next January, that along the lines as suggested by the gentleman from New York [Mr. REED], we will give to the American people a good, a fair, and equitable social-security law, and more than that, we may remove the present work-limitation clause in its entirety, in order to give the few who are fortunate in finding work, the opportunity to earn as much as they please by their own labor.

I earnestly support this legislation.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks following those of my colleague, the gentleman from Tennesee [Mr. COOPER].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all members who desire to do so may extend their remarks at this point in the RECORD, and that all members of the House may have five legislative days in which to extend their remarks in the RECORD on the bill H. R. 7800.

Mr. JENKINS. Reserving the right to object, Mr. Speaker, does that mean we may include extraneous matter with those remarks?

Mr. COOPER. I will include in my request, Mr. Speaker, such material as is appropriate to the consideration of the pending bill.

Mr. SPEAKER. With that understanding, is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SPRINGER. Mr. Speaker, the Committee on Ways and Means has reported out for amendment the Social Security Act and provides for six urgently needed changes in the old-age and survivors insurance program. It is my belief that all of these changes require attention this year. They will not require any amendment of the present contribution schedule, nor will they disturb the self-supporting basis of the system.

A. BENEFIT INCREASES

The rapid rise in wages and prices during the last few years has made many benefit adjustments necessary. While other segments of population have received increases in income since Korea the benefit rates of over 4,500,000 persons now on the old-age and survivors insurance rolls were determined in the early part of 1950, prior to the beginning of the Korean war. As a result retired aged persons and widows and orphans are finding it difficult to meet the rising cost of living.

Today the average old-age insurance benefit for a retired worker is about $42 a month. For an aged couple the average is $70; for an aged widow it is $36. These incomes must be used almost entirely to procure the bare essentials of existence. Consequently, unless the old-age and survivors' insurance program is kept constantly adjusted to major economic developments, many more beneficiaries will have to turn to public assistance to make up the deficiency between their income and the minimum necessary to meet living costs.

Adjustment of the program to keep the provisions of this law in line with major changes in economic conditions is of great personal significance to over 60,000,000 people in America who are covered by these benefits.

B. LIBERALIZATION OF THE RETIREMENT TEST

Although it is not a desirable use of social insurance funds to pay benefits to persons employed full time, it is desirable to allow old-age beneficiaries and dependent and survivor beneficiaries to supplement their benefits with part-time work. In the light of current wage levels a $70 test rather than the present $50 test is more in keeping with this objective.

Under the bill, a beneficiary will be able to earn $70 of wages in a month, rather than $50 as in existing law, and still receive his benefits for the month. Similarly, a beneficiary may derive net earnings from self-employment averaging $70 a month in a taxable year, rather than $50 as in existing law, and receive all his benefits for the year.

The objective of the retirement test should be to prevent the payment of benefits to a large number of persons working full time. However it should not prevent beneficiaries from working part time to supplement social-security benefits. This is a good provision and in my opinion should have been raised to $100 rather than the $70 set out in this bill.

C. WAGE CREDITS FOR MILITARY SERVICE DURING EMERGENCY PERIOD

The Korean conflict has made urgently necessary an adjustment to protect servicemen's rights under the system. The 1950 amendments to the Social Security Act provided wage credits of $160 for each month of active military or naval service during World War II. No credit was provided for any month after the end of World War II. The millions of men and women who will have served their country during the present emergency, especially those who have fought in Korea, should have the same opportunity to build up old-age and survivors insurance rights as people in covered employment and those who served in World War II. I believe that credit should be given, also, for service between the end of World War II and the beginning of the Korean hostilities. If such credit is not given the survivors of many of the men already killed in Korea would not be able to qualify for benefits.

D. PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED INDIVIDUALS

Each year several hundreds of thousands of workers under 65 are forced into premature retirement by diseases of the heart, arteries, cancer, kidney disease, crippling arthritis, and other chronic ailments.

In 1950 the Committee on Ways and Means made an exhaustive study of this aspect of disability assistance in connection with the amendments offered that year to the Social Security Act. The program at that time was passed by the House but not approved in the Senate. The present recommendation is much more limited since it merely preserves the insurance rights of qualified workers who become permanently and totally disabled.

The bill would maintain benefits for qualified workers who are totally disabled not less than six consecutive months and whose physical and mental impairment can be expected to be permanent.

This particular provision will eliminate the dependency of the worker upon local relief agencies.

E. REMOVAL OF BAR TO COVERAGE OF CERTAIN EMPLOYEES UNDER STATE AND LOCAL RETIREMENT SYSTEMS

The 1950 amendments to the Social Security Act bar coverage under old-age and survivors insurance of members of State and local retirement systems. As a result, in a number of States the desire of both employees and employers for old-age and survivors insurance coverage has led to the liquidation of State and local retirement plans. In other States such action is under consideration. It is imperative to take action now so that employees in positions covered by a State or local retirement plan can have old-age and survivors insurance without liquidation of the existing plan.

In private industry the combination of old-age and survivors insurance and a supplementary system has been a common pattern. About 14,000 retirement plans, covering some 10,000,000 employees, have been established to supplement the basic protection of old-age and survivors insurance. Similarly since the passage of the 1950 amendments, most employees of nonprofit organizations covered by retirement plans have had the advantage of combined protection under these plans and under old-age and survivors insurance.

There is no reason why State and local governments and their employees and employers should not have the advantages enjoyed by employers and employees in private employment. The fact that this is generally not possible under present law is discriminatory. The bill would remove this discrimination against State and local governments and their employees.

Old-age and survivors insurance coverage should be extended to members of a retirement system only after they have formally expressed a desire to be covered. The bill therefore makes coverage of retirement systems subject to a favorable vote of the members of the sys-

tem by a two-thirds majority in a written referendum.

F. CORRECTION OF DEFICITS IN BENEFIT COMPUTATION PROVISIONS

The bill contains several technical amendments. The most important of these would correct inequities arising in 1952 under the benefit computation provisions of the present law. One such amendment permits self-employment income derived in any taxable year beginning or ending in 1952, to be used in benefit computations made for persons who die or become entitled to benefits in 1952 or in a fiscal year beginning in 1952. This is a good change in the law and brings it up to date in many respects.

G. EARNED INCOME OF RECIPIENTS OF AID TO THE BLIND

In 1950 the provisions of the Social Security Act relating to State plans for aid to the blind were amended to provide that such plans (a) could provide for disregarding the first $50 of earned income of needy blind recipients in determining their need, and (b) had to provide for disregarding such income after June 30 of this year if the plans were to continue to be approved. However, this income is disregarded only in determining the need for aid to the blind of the individual who earned it.

SUMMARY

The actuarial study shows that these provisions are sound and will not put an undue burden upon the fund that has been created for this purpose, provided that we continue to have full employment with average annual earnings of about the level prevailing in 1951, or probably somewhat below current experience.

The program as outlined in these amendments has been adopted in an effort to moderize the social-security system and to bring it up to date. These amendments also have eliminated the possibility of abuses of the system especially in the disability section. This will eliminate fraud and malingering and insure that only those who genuinely qualify for this type of payment will receive credit.

Mr. RODINO. Mr. Speaker, from the time the social-security program was enacted in 1935, it has been the intent of Congress to establish contributory social insurance, with benefits related to individual earnings, as the basic framework of social security. Old-age and survivors insurance benefits are payable without a means test. The cost of those benefits is met by the earmarked contributions of covered workers and their employers. A major objective of the amendments we adopted in 1950 was to strengthen the insurance program and so cut down the need for public assistance.

In 1950, we broadened the coverage of old-age and survivors insurance. We also increased the benefits and we changed the eligibility requirements so that aged people could qualify sooner. In 1951, for the first time since the establishment of the social-security programs, more people were getting old-age insurance payments than were getting old-age assistance. But if we want to maintain this position and to prevent more and more people from having to turn to the assistance program, we will have to increase benefits under old-age and survivors insurance now.

The average old-age benefit today for a retired worker is about $42 a month. For an aged couple, where both man and wife are retired, the average is $70; for an aged widow it is $36. These incomes must be used almost entirely to procure the bare essentials of existence. Unless the old-age and survivors insurance program is kept dynamic and is constantly adjusted to major economic developments, many more beneficiaries will have to turn to public assistance to make up the deficiency between their incomes and the minimum necessary to meet living costs.

Prices and wages have both gone up substantially since old-age and survivors insurance was last amended. The Consumers' Price Index, which stood at 172 in July 1950, had risen to 188 in March of this year. From 1947, the year on which cost estimates for the 1950 amendments were based, to 1951, wage levels increased between 20 and 25 percent. We must move immediately to increase old-age and survivors insurance benefits and restore the balance.

We can meet this problem with no change in the tax whatsoever. As wages rise, the income of the old-age and survivors insurance trust fund rises faster than outgo. This is because the higher a person's earnings, the lower the benefits are as a percentage of his earnings. Under the 1950 formula, the benefit is 50 percent of an average monthly wage of $100, but only 27 percent of an average monthly wage of $300. The rising wages and cost of living that have made the benefits under the 1950 law inadequate for today have also brought in the funds to make those benefits more adequate.

None of the other changes provided by the bill requires an increase in the tax rate. In fact, all the changes can be financed well within the present tax structure.

Other developments since the 1950 amendments were enacted require immediate change in the program. In 1950 none of us could foresee that after 2 years we would still be involved in hostilities in Korea. Now we realize that we need to expand the provisions for veterans of World War II to protect the men who have served and are serving during the Korean emergency.

The bill makes the same provision for members of the Armed Forces between July 1947 and January 1954 that the 1950 amendments made for those who served in World War II. It provides these men and women with wage credits of $160 for each month of service in the Armed Forces.

Mr. Speaker, one of the most important provisions of this bill in which I am most interested is the provision which corrects a grave injustice for the halt, the lame and the blind—the permanently and totally disabled people of this country who today are the truly forgotten men and women of our social insurance system.

Today not only are these people denied benefits when they become disabled, but they may lose the protection they have against the risks of old age and death. There is now no "waiver of premium" provision for the permanently and totally disabled in old-age and survivors insurance as there is in private life insurance. For these poor people to be denied benefits when they become disabled, and in addition to lose the rights previously built up, is cruelly disillusioning. Many of them find it hard to believe that a democratic society—concerned as it is with the welfare of each individual—would allow such a loss to occur. This bill corrects this injustice.

This additional protection would be given only under carefully worked-out conditions. Preservation of eligibility for old-age and survivors insurance benefits and protection of the amount of benefits against reduction would be given only to those who have had both substantial and recent covered employment. A person's rights would be protected only if he was disabled for any kind of substantially gainful work. Moreover, if the disabled person for any reason receives covered wages or self-employment income such earnings will show up on the old-age and survivors insurance records. The reporting of wages and self-employment income provides a safeguard against abuse of the provision which is not available under other disability programs.

Our social-insurance system must be such as to encourage production. After all, the security of every American depends in the last analysis on whether our economic system provides a sufficient volume of goods and services. We must be careful, for example, that the social-insurance program is not a barrier to part-time productive activity on the part of those who have retired. Since the time of the passage of the original act the number of persons age 65 and over has risen from less than 8,000,000 to about 13,000,000. In another 25 years there will probably be 20,000,000 aged persons in the United States. It is important to economic production that under these circumstances the test of retirement be kept under constant scrutiny.

Under the present program the average age at which people first claim old-age insurance benefits is 68½ rather than 65. The contribution schedule which supports the program takes this into account. The increased cost resulting from paying all eligible persons at 65 would be over 1 percent of the payrolls. If the retirement test were eliminated the program would immediately start paying over a million workers and their dependents. The million workers added to the beneficiary rolls would be largely people who are employed full time and who are no more in need of benefits than regularly employed people at younger ages. To pay benefits in such cases is not the best use of the funds available for social insurance.

The retirement test probably has little effect on the willingness of older persons to continue in full-time employment or on their willingness to take

full-time jobs after they have once retired. Benefits are so much less than earnings that they are no real inducement to retirement. The present $50 restriction on earnings, however, probably does discourage some of those who are retired from their regular jobs from making the contribution to production through part-time employment that they are capable of making. This bill, therefore, provides for an increase from $50 to $70 in the amount which tests retirement under the program.

The bill contains other amendments which permits certain members of State and local retirement systems to obtain coverage under old-age and survivors insurance if the State wants this coverage and if a two-thirds majority of those under the retirement system want it. This will permit coordination of old-age and survivors insurance with staff systems for public employees. It will afford public employees the same advantages as those now available to many employees in private industry who are covered both by old-age and survivors insurance and by an industrial pension plan.

There is one amendment in H. R. 7800 which affects the public assistance programs. This amendment will correct an injustice in the treatment of certain blind people under the present law. In the 1950 amendments we adopted a provision which permits the States to leave out of account, in determining the need of a blind person for assistance, his first $50 of earned income. Under present law, however, it is not clear that where another person in the family, for example, the man's wife, is also getting assistance, that $50 does not have to be counted in her case. As a result the Social Security Administration has held that in such a case the wife's assistance payment must be reduced. This is a clear injustice to these families which ought to be corrected. H. R. 7800 will correct it.

Benefit payments under this system are today the chief source of income for 4,500,000 people. Most of the working population are covered, and will rely heavily upon it in the future to provide income for themselves in old age and for their families in case of their death. Old-age and survivors insurance is the keystone of the social-security system of this country.

The improvements contained in this bill are vitally necessary to keep this basic system up to date. The increases in benefit payments—at least 12½ percent for retired beneficiaries and corresponding increases for survivors and dependents—are required by today's conditions. We all know what the rise in prices over the last few years has meant to people who have been living on fixed incomes.

Old-age and survivors insurance beneficiaries need an increase in their income to meet living costs as much as anyone else.

I urge that H. R. 7800 be passed.

Mr. BRAY. Mr. Speaker, the manner in which this bill has been handled has subjected the Congress to just criticism. Everyone on this floor knows that there are worth-while improvements to the social-security system in this bill. The present-day high cost of living has put many of our older citizens in actual want. I do not believe that the Congress is justified in spending billions abroad, regardless of how worth while this spending may be, while allowing unnecessary suffering on the part of America's aged.

This bill came before the House last month under a suspension of the rules, which prohibits amendments from the floor. While an overwhelming majority of the Members of this House favor the small increase in payments granted by this bill, many objected to what they believed to be the injection of socialized medicine into the social-security program. The bill was defeated.

Many groups, through misinformation or deliberate misrepresentation, have since charged that the Congressmen who so voted wished to deny this small assistance to the aged. Nothing could be further from the truth. This vote was to prevent the fettering of social security with a dangerous bureaucratic experiment.

In presenting this bill to the Congress again, the leadership has again refused to have public hearings on this bill, or to allow amendments to the bill. It would seem that it is fearful of allowing the public or the Congress, as a whole, to properly investigate or pass on the individual features of this important bill. Some of the objectionable parts of the bill have been removed, but it is still far from being a proper bill.

If the House defeats the bill again today, however, I fear that we will not be able to get a better bill through this year. So the gag rule, by refusing to allow a fair discussion of this bill and proper amendments, is working against the best interests of the American people.

There are several important amendments to this bill which many Congressmen believe would benefit the workers of this country, as well as the general public. I would like to mention just two such changes that should be seriously considered by this body.

This bill will allow social-security recipients between the ages of 65 and 75 to earn only $70 a month and still be eligible for their benefits. Although this is better than the present $50 a month limit, I believe that a majority of this body would unhesitantly vote to raise this limit to $100 a month, if they could do so. The recipient and his employer have paid for these benefits, and these restrictions not only injure the recipient, they also reduce the productive capacity of our economy.

Secondly, while a person may work in some jobs far beyond the age of 65, there are several especially strenuous trades in which a person cannot work beyond age 60 without great difficulty. There is considerable sentiment in Congress to allow social-security retirement in these jobs at age 60.

There are other changes which should be given a complete hearing, but as long as the leadership refuses to hold committee hearings, and refuses to allow amendments from the floor, the will of the people will continue to be thwarted. I imagine that this bill will be passed—not because it is a good bill, or because it meets the present needs—but because it is the best bill that can be gotten through under this gag rule.

It is hoped that the other body who works under different rules may be able to make some of the needed changes in this bill, and if so, we may be able to finally adopt a really good bill.

Mr. SMITH of Mississippi. Mr. Speaker, I wish to protest against the action of the Ways and Means Committee in bringing this legislation to the floor under the suspension rule, which prevents any attempt being made to offer amendments which might alleviate some of the present inequities in the Social Security Act that have developed since the law was amended in 1949.

The provisions in the Social Security Act of 1949 in regard to agricultural labor are especially in need of clarification. Under the present law, many types of agricultural workers who are required to be covered under the bill are not employed on a transient basis. They are very much confused about the purpose of social-security deductions, and apparently, in many cases, they are not being covered under the law because of the confusion resulting from shifts in employment, and their unwillingness to have any part of their salary taken as a regular contribution to the fund.

It would be in the best interests of the farm workers involved if the present language of the bill in regard to present agricultural coverage could be revised to make some type of agricultural labor coverage on a permissive basis, or at least under terms where there would be no question of the benefits being eventually returned to the employee. The entire social-security program would be best served by such an amendment.

Under the rules of the House under which this rule is being considered, it is impossible for me to offer such an amendment, nor to take any step which would bring about a decision on the floor of the House about the necessity of reviewing the present law. In view of this fact, I shall vote against suspension of the rules, in the hope that by refusing to suspend the rules we can secure consideration of this legislation in such a fashion to enable the presentation of clarifying amendments on farm-labor coverage, and any other aspect of the present social-security system that is in need of revision.

Failure to suspend the rules will prevent the immediate passage of this bill, but it will not prevent properly constituted efforts to bring the whole social-security law before the Congress for review.

If this suspension is granted, I hope that the Ways and Means Committee in the next Congress will act to give the House a chance to review certain provisions of the social-security law, such as the one which I have brought to the attention of the House.

Mr. DAVIS of Georgia. Mr. Speaker, there are three things I want to say about this bill:

In the first place, I think it is a great mistake to bring this bill to the floor of

the House for action under a motion to suspend the rules. The bill ought to be brought before us under the regular procedure, which would permit full and free discussion, and which would permit amendments to be offered, discussed, and voted upon.

As it is, the bill comes to us now under procedure which gives us only 40 minutes debate, and that means that only a few Members will have the opportunity to express themselves on the bill, and that expression will be hurried and incomplete. The bill cannot be amended. We must either take it in whole or vote against it in whole. There are some good provisions in this bill, which I would not like to vote against. But there are other provisions in the bill which I do not like, and which I think should be amended. However, we are prevented from offering any amendments because the bill comes up for consideration under a motion to suspend the rules.

I think this social-security law should be amended so that a person who has paid his social-security tax will be permitted to draw his social-security benefits when he reaches the age of retirement, and be permitted to earn more than $50 or $70 per month. I think he ought to be allowed to earn as much as he can earn, and still draw his social-security benefits.

The committee report states that the average amount now being paid to beneficiaries under this law is $42 a month. Many beneficiaries do not receive as much as $42 a month. If a beneficiary draws $42 a month social-security benefits and is allowed to earn only $70 per month in addition, that means that this law restricts him to $112 from the two sources. That is not fair. I do not think it is right. At present prices, it is a most difficult thing for a person to live in any degree of comfort upon $112 a month, particularly if he experiences ill health, or has other unexpected expense.

I think that the law should be amended to permit people who have paid their social security taxes to work and earn whatever they are able to earn, and still draw these meager social-security benefits.

I would like to say also, that the increase of $5 per month which is permitted under this bill is so small that no material benefit will be derived from it. I think a study sould be made of the entire social-security law, and every effort be made to work out a program under which social-security might become something more than a mere phrase. As it is now, the program certainly does not offer social security.

I think that this bill has been hurriedly gotten up without proper care or study being given to it. I certainly hope that other efforts will be made to improve this program, and that when a study of that kind has been made, that the bill will be brought before the House in regular procedure which will permit free discussion, and which will permit amendments to be offered.

Mr. CURTIS of Nebraska. Mr. Speaker, there are several points in reference to the social-security bill, H. R. 7800, which I would like to make for the record.

There are provisions in this bill which I favor and which should be enacted into law. Some of these older people need an increase in benefits and they ought to have it. I am anxious that the provision relating to social security coverage for instructors in higher institutions of learning be enacted. There are a few other provisions to which there is no objection.

There are some things very definitely wrong with H. R. 7800. I cannot refrain from again condemning the way in which this legislation was brought here. The Committee on Ways and Means held no public hearings on this bill. We did not have the benefit of qualified witnesses concerning some of the intricate and technical features of the bill. This procedure to limit the debate to 20 minutes per side is not an intelligent way to legislate in reference to such a complicated matter. The depriving of the minority of their right for a motion to recommit is not good legislative procedure. The point of order that I previously raised and the parliamentary inquiries that I propounded were for the purpose of pointing out the unwise procedure which the House leadership has chosen to follow in respect to this legislation.

My main objection to the social security law is not based on a desire to deprive our worthy older citizens of just treatment. It is because I believe the present system is unjust and discriminatory and that the present system is basically unsound. There is not a single non-Government actuary who will vouch for the soundness of OASI. The passage of this act complicates the situation and does not make the program any fairer.

This bill increases the benefits of those few of our older people who are eligible to draw benefits under the OASI. It does nothing for the majority of the older people who are not recipients of OASI checks. This bill does nothing for the people under old-age assistance.

Our social-security law provides for the sending of OASI benefits checks to retired corporation executives regardless of the amount of their other income or property. This bill would increase their benefits by $5 a month or 12½ percent or whichever is the greater. It does nothing for the aged person who may be in distress and who was already out of the labor market when the social-security law went into effect a few years ago. This last-mentioned person may be not only needy but exceedingly worthy. H. R. 7800 does nothing to correct this discrimination. We must not lose sight of the fact that this corporation executive as well as a lot of other people receiving checks under the OASI have paid only a tiny portion of the cost of their benefits.

This raise of benefits provided for in H. R. 7800 is not a temporary raise to meet the needs due to inflation. It is a permanent change in the alleged insurance benefits. A child born today will have his benefits raised 12½ percent when he reaches retirement age. There was not a single actuary or other witness called to determine the cost in terms of payroll tax for such a permanent raise of benefits. Certainly if such a permanent increase in benefits is to be voted we should know what the ultimate cost will be in terms of increased payroll tax. Such a far-reaching measure should not be considered under a gag rule, with 20 minutes debate on a side, with no chances for amendments and no motion to recommit. How can the House of Representatives defend such a procedure?

Mr. Speaker, I realize that some Members will be impelled to vote for H. R. 7800 even though they too deplore the method under which it is considered and that they are anxious for a better program for the older citizens. By the same token a vote against this measure cannot in all fairness be construed as a vote against worthy old people but rather as a vote for a better and fairer and sounder system.

Mr. BLATNIK. Mr. Speaker, I rise to speak in support of this measure, H. R. 7800, to liberalize old-age and survivors insurance benefits now payable under the Social Security Act. I take this opportunity to state for the record my full and absolute support for this bill and I call upon the House to pass it without further delay.

H. R. 7800 is no new innovation to the present Social Security Act—it makes no major changes in the provisions of existing law, but instead, it merely amends the present act to remove certain inequities and to adjust benefits payable so that they are more in keeping with rising price levels. In brief, the bill makes the following changes in the present social-security system:

First. It increases old-age and survivors benefits by $5 per month or 12½ percent, whichever is greater.

Second. It raises the minimum benefit payable to the retired worker from $20 to $25 per month.

Third. It increases the maximum benefit payable to a family from $150 to $168.75 per month.

Fourth. It liberalizes the retirement test by providing that annuitants may earn up to $70 a month—instead of the present $50 per month—and still be eligible for social security benefits, and

Fifth. It contains provisions relative to wage credits for military service, extends the time whereby State and local government employees may secure coverage under the Social Security Act and corrects certain defects in the benefit computation provisions of existing law.

In other words Mr. Speaker, the purpose of this bill is to give some relief to about 4,500,000 old folks who now depend for their livelihood upon social-security benefits. At the present time the average old-age benefit for a retired worker is about $42 per month. The average old-age insurance benefit for an aged couple is about $70 a month and the average benefit payable to an aged widow is about $36 a month. No one could deny the fact that such benefits are wholly inadequate for a retired person to live decently, and the increases authorized by this bill would give some relief to our old folks who certainly need such relief. It is unfortunate that the House rejected the measure on May 19

and I do hope that this body will today redeem itself for its disregard of the welfare of our old people by passing H. R. 7800 with a big majority.

As I stated before, I am in full support of this measure. In giving my support to the bill now under consideration, I do not mean to imply that I consider H. R. 7800 as the last word in old age pension legislation—it is only a step in the right direction. The inadequacies and weaknesses of the present social-security system are well known. Only about one-third of the Americans over 65 years of age are covered by the Social Security Act, which means that a majority of our old folks must depend upon old-age assistance, charity, or money from their children, for support during their retirement years. It should also be pointed out that social security benefits even with the increase provided for in this bill are wholly inadequate for any person to live decently. In short, inadequate coverage and inadequate benefits are the prime weaknesses in the Social Security Act.

It is my contention Mr. Speaker, that Congress should, and eventually must, adopt a liberal and comprehensive old-age pension law which will provide an adequate pension as a matter of right to all persons who have reached retirement age. It was this conviction that caused the gentleman from Oregon [Mr. ANGELL] and I to cosponsor the Townsend pension bill—H. R. 2678, 2679—a bill which would give real security to our senior citizens by providing a decent pension to all retired and disabled persons in America. Unfortunately, the House Ways and Means Committee has failed to report this bill, and we have been forced to file discharge petition No. 4—a petition which now has been signed by over 180 Members of the House.

I maintain that the only final and satisfactory solution to the problem of old-age security is the enactment of legislation embracing the universal pension principle of the Townsend bill. I urge those Members of the House who have not signed Discharge Petition No. 4 to do so without further delay.

In the meantime, however, I am prepared to support any measure that will represent an advance toward the goal of real economic security and it is on this basis that I support H. R. 7800. I support it because it will give some relief and some protection to our old folks who need our aid and I hope that the House will approve it today so that it may be enacted into law during the present session. I am going to vote for it and I hope each and every one of my colleagues will do likewise.

Mr. PRICE. Mr. Speaker, today the House will take favorable action on H. R. 7800 to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits.

I wholeheartedly support this legislation and if I have any fault to find it is that we are not going far enough with the increases and particularly we are not meeting the problem regarding the amount of earnings permitted as we should. In this latter case there should be no limitation. Beneficiaries earn their social security payments and since they do—they pay their own way during the years they earn—there is no reason why they should forfeit their annuities should they choose to augment their social security income by accepting employment after they reach 65.

Under existing law there is a restriction—in my opinion a very unfair and unjust restriction—which prohibits beneficiaries from earning more than $50 per month in addition to his social security payment. In fact, it was only a little over a year ago that this figure was raised to $50. It used to be $15. This restriction on earnings of social security beneficiaries was placed in the law in 1934 because in those days of depression it was considered a good idea to discourage elderly people from entering the labor market. Unemployment was high when the law was passed.

Even then the restriction was unfair. It is more so now. It will help to increase the amount a beneficiary may earn to $70, as this legislation we are considering today does, it will help quite a bit—but the fact remains any restriction is unfair and unjust because the beneficiary has earned his annuity by paying his own way and there should be no limit at all on his additional earnings, if he chooses to remain in employment.

Since the Federal old-age and survivors insurance is paid for by a contribution on the employee's wage and the self-employed person's earnings from his trade or business, along with equal contribution from the employer, the Government has no business placing strings or limitations on what other income the beneficiary has or how he earns it. So we are not fully correcting an injustice here today when we increase the amount a beneficiary may earn to $70. We will not correct this unfair treatment until we completely eliminate the limitation and I hope that in the next consideration of the Social Security program that this will be done.

I support this bill before us today because I believe it is an improvement over existing Social Security legislation. It increases benefits and the additional compensation will be welcomed by the beneficiaries, who are finding it increasingly difficult to live on their present income.

This bill contains a much-needed provision for the benefit of the totally and permanently disabled and the blind. It protects them from losing benefits which should be theirs under a social-insurance program.

This bill also provides $160 a month social security credit for military service since July 24, 1947, taking care of veterans of the Korean war. World War II veterans are already covered.

The objective of our social security program is in line with a modern advancing Christian democratic civilization, as opposed to the inhumane communistic slave state regimentation. Through this program America gives a concrete demonstration of our ability to reasonably protect our older citizens' enjoyment of American life. We prove to the rest of the world that our democratic system is inherently Christian.

In my judgment, adequate social-security legislation is an even more sound barrier, than military preparation, against the advancing scourge of commusistic propaganda. How much stronger, how much more vitally resistent to Communist intrigue our people will be when they are assured our great free-enterprise system and our Government, working harmoniously together, have established a humane way to make them eligible for that which every loyal citizen of this great democracy is entitled to receive, namely, economic security in time of adversity and need. In this hour of extending charitable assistance to the security of friendly allies, it would be the height of national foolishness to disregard the plight and neglect to provide for our older citizens against the blameless misfortunes of sickness and unemployment in the sunset of their patriotic lives.

I urge you, my colleagues in the House, to vote in favor of this measure and to continue to work for further liberalizations of our social-security program.

Mr. DORN. Mr. Speaker, I am going to support this bill because it is a step in the right direction. It is not what I would like to see passed. I have advocated for years that the social-security retirement age be lowered from 65 to 60 years. I know many people in the district it is my honor to represent, who have labored for 45 and 50 years in the cotton mills and who must continue to work for another 5 or 6 years before they reach the age of 65. After paying into this program for many years they should begin to receive payment at the age of 60.

I have thoroughly studied this problem in my section of the country and have found that both capital and their employees desire that the retirement age be lowered to 60. It was pointed out to me not long ago by management that they would like to see many of their workers retired at the age of 60 so they could give employment to younger men, thereby benefiting both the elder workers who are struggling to hold down their jobs after many years of service, and the younger men who, in many cases, are unemployed and who desire the right to work.

Also, Mr. Speaker, I do not think this bill increases the benefits enough. The increased benefits should be at least $10 per month more than benefits being paid at the present time. I also think when one is drawing social security retirement benefits that, if he is able and willing to do so, he should be allowed to earn as much on the side as his health and energy will permit, certainly up to $100 per month and still be eligible to draw social security benefits.

Gentlemen of the House, increased social security benefits are not a handout from the Government. They do not cost the general taxpayers 1 cent. In fact, social security payments help to lower the burden of the taxpayers by lessening the need to draw old-age pensions and public relief money.

Again, Mr. Speaker, let me say that this bill is not what our people deserve,

but it is an improvement over the present situation. This bill does provide for monthly benefit increases and a liberalization of the retirement tests. This bill also provides for wage credits for military service after World War II through the calendar year 1953. This certainly is a worth-while provision. Our men serving in the military forces should certainly be given social-security credit for that period.

Inflation and the increased cost of living make it imperative that some bill be passed at this time. Many people throughout the country over 65 years of age are just barely existing. This bill is a step toward alleviating that situation.

There is absolutely no truth to the charge that this bill is socialized medicine. I have fought socialized medicine in every form, and if this bill were a step in that direction I would be the first to vote against it.

The last time increased social-security benefits were considered was in the early part of 1950, before the Korean war. Since then and because of this national emergency prices and wages in other categories have skyrocketed, thus placing a double burden on our people over 65 who are drawing benefits. We should not wait longer. I hope this House will pass this beneficial legislation.

Mr. MARTIN of Iowa. Mr. Speaker, H. R. 7800 comes before Congress today under parliamentary procedure that requires Members of Congress to vote on the bill in the form in which it is presented to us and without opportunity to consider any amendments to the bill as so presented to us.

H. R. 7800 was introduced by Congressman DOUGHTON on May 12 and in its original form it was reported to the House of Representatives May 16. It was brought up for consideration by the House on May 19 under suspension of the rules at which time it failed to receive the two-thirds vote required. Some changes have been made by the proponents of this legislation without again referring the bill to the Ways and Means Committee, which had jurisdiction of H. R. 7800 under the rules of the House of Representatives until the Committee on Ways and Means reported the bill May 16. It is rather striking that important amendments of this kind can be brought before the House of Representatives without ever having been considered by any committee of this body.

The proponents of H. R. 7800 in the form it has been submitted to us today claim that their amendments to the bill answer all objections that caused its defeat on May 19, but this point is vigorously denied by the opponents to section 3 of the bill, who contend that the deletion by the amendments of specific administrative machinery does not eliminate socialized medicine from the bill. The opponents of section 3 of the bill contend that the proposed extension of the social-security law to the permanently and totally disabled without any restrictions of the Federal Social Security Administrator under his general regulatory powers would give him the power, first, to determine what constitutes permanent and total disability; second, to determine the types of proof necessary to establish permanent and total disability; third, to provide by regulation when and where physical examinations should be taken; fourth, to prescribe the examining physician or agency, including Federal installations; fifth, to establish the fees; and, sixth, to pay travel expenses and subsistence incident to the taking of such physical examinations. The opponents of this legislation condemn these powers as direct steps in the socialization of medicine.

Even the proponents make no claim of improving section 4 of the bill. The work test provided by section 203 of our Social Security Act is $50 per month and H. R. 7800 increases that figure to $70 per month. However, many Members of Congress, including myself, favor increasing the permanent earnings to $100 per month in fairness to qualified beneficiaries of title II insurance, because of the impact of inflation and taxation on the living costs of these beneficiaries.

It is a strange procedure, indeed, that denies our citizens who are interested in this legislation the right to present their case to a committee of Congress on these important issues before the House of Representatives engages in the brief 40 minutes of debate permitted and final approval or disapproval.

Nearly all Members of Congress strongly favor increasing OASI benefits at least $5 per month as provided in this bill and most of the beneficiaries of title II insurance are desperately in need of a much greater increase in their insurance benefits. The social planners and the advocates of the concentration of unlimited power in Federal bureaucracy have tied together this issue of increased benefits for all title II insurance and the granting to the Social Security Administrator the far-reaching powers enumerated above over the permanently and totally disabled. It is no credit to Congress that this procedure today is such that these issues cannot be voted on separately and it is no credit to the proponents of H. R. 7800 that they are willing to take advantage of the situation to the extent of denying the American citizens a proper hearing.

Many of us in Congress want to liberalize title II insurance benefits and to liberalize the permitted earnings of title II insurance beneficiaries and many of us desire also to protect properly from bureaucracy the permanently and totally disabled whenever social-security coverage is extended to them along the lines provided in H. R. 7800. We are here faced with the opportunity only to vote for this inadequate bill without proper provision for those in need of good social-security legislation. Of course we can hope also that the Senate will pass a bill covering the needed points, avoiding especially the pitfall of socialized medicine. Then let us hope further that the Senate bill is accepted by the committee on conference and finally enacted into law.

Mr. McCORMACK. Mr. Speaker, on May 16 the Committee on Ways and Means reported out H. R. 7800, a bill to amend the Social Security Act. This bill was considered by the House on May 19 under suspension of the rules, but due to a misunderstanding relating to one part of the bill it failed to receive the necessary two-thirds vote.

In spite of the fact that there are many urgent matters yet to be settled by the Congress in the short time remaining in this session, we feel that H. R. 7800 is so important that we are bringing it before the House again. The bill should be passed without delay so that the Senate may consider this legislation in the next few weeks.

As you know, this bill provides for seven urgently needed improvements in the Social Security Administration program and corrects several inequities.

The seven urgently needed improvements are:

First. An increase in benefits for the aged, the widows, and the orphans receiving old-age and survivors insurance and for those who will receive benefits in the future.

Second. Extension of protection under old-age and survivors insurance to the men and women serving in the Armed Forces during this emergency period.

Third. A liberalization of the retirement test under old-age and survivors insurance so as to permit beneficiaries to continue to receive their benefits while at the same time getting higher part-time earnings than are now permitted.

Fourth. Extending the opportunity for coverage under old-age and survivors insurance to State and local employees who have retirement systems of their own.

Fifth. Clarifying and strengthening the exemption of a limited amount of income earned by blind persons receiving assistance under the Federal-State assistance program.

Sixth. Technical changes which will simplify the administration of the insurance program.

Seventh. One of the most important provisions of all, the preservation of rights under old-age and survivors insurance for the person who becomes permanently and totally disabled or blind after having contributed to old-age and survivors insurance over a period of several years.

Because of misunderstanding of some of the sections of the bill dealing with this latter provision, the amendments offered in the motion would make several changes in language. Section 220 of the bill and the proposed new subsection 216 (i) (4) of the act would be eliminated. These were the two parts of the bill that led the American Medical Association to allege that the bill provided for socialized medicine.

I want to emphasize, however, that the type of protection afforded disabled persons under the previous version is still provided under the bill as it is now before you. The changes are limited solely to sections dealing with the administration of these provisions.

Let us be perfectly clear also about the type of protection we are talking about. The provision in this bill merely protects the previously acquired benefit rights of insured persons who become permanently and totally disabled and can no longer work and contribute to the system. Such a provision is as necessary and

beneficial for old-age and survivors insurance as are the waiver of premium provisions in life-insurance contracts. Under present law a person who has contributed to old-age and survivors insurance for many, many years may lose all protection or have it greatly reduced if he suffers heart disease or goes blind or if something else happens to him that makes it impossible for him to work. The present law needs improvement in this respect; it should be corrected.

Obviously, in administering this provision, the Bureau of Old-Age and Survivors Insurance must have medical evidence to determine whether a person is permanently and totally disabled and therefore eligible for this waiver of premium. The Veterans' Administration, the Civil Service Retirement System, the Railroad Retirement Board, the Federal employees compensation program, and private insurance companies all obtain evidence of this kind in the administration of their disability programs. They either provide the facilities and personnel by which examinations are performed, or they obtain examinations on a fee-for-service basis from local private physicians who submit their findings to the company or agency requesting the examination.

The Bureau of Old-Age and Survivors Insurance in administering a disability waiver of premium may need only a statement which the worker's own doctor would give him as sufficient evidence of disability, for instance in blind cases. But there will be less clear cases where such a statement alone will not be sufficiently complete to make a determination that the individual is permanently and totally disabled for all gainful employment. The attending physician himself may disclaim sufficient knowledge of the patient's condition or medical history or may be unable to make a diagnosis and prognosis concerning the condition. A specialist may be needed to help in the determination, or laboratory tests may be called for. And in still other instances the disabled person may be unable to contact the physician who treated him and will have no readily available medical evidence.

If, in addition to the attending physician, a special examination or a special test is needed and is performed by a private physician or a private clinic or hospital, the doctor or facility performing such an examination would be paid the regular fee through standard type arrangements with the Government. Doctors would in no way be controlled or socialized. The examinations would be confidential and would be used by the Bureau of Old-Age and Survivors Insurance solely for the purpose of making disability determinations. The doctor-patient relationship between the disabled worker and his regular physician would not be affected in any way.

Section 220 of the original bill was designed to facilitate the securing of this necessary medical evidence. It would be deleted from the bill we are considering today because it was misunderstood and was a source of apprehension on the part of some Members of this body. Some Members evidently thought that the language allowed broader interpretation of the authority granted than was intended. Under the bill as it would be amended the Bureau of Old-Age and Survivors Insurance will depend on existing statutory authority to reimburse agencies and individuals who provide advice or factual information for making disability determinations and will depend on the existing authority of the agency to make regulations as needed to administer this provision.

I am very much surprised at the opposition of the American Medical Association to giving the Bureau of Old-Age and Survivors Insurance authority to perform independent medical examinations to determine if a worker is permanently and totally disabled. Do they now want to have the authority for the final determination to rest with the claimant's private physician? This is a far cry from the position they took in 1950. Dr. R. L. Sensenich presenting the official statement of the American Medical Association on the disability provisions of H. R. 6000 before the Senate Finance Committee on February 28, 1950 complained that—

> If in a border-line case, and certainly many such cases will arise, the physician resolves a doubt in favor of the worker, who is also his patient, he may be accused of conniving to defraud the Government. If he resolves that doubt in favor of the Government, he will most assuredly invite the animosity of his patient and will thereby make it impossible for him to function efficiently thereafter in the treatment of his patient's condition. (P. 1327, hearings before the Committee on Finance, United States Senate, 81st Cong., 2d sess. on H. R. 6000).

By giving the administering agency authority to secure additional medical evidence in these border-line cases the heat would be taken off the worker's own physician. It is strange that the AMA would now oppose a provision which, according to their previous testimony, would protect the doctors' own interest.

A proposed new subsection to the act, 216 (i) (4), has also been deleted. This subsection provided for the termination of the period of disability of an individual who fails to comply with regulations governing examinations or reexaminations or who refused without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act. Again, in order to avoid any misunderstanding or apprehension and because it is not essential for the operation of the program, this provision has been stricken out.

The board of trustees of the AMA, in a report on the Washington clinical session of the association published in the December 17, 1949, issue of the Journal of the American Medical Association, stated:

> The American Medical Association recognizes the need for assistance to the disabled-needy but believes that this need should be administered always on a local level and not through a system of compulsory Federal taxation or control.

In 1950 Congress enacted our present Federal-State program of aid to the permanently and totally disabled. Under this program, which the doctors now favor, determinations of permanent and total disability are made just as they would be made under the provisions of H. R. 7800. Medical evidence is obtained either from the individual's own physician or from medical evidence obtained by the welfare department. The basic administrative practices of the State disability programs differ in no substantial way from the practices which would be used under the bill we are considering. The AMA's inconsistency in opposing the provisions of this bill while it seemingly supports the present State programs of aid to the permanently and totally disabled clearly reveals that the association's opposition is a political maneuver entirely divorced from real medical issues.

Mr. Speaker, I believe that this waiver-of-premium provision is one of the most important parts of this bill. It is necessary that it be included in the legislation if justice is to be done the half-million unfortunate workers who have already established insurance rights and who have lost their sight or their limbs or who are prevented from performing further work by reason of heart disease or some other crippling illness. In addition to this half-million of workers who would have their rights preserved upon becoming disabled, the thousands and thousands who become disabled each year would also be benefited. This provision has absolutely nothing to do with "socialized medicine" and would in no way result in control of the medical profession. With the clarifying changes which have now been offered to the bill these facts should be completely clear to all. I urge immediate passage of H. R. 7800.

Mr. WIER. Mr. Speaker, I have received the following letter and editorial in connection with the pending legislation:

JUNE, 14, 1952.

From: James N. Hutchinson,
1337 Thomas Avenue, North Minneapolis, Minn.

To: Mr. ROY WIER, United States Congressman, Third District, Minnesota, Washington, D. C.

MY DEAR CONGRESSMAN: After receiving your kind letter, with pages of CONGRESSIONAL RECORD giving details of defeat of recent social-security bill, which I see by items in morning and evening papers is due to come up for reconsideration in the House again Monday, June 16, I wrote several letters to Senators, Congressmen, and my brother-in-law in Wisconsin also wrote, enclosing this clipping from the editorial page of the Minneapolis Morning Tribune. I also mailed two letters, one with a copy of this editorial by Sylvia Porter, to chairman of the House Ways and Means Committee, Mr. ROBERT DOUGHTON, I attach enclosed copy of same editorial on this page.

Perhaps, by sending this to you by air mail you may receive this letter with the same editorial clipping before the House completes consideration of the revised bill Mr. DOUGHTON is reported to reintroduce Monday. If you receive this in time perhaps you can get some of the Members of Congress to read this editorial.

I believe if all Senators and Congressmen who consider the revised bill could read this article by Sylvia Porter, they could not fail to see their duty is to either vote for Mr. DOUGHTON'S revised bill, or get Senator WALTER F. GEORGE to introduce Senator HUMPHREY'S bill No. S. 3121, instead, for immediate consideration and swift action.

I hope you'll do all in your power to try to get this brutal clause knocked out soon, as August is coming with five Saturdays in it, and I don't want to face another moneyless, starvation week without being permitted to work that one day, without losing my pitifully inadequate pension.

I will appreciate everything you can do for me in this hour of dire need. I brought the executive council's notice to your letters on social-security legislation and our veterans' organization, with many aged members who, like me, are suffering under this cruel provision in the law, beg me to tell you that our State department will endorse you for reelection to all our members, our families, relatives, and friends. We will show our gratitude by many hundreds of votes in the coming election.

Sincerely,

JAMES N. HUTCHINSON,
State Adjutant (8 years).

WE SHOULD RID PENSION LAW OF $50-A-MONTH JOKER

(By Sylvia Porter)

There's one brutally unfair, stupidly uneconomic, obviously archaic provision in our social-security law that cries out for correction at once.

That's the clause saying a 65-year-old receiving social-security benefits cannot earn more than $50 a month in addition; for if he does hold or get a job paying over that piddling sum, he forfeits his old-age pension.

Even if Congress does nothing else to improve our old-age pension system this session, it should—in fact, for the sake of common decency, it must—knock out that cruel clause.

It's a peculiar thing, but I've found that relatively few Americans, under the social-security system for years but not yet at retirement age, are aware of this joker in the law.

Yet millions who have reached 65 and are now drawing benefits are painfully aware of it.

The law declares that we are entitled to old-age benefits when we reach 65. About 46,000,000 of us are under the system and already are or will be entitled to the pensions.

But the law also declares that if we want to keep working between 65 and 75, we must not earn more than $50 a month—or we will lose our benefits. If you can't make ends meet on your pension plus $50 a month extra, that's too bad for you.

Why was this clause included in the first place? What could Congress have had in mind?

The social-security law was a depression baby, a product of the mid-30's. At that time, one of the law's aims was to help remove older folks from the working force in order to make room for younger workers. (The original limit on earnings was $15 a month.)

Another strong theory was that a 65-year-old was ready for the scrap heap, wasn't capable of earning much, if anything.

A third idea was that an individual receiving a Government pension shouldn't have the privilege of working, too.

But surely it is clear how far we've outgrown these three theories. We're not trying to slash our work force today; we're discarding the concept of "aged at 65"; we're recognizing that the idea of "either work or get your pension" is uneconomic.

And the inconsistency of the clause should make any observer wince. In addition to your pension, you can get any amount from securities—$500 a month if you're that wealthy. But you can't earn $51.

Under the social-security bill just defeated in the House, the earnings limit would have been raised to $70 a month. But $70 is still an unsatisfactory limit. The average payment to a retired worker now is $42 a month; the average for an over-65 couple is $70 a month. The earnings ceiling just doesn't permit enough leeway in this era of high prices.

Actually, social-security experts I've queried would have all maximums abolished. Let a man or woman earn what he or she can. Our lawmakers will have to come to it.

THE SOCIAL-SECURITY BILL SHOULD BE PASSED NOW

Mr. STAGGERS. Mr. Speaker, I believe that the increased old-age and survivors insurance benefits provided in H. R. 7800 is a matter of the greatest urgency. There are 4,500,000 people—old people, widows, and orphans—depending on these insurance benefits to buy the necessities of life. Three and a half million of them are retired aged persons. Old-age and survivors insurance is many time larger than all the other retirement systems in the country put together, so that the action we take on it is of the utmost importance to a very large number of people, both those now receiving benefits and those who will qualify in the future.

The present insurance benefits were fixed in 1950, just at the outset of the Korean conflict. Since that time, the cost of living has risen steadily, and this has meant increasingly difficult adjustments for retired people living on fixed incomes. The Consumers' Price Index stood at 188.7 in April of this year—an advance of 19 points or 11.2 percent since October 1949 when this House first acted on the 1950 amendments. The present bill increases the current benefit rates by either $5 or 12½ percent and amends the benefit formula to give a similar increase to persons who qualify in the future. This is a very modest and justifiable increase, and one which those protected by the program have a right to expect, particularly in view of the higher incomes received by many other groups in the population.

The average old-age insurance benefit being paid today is $42 a month. This, of course, is the average for retired workers. The individual benefits for other types of beneficiaries are even less. An aged widow or an aged parent, for example, gets about $36 a month. These amounts are very low in relation to today's living costs. For an aged couple receiving old-age and survivors insurance benefits, the average for the two of them is about $70 a month, or $840 a year. Compare this with the Bureau of Labor Statistics estimate that elderly couples living in cities needed to have for a moderately comfortable living at October 1950 prices—$1,600 to $1,900. And remember that for most of these old-age and survivors insurance beneficiaries the monthly insurance payments are their chief source of dependable income and often their only source. The least we can do, it seems to me, is to act now on the benefit increase proposed in this bill.

Unless we do act now, we are going to find that more people will have to apply for relief under the Federal-State public assistance programs. This is a hard thing to do for people who up to now have been able to live independently without having to ask for public aid and without having investigations made into their personal financial resources. Expansion of public assistance, moreover, means a further burden on the general taxpayer, whereas the old-age and survivors insurance benefit increase contained in H. R. 7800 can be financed within the tax contributions already scheduled for the maintenance of the insurance system. It does not require any increase in tax rates.

Other provisions of the bill are clearly necessary from the point of view of maintaining the level of benefits under the program now and in the future. It is not enough just to increase the benefit formula; it is important also to get at some of the continuing causes of low benefit rates. That is the real significance of the provision to freeze the benefit rights of workers who become disabled so that they can no longer keep up their contributions into the insurance system. It has nothing whatever to do with "socialized medicine." All this provision does is to specify that if a person becomes permanently and totally disabled, the time he loses from work on account of his disability will not be counted against him in the determination of his eligibility for or the amount of his old-age or survivors benefits. There is no reason why this cause for low benefit rates cannot be eliminated along with the individual hardship it creates.

The provision for establishing wage credits for veterans of the Korean conflict to cover the time they spend in the Armed Forces and therefore outside the old-age and survivors insurance system is also a measure to maintain the adequacy of benefit protection under the system. Unless an adjustment of this kind is made, the time spent in the service of our country will inevitably operate to reduce or completely remove the benefits a veteran can receive under old-age and survivors insurance, or the benefits to his survivors in the event of his death.

These amendments to strengthen the benefit structure of old-age and survivors insurance are essential to the retention of this system as the main reliance of our citizens for income in case of death or retirement in old age. In enacting the 1950 amendments, Congress made it quite plain that this was to be the function of the system, and the amendments proposed in this bill are clearly in line with that intent.

The provision giving an opportunity to certain members of State and local retirement systems to come under the coverage of the program is an entirely reasonable one. Those affected are given the chance to vote on whether they want to come in. In some States, existing retirement systems have been liquidated for the sole purpose of establishing the right of the members to acquire coverage under old-age and survivors insurance. This type of action should not have to be made a preliminary to coverage, and this bill will make it unnecessary. State and local government employees, like those in private industry, should have the opportunity for combined, coordinated protection under the old-age and survivors insurance system and their own retirement systems, if they want it, and not be limited to having only one or the other.

Many more improvements in the old-age and survivors insurance system should, of course, be made than are made by this bill. The benefits should be increased still further. More needs to be done on extending the coverage of the program, for many groups still remain outside its protection and indeed without protection under any type of retirement system. These are matters which require further consideration by Congress. But in the meantime, we should not wait to make the urgent and unquestionable improvements provided in the present bill, H. R. 7800.

Mr. VORYS. Mr. Speaker, I have decided to vote for H. R. 7800, amending the social-security law. I resent the administration scheme of bringing up this bill under gag rules that permit no amendments, for much needs to be done to improve our social-security system. Under the circumstances, these improvements will have to be deferred until next year.

Under this gag rule, this vote becomes a "yes" or "no" proposition. I am voting "yes."

The modest increases in benefits are certainly needed by the millions of retired workers over 65 whose present pensions average $42 apiece per month, and who will receive from $5 to $8 monthly increase under this bill.

The provisions which threatened to open the door to socialized medicine have been eliminated. Even though certain representatives of the AMA still criticize the bill, I note that the six doctors in Congress, four Republicans and two Democrats, who support the AMA in its struggle against socialized medicine but who know exactly what this bill now provides and excludes, are supporting the present bill.

The bill and the report show clearly that it does not extend its coverage to policemen, firemen, and school teachers who have their own retirement systems under State laws, without their consent.

The bill permits retired workers to earn $70, instead of $50, as at present, without interfering with their pensions. I think this amount of earnings should be far larger, in view of our need for workers, and the relative inadequacy of pensions in this inflationary period, but this bill is at least a step in the right direction.

Increased contributions caused by increased wage levels will more than cover the increases provided in this bill.

The rights of disabled workers will be protected, under adequate safeguards to protect the fund.

Wage credits for military service, and correction of defects in computation provisions, together with the other good features in this bill outweigh its deficiencies and cause me to vote for it, in spite of the way it was brought up and the problems it leaves unanswered.

Mr. REED of New York. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Speaker, in my 6 years of service in the House of Representatives I have never seen such high-handed, dictatorial procedure as is now being used by the Democrats to railroad through the House of Representatives legislation which will open the door for socialized medicine. Why are the Democrats on the Ways and Means Committee not willing to let H. R. 7800 take the usual course in handling legislation? Their action is proof of their desperate attempt to get their socialized-medicine program under way by attaching it to much needed and worth while legislation to increase the benefits in the old-age and survivors insurance funds.

Will one of the Democratic members of the Ways and Means Committee explain to the House, first, why they met in secret session on this bill without the knowledge of the Republican members of the committee? Why was the bill they are sponsoring not discussed in full committee as should be done? Second, Why did they not report the bill out of the Ways and Means Committee to the Rules Committee in usual procedure? In this way the Rules Committee could vote the bill to the House and fix the time for general debate. Then it would have been opened for amendments from the floor and the entire membership of the House of Representatives would have been able to pass upon the merits and demerits of the various features of the bill and all amendments thereto.

The reason, Mr. Speaker, is quite obvious. The Democrats are using the people of this country who are fast approaching the twilight of life as hostages to start the administration's program of socialized medicine. It appears that the Democrats are determined to get some form of socialized medicine in operation before they get out of office. For several days now certain newspaper reporters and columnists, along with radio commentators, have been telling their audiences that the Republicans dare not vote against H. R. 7800 because the Democrats will accuse them of being against giving the old people the $5 increase per month which is carried in the bill. In addition, they are conveying the idea that the objectionable features have been eliminated. Not once have I heard or read a word about the trickery and unfairness of the Democrats in using the beneficiaries of the old-age and survivors security fund to obtain the first step in their program of socialized medicine. If the Democrats who are in control of the House of Representatives, and consequently of the committees, are so concerned about the aged of this country they could have brought out a bill over a year ago in the regular legislative way. But did they do it? No. This is just another exhibition of their insincerity and hypocrisy. They chose to play cheap politics with the plight of the aged and at the expense of the beneficiaries of social security.

Every person who is entitled to old-age and survivors insurance should resent bitterly the manner in which the Democrats are exploiting him. If the Democrats are so concerned about the welfare of the aged of our country why does the bill limit the amount of money they can earn to $65 instead of taking the Republican position as offered by Representative DANIEL A. REED, of New York, which would permit them to make $100 per month before losing their social security benefits. Personally, I think even the $100 work clause is not enough and that Congress should enact legislation at an early date increasing the maximum to $125 or even $130. That would be just double what the Democrats want to do for them. If this bill had been handled in the usual way the Democrats know full well that not only would the sections pertaining to socialized medicine have been voted out of the bill by an overwhelming majority but an amendment by the gentleman from New York [Mr. REED], would be adopted increasing the work clause from $65 per month to $100 per month.

With the suspension of rules we must vote yes or no on the entire bill with no chance of offering an amendment to take out the provision for socialized medicine. If the Democrats had in their hearts the least desire to be fair they would eliminate the part pertaining to socialized medicine from H. R. 7800. If this were done, I am sure every Member of this body, Republicans as well as Democrats, would vote unanimously for this legislation. But the Democrat leadership did not choose or want this procedure.

Mr. Speaker, the reason the Democrats resort to this cheap political maneuver is quite apparent. The idea is to "jockey" the Republican Members into a position where they vote against the bill because of the features which would start socialized medicine. Then, in the campaign, the Democratic candidate can accuse the Republican candidate of voting against the old people by voting against the $5 increase provided for in the bill. Again I say, the Democrats are penurious and niggardly in dealing with the aged. The increase should be at least a minimum of $10 instead of $5, as provided in this bill by the Democrats. This again is double what the Democrats want to do for our old people.

The only reason the Democrats cooked up this legislation to be brought out under suspension of the rules is in order for the Democratic candidates to use the story in the campaign this fall that the Republican candidates voted against an increase for the aged. I hope no Member of this body will compromise his honest and sincere judgment for political expediency. I do not think the good people whom I have the honor to represent in the Third Congressional District of Illinois, located in the Democratic stronghold of Chicago, expect or want me to cast a single vote for political reasons in order to keep from losing a few votes or gaining a few at the polls next November. That is one of the reasons our country is in the predicament it is today. We have been letting the left-wing, pro-Communist group that surrounded Roosevelt and Truman usurp the prerogatives of Congress and write and pass our legislation for us. This, in turn, is responsible for our highly centralized government, run by a group of individuals who will never be happy until their plans for a Socialist dictatorship have been realized.

Frankly, I do not subscribe to the thinking of some of the Republican Members of the House who say we either vote for this bill or be accused of being against the increase in benefits to the aged, which, in turn, would mean defeat in November.

Mr. Speaker, I wish to state right here and now that at no time have I ever compromised my conscience with any vote I have ever cast. I do not intend now to sacrifice principle for political expediency, even if I should be defeated in November. Furthermore, I do not subscribe to the reasoning of some that it will be all right to vote for this bill because the Senate will never let it be enacted into law with a socialized-medicine clause remaining in it. We should vote for what we believe is right, fair, and honest and not for something we think the Senate will do to take us off the hook.

If this bill should pass and is reported back to the House for action after conference with the Senate, I propose to offer a motion to recommit the conference report to the committee on conference with instructions to the conferees of the House to substitute H. R. 7922, the Reed bill, for H. R. 7800. In this manner, the Members will be given a bill minus the socialized-medicine feature but with increased provisions for the aged over H. R. 7800. Such a bill, I predict, will pass with an overwhelming majority. Therefore, Mr. Speaker, if the Members of this House want to pass a bill that will give increased benefits to the old people of this country who have been caught in this spiral of inflation and not only need but are entitled to increased benefits, they will vote down H. R. 7800 and, at the proper time, vote for the Reed bill.

The Democrats tell us, on page 13 of H. R. 7800, starting with line 13, they have removed the objectionable part giving the Administrator of the Federal Security Agency, Mr. Oscar Ewing, such power. They hope the Republicans will bite for the language they have substituted. But let us read it very carefully. The original language was as follows:

> An individual shall not be considered to be under a disability unless he secured such proof of the assistance thereof as may be required by regulations of the Administrator.

They struck out the language "required by regulations of the Administrator" and substituted the word "required." To show the fallacy of their argument, the old language confined the regulations to the Administrator, but under the new language the Administrator or anyone else could write the regulations. No, Mr. Speaker, instead of improving the bill they have made it more objectionable.

Although the bill that was voted down on May 19 was objectionable, the bill the Democrats have presented to us today is even more objectionable. A vote for this bill today is a vote that will start the Truman-Ewing program of socialized medicine on its way. I warn everyone who is against socialized medicine to think twice before voting for this bill or he will live to see the day in the not too distant future when he will be accused of having voted for socialized medicine.

In an analysis of the revised version of H. R. 7800 that is before us today, Mr. DANIEL A. REED, the ranking minority member of the House Committee on Ways and Means, has made the following comprehensive statement on the so-called amendments that have been made in the bill by the Democrats since May 19:

> The offered amendments simply delete from the measure (a) the specific administrative machinery and (b) the express grant of rule-making power which are involved in the administrative determination of permanent and total disability status. But it was not necessary that these items be included in the first instance. Without them Mr. Ewing would already have had ample authority under his general regulatory powers to issue rules and regulations and take other necessary steps for the purpose of carrying out the program as established by the Congress. The fact is that a deletion of the specific authorizations as proposed by the amendments would give Mr. Ewing even more unbridled discretion. Under H. R. 7800 as it stood on May 19 and as it will be presented on Monday, June 16 with the offered amendments, the Social Security Administrator will have the power to (1) determine what constitutes permanent and total disability; (2) establish the types of proof necessary to establish permanent and total disability; (3) provide by regulation when and where physical examinations should be taken; (4) be authorized to prescribe the examining physician or agency (including Federal installations); (5) establish the fees; and (6) be authorized to pay travel expenses and subsistence incident to the taking of such physical examinations.

The gentleman from New York [Mr. REED] has served 34 consecutive years in the House of Representatives and is recognized as an outstanding authority on social-security legislation. He is to be congratulated for having given the Members of the House the benefit of his wisdom and sound judgment in this case.

While we all know the Democrats have resorted to many political tricks to gain their objectives, the manner, means and methods used by the Democrat members of the Ways and Means Committee in their attempt to by-pass the regular legislative procedures of the House of Representatives with this bill has made an all-time low.

The provision in the rules of the House of Representatives to bring legislation before the entire membership for passage under suspension of the rules was placed there to expedite passage of legislation where there is very little or no opposition to a bill. A splendid example of this was when, on the GI bill reported by the Veterans Affairs Committee, we suspended the rules and on June 5, 1952 passed H. R. 7656 by a roll-call vote of 361 to 1. There was no controversy—no opposition. But when H. R. 7800 was voted upon on May 19, 1952 the recorded vote was about equally divided between those who favored the bill and those who opposed it.

It is not only very apparent, but this procedure is ample proof of my original contention that the Democrats are resorting to the lowest kind of political trickery to use the beneficiaries of social security for cheap political gain, as well as trying to pry open the door in their efforts and determination to eventually saddle the American people with the socialized-medicine program. If they were honest and sincere in their contention that they want to increase the old-age benefits, they would have accepted the Reed bill, which increases the work clause to $100 and eliminates the socialized-medicine feature contained in H. R. 7800. If the Senate does not let this legislation die by refusing to take any action on it whatsoever, and there is an opportunity for me to make a motion to recommit H. R. 7800 and substitute the bill of the gentleman from New York [Mr. REED] H. R. 7922, you will then see Mr. Speaker, that the Republicans are the ones making a real, honest and sincere attempt to increase the benefits of the aged of this country.

This is one of the most important pieces of legislation to be considered by this Congress and the Democrat members of the Ways and Means Committee should be severely censored for reporting out such an important bill under suspension of the rules without one single minute of testimony in open hearings.

H. R. 7800 is totally inadequate and an insult to the intelligence of not only the aged of our country but the membership of the House of Representatives. It is in situations such as this that we should not be afraid to stand up and be counted in honest, sincere opposition to the Democrats for that which we believe and know to be right. This bill is inadequate because the $5 increase in benefits provided under it is but a small percentage of the benefits the Democrats have taken away from the beneficiaries because the New Deal has taken away far more than this through inflation.

Let us give our older people, who, through no fault of their own are compelled to rely upon old-age and survivors insurance for existence, a chance for improvement without making them pawns for the Democrat administration to foist socialized medicine upon the Nation.

Mr. REED of New York. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, I, too, think it is a most unfortunate thing that this bill should be brought in under suspension of the rules. I think the bill is highly inadequate. I think it is an insult to those of our people on social security to offer them $5 more. In other words, a munificent raise from $42 a month to $47. We should hide our heads in shame.

Besides that, the work clause is also inadequate. I would like to see no work clause at all in the bill, but if there must be one I certainly wish to subscribe to that in the bill offered by the distinguished gentleman from New York [Mr. REED], H. R. 7922. I think we have nothing to be proud of when we pass this bill today.

I want to go on record with my people as telling them I certainly am ashamed of the bill.

Mr. REED of New York. Mr. Speaker, I yield one-half minute to the distinguished gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, when this bill was up for consideration by the House a few days ago under the suspension of the rules, I voted against the suspension of the rules and against considering the bill under the suspension of the rules for several reasons. The first reason why I voted

against suspension of the rules was because of the fact there were certain provisions in this bill that I thought should be eliminated; second, that under the suspension of the rules debate was limited to 40 minutes, divided on the basis of 20 minutes to the Republicans and 20 minutes to the Democrats. Since this was controversial legislation it should not have been presented to the House under a suspension of the rules and the membership should have had an opportunity to propose amendments to the bill. However, under the suspension of the rules no amendments could be offered or proposed by any Member, and even though the bill had some bad provisions, which I did not favor, I would have to vote for such provisions in order to get an increase of $5 benefits to our aged citizens who had retired under the social-security system.

One of the main objectionable features of the bill was, in my opinion, that it did not increase the benefits enough to be of much value to our retired persons. As a matter of fact, since the vote on this bill a few days ago, I have introduced a bill which would bring about two important changes in the social-security law. The changes are, first: To increase by $10 or 25 percent, whichever is higher, the benefit payments to all persons who are now receiving benefit payments, or who may become entitled to these benefits in the future, and, second: To repeal what is known as the "work-clause" which limits a person who has retired and who has paid his social security taxes, from making more than $50 a month without losing his benefit payments.

The law declares we are entitled to old-age benefits when we reach 65, but it further declares that if we want to retire at age 65 that we must not earn more than $50 a month by self-employment or otherwise—or else lose our benefits. I think that if Congress did nothing else to improve the old-age retirement system than to knock out and repeal this cruel provision that it would be doing a great service for our aged citizens. I, for one, believe that when a person under the social-security system pays his taxes that he should be entitled to enjoy the benefits when he arrives at age 65 even though he might by self-employment or otherwise earn some additional money upon which to live. This clause should have never been in the social-security law.

I have discussed my proposed bill, H. R. 8174, which provides for increased benefit payments by $10, or 25 percent, with the Federal Security Administration officials, who have been administering this act for the past 15 years. I am advised that such increased benefits can be paid without necessitating any increase in the withholding-tax schedules of the present law or without impairing the fund.

The withholding tax levied to finance the social-security fund is 3 percent on all wages and salaries up to $3,600 received by employees. This withholding tax is paid one-half by employee and one-half by employer. You might be interested to know that the 3-percent withholding social-security tax last year collected some $3,367,000,000. The benefits paid out in monthly payments totaled $1,885,000,000. Thus, there was collected and added to the fund some $1,482,000,000 more than the total benefit payments made to the beneficiaries.

In view of the high cost of living at this time it seems only just and fair that this $10 monthly increase in benefit payments should be granted. There is a total of 4,512,000 persons who are now drawing social-security payments. And I know of no time that they would need this small increase more than at the present time. It should be noted social-security benefit payments are not gifts and are not charity—the worker pays for these benefits by withholding taxes taken out of his pay check every pay day. He is not getting something for nothing—he is paying for what he gets—and is, therefore, entitled as a matter of right to such payments.

If it be a fact that those who administer the social-security fund say that this increase in additional benefits can be paid now without endangering the soundness and solvency of that fund, there is no excuse for failure to pay these larger benefits.

I regret very much and I am disappointed that H. R. 7800, which we are now considering under the suspension of the rules, was not brought to the House under the general procedure of obtaining a rule from the Rules Committee, whereupon we would have the right and privilege of offering amendments to this bill along the lines that I have above discussed. I would much prefer to have this bill amended by providing a greater increase in benefit payments and doing away with the work clause which is incorporated in the bill I introduced a few days ago; however, since we cannot amend this bill to include these provisions, and since this is the only opportunity we will be given this session to give some additional benefit payments to our aged citizens who so badly need it at this time, I have no alternative but to vote for the suspension of the rules. That I am doing with the hope that at the next session of Congress the provisions of my bill might be enacted into law and further aid and assistance be given to those of our citizens who are eligible under the social-security system to retire at age 65, and who may earn any sum of money they can without forfeiting their social-security benefit payment.

The SPEAKER. The gentleman from North Carolina has 5 minutes remaining.

Mr. DOUGHTON. Mr. Speaker, the bill under consideration has been so fully explained and so well defended by those who have preceded me that it is not too unfortunate that I have so little time remaining in which to express my views touching this legislation.

H. R. 7800 was considered in the House on May 19, 1952, under a motion to suspend the rules. The bill received a majority of the votes cast, but it failed to receive the necessary two-thirds vote and it is again before the House under a motion to suspend the rules and pass the bill with amendments. These amendments strike out certain language in section 3 of the bill which caused the chief objections to and the misunderstanding of the bill when it was formerly considered.

Section 3 was put in this bill at the request of the gentleman from New Jersey [Mr. KEAN] and it originally, and as it would be amended in the motion, merely preserves the insurance rights of persons who become permanently and totally disabled. The amendments offered in the motion were also recommended by the gentleman from New Jersey to clarify section 3 and remove any possible misunderstanding as to the effect of this provision.

There are now approximately 500,000 permanently and totally disabled persons who would be benefited by section 3 by having their insurance rights preserved and there are from 75,000 to 100,000 workers who become permanently and totally disabled each year who will be benefited. This section does not add any new concepts whatever. As we all know, the Veterans' Administration, the Civil Service Retirement Commission, the Railroad Retirement Board and various State compensation laws have for years dealt with the problem of disability determination. It removes an inequity in the present social security system whereby disabled persons are penalized because of the counting of the period in which they are disabled in determining their eligibility for benefits and the size of their benefits.

If I were called upon to name the one piece of legislation which I have sponsored in my more than four decades of service in the Congress of which I am proudest and which has brought the most far reaching benefits to the people of the country, I would unhesitatingly say that it is the legislation establishing the social security system. I am also proud to say that I have introduced and sponsored all the legislation since the establishment of the social security system which has brought about the many improvements in the system.

The importance of the old-age and survivors insurance program can be seen from a few statistics. Over 60,000,000 persons are now insured for retirement and survivors' benefits. Nearly 8 out of 10 jobs in the country are covered. There are now 4,500,000 persons drawing monthly insurance benefits amounting to about $2,000,000,000 a year. This bill would increase this amount to about $2,300,000,000 a year.

Notwithstanding my record of work for and devotion to the great cause of social security legislation, I am accused by my friend, the able and distinguished gentleman from New York [Mr. REED], in a recent press release of being motivated by politics and of engaging in trickery in my efforts to further improve the social security system by sponsoring this bill. Now, since the gentleman from New York admits that he has never had a political thought, nor committed a political act, he assumes that he is in a position to cast stones at his colleagues on the committee.

You can judge a person better by what he has done than what he has said he has done. I shall not question the motives of the gentleman from New York, nor of any other Member of this body,

but I invite a comparison of the records of the gentleman from New York and myself on social security legislation as being the only way to determine which of us has tried the harder and done more to establish and improve the social security system. The gentleman from New York very strenuously opposed the legislation which I introduced in 1935 to establish the social security system. In the committee and when the bill reached the floor, he sought to get the old-age and survivors insurance provisions stricken from the bill on the ground that it was unconstitutional and besides would not be of any benefit to the workers for years to come.

When the gentleman from New York had a chance to really do something to improve the old-age insurance program while the Republicans were in control of the Eightieth Congress, he introduced a bill which made a feeble attempt to improve the system, but it was not brought up in the House until June 14, 1948, and the Congress adjourned on June 20, 1948. What reasonable man could expect action by the Senate within 6 days. This was a very feeble bill. It did not provide for any general increase in benefits and the one point which he now complains so bitterly about which he covered in his bill, namely, the work clause, would have only raised the money amount which a worker would have been permitted to earn without loss of benefits to $40 a month.

When the Democrats regained control in the Eighty-first Congress, we raised the money amount to $50, $10 more than his bill would have raised it and H. R. 7800 would raise the money amount to $70, which is $30 more. It is now stated that it is trickery to bring H. R. 7800 up under a suspension of the rules. That is exactly the way the bill of the gentleman from New York was brought up in the Eightieth Congress. All of a sudden such procedure now becomes a trickery and political. What about throwing stones while living in glass houses?

Now let us see what the gentleman from from New York has done to improve the system in this Congress. He glorifies the provisions of his bill, H. R. 7922. I would like to point out that this bill was not introduced until after H. R. 7800 was voted on in the House. All of a sudden, the gentleman from New York became keenly aware of the fact that improvements were needed in the insurance system and decided to introduce a bill.

It has been charged here today that not a line of this bill was written by members of the Ways and Means Committee. I assert without any fear of contradiction, that every line of it was written by members of the Ways and Means Committee. As far as Oscar Ewing is concerned, I would not know him if I met him in the road. I have never heard a word from him. He has never appeared before our committee at any time or made one single suggestion as to this bill.

The facts as to H. R. 7800, the bill under consideration, are that several bills were introduced and referred to our committee providing for amendments to the social-security laws. The gentleman from Arkansas [Mr. MILLS], the gentleman from Michigan [Mr. DINGELL], the gentleman from Rhode Island [Mr. FORAND], the gentleman from California [Mr. KING], the gentleman from New Jersey [Mr. KEAN], and the gentleman from Wisconsin [Mr. BYRNES], were authors of these bills. The committee met to consider these bills. It was decided that in order to save time and to insure enactment of these much-needed provisions in this session of Congress, it would be better to introduce a single bill embodying the provisions in the various bills. I then introduced H. R. 7800. No requests for hearings were made on these various bills when the committee was considering them.

The gentleman from New York immediately became interested in hearings when the committee met to consider my bill. As a matter of fact, lengthy hearings on all the subjects contained in H. R. 7800 were held during the Eighty-first Congress when the 1950 amendments were being considered.

Section 3 of the bill which has been subjected to the baseless charge that it is socialized medicine was taken from a bill which was introduced by the gentleman from New Jersey [Mr. KEAN]. The amendments to this section, which were made in the motion to suspend the rules today, were also suggested by the gentleman from New Jersey [Mr. KEAN], in order to clarify any possible misunderstanding as to the effect of this section. No suggestion whatever was made during the committee's consideration of H. R. 7800 that it had anything to do with socialized medicine. As a matter of fact, there was so little opposition to the bill that a roll call was not even asked for and it was ordered reported on a voice vote with but one or two opposing votes. No minority report was filed on the bill. It was only after the bill had been reported to the House and the American Medical Association let loose an avalanche of telegrams to the Members of the House that anyone even thought such a charge as socialized medicine could be made against its meritorious provisions. There is no more socialized medicine in section 3 of the bill than there is frost in the sun. This section merely protects the previously acquired benefit rights of disabled persons. If the American Medical Association had a greater devotion to duty and less to politics and a greater passion for the public good, its members would support rather than oppose this effort to alleviate the lot of permanently and totally disabled persons.

I have never been in favor of socialized medicine, I am not in favor of socialized medicine now, and I never shall be in favor of socialized medicine.

They say that we are trying through deception, and trickery, and for political expediency to foist socialized medicine upon this country. Mr. Speaker, if I were guilty of the charges that have been made about me with respect to this legislation then I have been in Congress 40 years too long.

I do not believe there is a single Member of this House who knows my record in Congress who would believe that I would ever introduce a bill providing for socialized medicine or for purely political reasons.

Let us now consider the nonpolitical motives of the gentleman from New York. As I have stated, not a single member of our committee mentioned socialized medicine when we were considering this bill. However, when the bill was considered on May 19, 1952, the gentleman from New York was greatly distressed about the so-called back-door approach to socialized medicine which purportedly was contained in section 3. It strains one's credulity to believe that there was nothing political in the fact that he decided to introduce a bill on May 20, 1952, which was quite similar to my bill but struck out section 3.

An indication of his sudden change of heart can be gathered from a statement which he included in the CONGRESSIONAL RECORD on May 19, 1952, at page A3066 entitled "Republican Social Security Bill." He apparently had every intention of introducing a bill containing section 3 because his explanation of the bill which he introduced that day states "section 3 of the bill is a very important improvement which preserves the insurance rights of persons permanently and totally disabled. Blind persons are included in this provision. This provision is the same as that included in section 103 of Mr. KEAN's bill, H. R. 7549."

As further evidence of his sincerity in requesting hearings on H. R. 7800, I would like to quote for you an excerpt from a letter dated May 21, 1952, which Mr. REED sent me as chairman of the committee. It reads:

> I am writing to urge you to call a meeting of the Ways and Means Committee at your earliest convenience for the purpose of taking favorable action on my bill, H. R. 7922.

You will note that he does not ask for hearings. You will also note that he requests a meeting "for the purpose of taking favorable action" on his bill. Never since I have been chairman of the Committee on Ways and Means have I received such a request.

The question which faces us now is whether or not we will pass this much needed legislation to increase social security insurance benefits and preserve the rights of those unfortunate workers who become permanently and totally disabled. The trust fund can afford to pay the increases without any change in tax rates. Old-age and survivors insurance is paid for by the employees and employers. It will not cost the taxpayers one cent, as would an increase in benefits under the public-assistance titles.

We must either pass this bill or do nothing to improve the lot of the beneficiaries. After I introduced H. R. 7800, I received scores of letters from the old people complimenting me on its introduction, and expressing their appreciation for my interest in their lot.

The bill received a majority vote on May 19. Now that the objectionable language is eliminated from the bill, there are no grounds for opposition to it.

This is one bill in which there certainly should be no politics. This is probably the last social security bill which I will ever introduce for, as you know, I am going out of Congress and what political

motives could I have? No one can justifiably claim that I have done it for political reasons.

I urge every Member of the House to consider the merits of this bill, the plight of the old needy and disabled people, and the urgent need for improvement in their lot. I am sure that with these considerations in mind you will vote favorably on this bill.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill as amended?

Mr. REED of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. REED of New York. I understood that this vote was coming tomorrow.

The SPEAKER. If there is a roll-call vote it will.

Mr. CURTIS of Nebraska. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CURTIS of Nebraska. Has the amendment been offered?

The SPEAKER. It was included in the motion.

Mr. CURTIS of Nebraska. Has the amendment been read?

The SPEAKER. The reading of the bill was dispensed with by unanimous consent in the presence of the gentleman from Nebraska.

The question is, Will the House suspend the rules and pass the bill as amended?

The question was taken and the Speaker announced that in the opinion of the Chair two-thirds had voted in the affirmative.

Mr. FORD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will state that the vote will go over until tomorrow. Does the gentleman from Michigan desire to withdraw his point of order?

Mr. FORD. I am perfectly agreeable.

The SPEAKER. The vote on the motion will go over until tomorrow.

Does the gentleman withdraw his point of no quorum?

Mr. FORD. That is correct.

SOCIAL SECURITY ACT AMENDMENTS OF 1952

The SPEAKER. The unfinished business is on suspending the rules and passing the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; there were—yeas 361, nays 22, answered "present" 2, not voting 46, as follows:

[Roll No. 106]

YEAS—361

Abbitt	Battle	Bryson
Addonizio	Beall	Buchanan
Allen, Calif.	Beamer	Budge
Allen, Ill.	Belcher	Burnside
Allen, La.	Bender	Buckley
Andersen, H. Carl	Bennett, Fla.	Burton
	Bennett, Mich.	Bush
Anderson, Calif.	Bentsen	Byrnes
Andresen, August H.	Berry	Canfield
	Bishop	Cannon
Andrews	Blatnik	Carrigg
Anfuso	Boggs, Del.	Case
Angell	Boggs, La.	Celler
Arends	Bolling	Chelf
Aspinall	Bolton	Chenoweth
Auchincloss	Bonner	Chiperfield
Ayres	Bosone	Chudoff
Bailey	Bow	Church
Baker	Boykin	Clemente
Bakewell	Bray	Cole, Kans.
Barden	Brooks	Cole, N. Y.
Baring	Brown, Ga.	Colmer
Barrett	Brown, Ohio	Combs
Bates, Mass.	Brownson	Cooley
Cooper	Holmes	Passman
Corbett	Hope	Patten
Cotton	Horan	Patterson
Coudert	Howell	Perkins
Cox	Hull	Philbin
Crosser	Hunter	Poage
Crumpacker	Ikard	Polk
Cunningham	Irving	Potter
Curtis, Mo.	Jackson, Calif.	Poulson
Dague	Jackson, Wash.	Preston
Davis, Tenn.	James	Price
Davis, Wis.	Jarman	Priest
Dawson	Javits	Prouty
Deane	Jensen	Rabaut
DeGraffenried	Johnson	Radwan
Delaney	Jonas	Rains
Dempsey	Jones, Ala.	Ramsay
Denny	Jones, Hamilton C.	Rankin
Denton		Reams
D'Ewart	Jones, Woodrow W.	Reece, Tenn.
Dingell		Reed, Ill.
Dollinger	Judd	Rees, Kans.
Dolliver	Karsten, Mo.	Regan
Dondero	Kean	Rhodes
Donohue	Kearney	Ribicoff
Donovan	Kearns	Riehlman
Dorn	Keating	Riley
Doughton	Kee	Rivers
Doyle	Kelley, Pa.	Roberts
Durham	Kelly, N. Y.	Robeson
Eaton	Kennedy	Rodino
Eberharter	Keogh	Rogers, Colo.
Elliott	Kerr	Rogers, Fla.
Ellsworth	Kersten, Wis.	Rogers, Mass.
Engle	King, Calif.	Rogers, Tex.
Fallon	King, Pa.	Rooney
Feighan	Kirwan	Roosevelt
Fernandez	Klein	Ross
Fine	Kluczynski	Sadlak
Fisher	Lane	St. George
Flood	Lanham	Saylor
Fogarty	Lantaff	Schenck
Forand	Larcade	Scott, Hardie
Ford	Latham	Scott, Hugh D., Jr.
Forrester	LeCompte	
Frazier	Lesinski	Scrivner
Fugate	Lind	Scudder
Fulton	Lovre	Secrest
Furcolo	McCarthy	Seely-Brown
Gamble	McConnell	Shafer
Garmatz	McCormack	Shelley
Gary	McCulloch	Sheppard
Gathings	McDonough	Short
Gavin	McGrath	Sieminski
George	McGregor	Sikes
Golden	McGuire	Simpson, Ill.
Goodwin	McIntire	Sittler
Gordon	McKinnon	Smith, Va.
Gore	McMillan	Smith, Wis.
Graham	McMullen	Spence
Granahan	McVey	Springer
Granger	Machrowicz	Staggers
Grant	Mack, Ill.	Stockman
Green	Mack, Wash.	Talle
Greenwood	Madden	Taylor
Gregory	Magee	Teague
Gross	Mahon	Thomas
Hagen	Mansfield	Thompson, Mich.
Hale	Marshall	
Hall, Edwin Arthur	Martin, Iowa	Tollefson
	Martin, Mass.	Trimble
Hall, Leonard W.	Meader	Vail
	Merrow	Van Pelt
Halleck	Miller, Calif.	Van Zandt
Hand	Miller, Md.	Velde
Harden	Miller, Nebr.	Vinson
Hardy	Miller, N. Y.	Vorys
Harris	Mills	Vursell
Harrison, Nebr.	Mitchell	Walter
Harrison, Va.	Morano	Watts
Harrison, Wyo.	Morgan	Weichel
Hart	Morrison	Wharton
Harvey	Moulder	Wheeler
Havenner	Multer	Whitten
Hays, Ark.	Mumma	Widnall
Hébert	Murdock	Wier
Hedrick	Murphy	Williams, Miss.
Heffernan	Murray	Williams, N. Y.
Heller	Nelson	Willis
Herlong	Nicholson	Wilson, Ind.
Heselton	Norblad	Wilson, Tex.
Hess	Norrell	Winstead
Hill	O'Brien, Ill.	Withrow
Hillings	O'Brien, Mich.	Wolverton
Hinshaw	O'Hara	Wood, Ga.
Hoeven	O'Neill	Wood, Idaho
Hoffman, Ill.	Osmers	Yates
Hoffman, Mich.	Ostertag	Yorty
Holifield	O'Toole	Zablocki

NAYS—22

Adair	Brehm	Curtis, Nebr.
Betts	Buffett	Devereux
Blackney	Clevenger	Elston
Bramblett	Crawford	Jenison
Jenkins	Simpson, Pa.	Thompson, Tex.
Mason	Smith, Kans.	Werdel
Reed, N. Y.	Smith, Miss.	
Sheehan	Taber	

ANSWERED "PRESENT"—2

Busbey Woodruff

NOT VOTING—46

Aandahl	Gwinn	Redden
Abernethy	Hays, Ohio	Richards
Albert	Herter	Sabath
Armstrong	Jones, Mo.	Sasscer
Bates, Ky.	Kilburn	Stanley
Beckworth	Kilday	Steed
Burdick	Lucas	Stigler
Burleson	Lyle	Sutton
Butler	Morris	Tackett
Camp	Morton	Thornberry
Carlyle	O'Brien, N. Y.	Welch
Carnahan	O'Konski	Wickersham
Chatham	Patman	Wigglesworth
Davis, Ga.	Phillips	Wolcott
Evins	Pickett	
Fenton	Powell	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Herter and Mr. Wigglesworth for, with Mr. Woodruff against.

Mr. Fenton and Mr. Butler for, with Mr. Phillips against.

Until further notice:

Mr. Sasscer with Mr. Burdick.
Mr. Bates of Kentucky with Mr. Gwinn.
Mr. Evins with Mr. O'Konski.
Mr. Davis of Georgia with Mr. Wolcott.
Mr. Chatham with Mr. Kilburn.
Mr. Wickersham with Mr. Armstrong.
Mr. Camp with Mr. Aandahl.
Mr. Steed with Mr. Morton.

Mr. WOODRUFF. Mr. Speaker, I have a live pair with the gentleman from Massachusetts, Mr. WIGGLESWORTH, and the gentleman from Massachusetts, Mr. HERTER, who if present would vote "aye." I therefore withdraw my vote of "no" and vote "present."

The result of the vote was announced as above recorded.

Mr. ROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, I voted for the passage of bill, H. R. 7800, to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, because I have advocated for a long time liberalizing our social-security system.

This bill provides for an increased payment of approximately $5 and raises the income limit to $70 per month. Even with this pitiful increase, benefits under the social-security system are far from being adequate in providing any measure of security to our aged people; nor does the raising of the income from $50 to $70 make this provision equitable.

Where a person has paid into the system for years, it seems to me most unfair and unreasonable to penalize that person by withholding social-security benefits if they are able to obtain a job which pays them more than $70 per month.

I strongly favor removing entirely this income limitation, or at least raising it to $100.

Also I strongly advocate increasing the payments under the social-security system by an additional 50 percent, or, certainly a minimum of an additional 25 percent. Inflation has raised the cost of living to such a degree that the aged people who have over the years paid their hard-earned dollars into this system, believing that in their retirement they would be provided with some security, are entitled to and deserving of this increase.

I hope when the Senate considers this bill that they will increase the benefits and eliminate the income limitation.

Mr. Speaker, I am unqualifiedly and totally opposed to socialized medicine, and I have been one of the strongest opponents of every attempt by this administration to extend its control over our medical profession; and if I believed that the section pertaining to the preservation of insurance rights of the permanently and totally disabled in any way conferred upon the Federal Security Agency the authority to socialize medicine, I would have voted against this bill.

It is most unfortunate that the committee brought this bill before the House under a suspension of the rules, which forbids the House from offering an amendment spelling out the exact procedure to be followed by the Federal Security Agency in administering this program.

However, I feel certain when the Senate considers the bill, where it will be open for amendment, that they will write into this section specific language directing the Federal Security Agency as to the proper administration of this program.

Mr. Speaker, may I in closing express the hope and the confidence that next year the Congress will conduct an exhaustive study of our entire social security program, with a view to enacting legislation which will provide adequate benefits for our aged.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, it is to be regretted that H. R. 7800, which is known as the Social Security Act, is again before us for action under the same rule known as the "gag" rule, which allows no amendments. I think that it is the right of every Member of Congress to be allowed to submit his views in the form of amendments to legislation when it is before us for our consideration. We should not be forced to vote "yes" or "no" on a bill from a committee without having the opportunity to make changes in the legislation.

When H. R. 7800 was before us under a "gag" rule on May 19 I charged then that it contained a clause which would definitely establish socialized medicine. I think it was wise for the Members of this House to return the bill to the committee for changes. I now note that at least many of the paragraphs referring to the procedure of socialized medicine have been stricken. Yet I believe that there are some sections which are questionable and should be debated on the floor, but, under the "gag" rule, we have only 20 minutes on each side to debate and no chance to amend. I concur in the statements made by many Members of this Congress that this bill, H. R. 7800, as now presented to us is much better than when it was considered on May 19. I have contacted several members of the committee and have been assured that sections (a) and (b), on page 28 of the bill, definitely eliminates police, firemen, and elementary and secondary school teachers' retirement programs now in effect from this legislation. In my statement on May 19 I took the position I was definitely opposed to any attempt to put the teachers, police, and firemen, and other retirement systems now in operation in the various States under Federal jurisdiction, and I am happy to say that, in my opinion, H. R. 7800, as now written, and I am assured that this is the fact, this legislation does not jeopardize the retirement systems in effect referred to above.

I am sorry that the benefits incorporated in this bill are not greater than they have set forth, and it is to be regretted that the recipients are not allowed to work to bring revenue for themselves in excess of $70 per month. To me this is a penalty on initiative and thrift. It must be remembered that recipients of this program have contributed their own money and are certainly entitled to its benefits. In my opinion, they should be allowed to work in order to have an income comparable, at least, to living costs.

It is unfair, too, that extensive hearings were not held on this legislation and that we who believe in social security are forced to accede to the dictates of only a majority of the committee of 25, or be faced with the situation of not having any legislation passed at this session of Congress. If this bill is defeated, the social-security recipients will get no increase and not be allowed to work where revenues were in excess of $50 a month.

I am voting for H. R. 7800 today because I definitely feel that it is much better than when it was before us on May 19 and with the hope that the other body—the Senate—will have extensive hearings and bring out a more equitable and just piece of legislation. In these closing days of this Congress it seems we cannot hope for anything better.

Social Security Reconsidered

EXTENSION OF REMARKS
OF
HON. EDMUND P. RADWAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 23, 1952

Mr. RADWAN. Mr. Speaker, under leave to extend my remarks, I submit herewith an interesting editorial taken from the Buffalo Evening News, June 19, 1952. I recommend it to the attention of every Member of Congress:

SOCIAL SECURITY RECONSIDERED

On second thought, the House of Representatives is overwhelmingly in favor of increasing social-security benefits. The vote Tuesday for a $5-a-month increase, a new disability waiver clause, and a boost from $50 to $70 in the outside monthly income a beneficiary may earn without jeopardizing his retirement pension was so decisive—360 to 22—that many of the older folks must be wondering what was done to the bill to make it more palatable than the one which was rejected 3 weeks ago.

The answer is that this is practically the same bill, but Congressmen—mainly the Republicans—have been hearing from the pensioners. When the bill first came up, a majority of the House Republicans let the doctors' lobby persuade them to oppose the whole bill on account of some rather unsubstantial fears about a single clause, one which the American Medical Association suspected might be an entering wedge for socialized medicine.

Result: the clause in question was eliminated, and the bill went sailing through. But the irony is that the powers conferred on Security Administrator Oscar Ewing—to which the AMA objected—are probably broader in the new bill than the old. The language that has been eliminated gave him specified powers to require examinations of anyone claiming disability; the new bill leaves him with the same authority but does not spell out how he may exercise it.

The Congressmen who voted against the first bill and for the second one, in other words, did an abrupt about-face, occasioned primarily by the flood of mail they received on the subject. There are at least three lessons that might be drawn from the fiasco—if any doctors or Republican policy-makers are listening.

One—for the doctors—is a reminder of the old fable about the boy who cried wolf. The AMA didn't really have much of a case this time, but it yelled wolf anyway, and has therefore made it less likely that Congress will jump to its aid the next time it really thinks it has spied a wolf.

Another lesson—for the House Republican leaders—is that there might be some virtue in listening, once in a while, to the views of the younger Members from the marginal districts, where the party can't afford to be wrong on an issue of this character. It's all very well for the leaders—the Members with seniority from the one-party districts—to vote against a major bill because they don't like some minor clause in it. But it can be disastrous for them to make this a matter of party policy in such a way that the party majority can be pictured by the Democrats as against social security—which would undoubtedly have happened if the original vote had been allowed to stand.

Finally—as a matter of both equity and good politics—the critics of this bill might well have pegged their case to a plea for still greater relief from the means test. Most social-security beneficiaries have been led to believe that their pension at 65 is something they have contributed to and are entitled to receive as a matter of right. Actually, they don't get it unless they quit work—unless their earnings are $50 a month or less. The new bill would raise this figure to $70. Many Republicans wanted to boost it to $100, or remove the ceiling on earned income entirely. Why not? Why should an elderly citizen have to be pauperized in order to claim a social-security pension to which he has been led to believe he has a right? Why shouldn't the Republicans wage their fight on that basis—and leave it to the Democrats for once to explain the difference between what their campaign oratory promises and what their legislation delivers?

This Is Not the Best Bill

EXTENSION OF REMARKS
OF
HON. CECIL M. HARDEN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 16, 1952

Mrs. HARDEN. Mr. Speaker, I am supporting H. R. 7800, the social-security bill. I am supporting it because I recognize the need for improving our social-security system and I feel that this bill makes some needed improvements.

But I wish to make it quite clear that I do not believe this bill is all that it should be. We could have had—and should have had—a better bill. I would favor, for example, increasing the limitation on the amount of money which a social-security recipient could earn and still be eligible for benefits.

We are not dealing with public-welfare payments. We are dealing with an insurance system and the recipients under social security have paid weekly or monthly premiums out of their own earnings in order to qualify for old-age insurance when they reach retirement age. I do not see why we should penalize people for wanting to supplement the meager retirement benefits which are rightfully theirs.

However, this bill does increase the limitation from $50 to $70 a month on the amount a recipient can earn, so it is an improvement.

There has been no objection voiced on this floor—and I certainly would not ob-

ject myself—to the small increases in benefits which are contained in this bill. We all know what the cost of living has done to fixed incomes. We have a 53-cent dollar today, and it is only common sense that retirement benefits must be increased to help recipients keep pace with rising costs.

As a matter of fact, I think this House could vote a larger increase than is contained in this bill.

I was not in Washington on May 19, when H. R. 7800 first came to the House floor, as no advance notice had been given by the administration, that this legislation would be considered on that date. But I have familiarized myself with the objections which were raised at that time to the disability feature contained in the original measure and I want to make it quite clear that I would not have been able to support that section, for I believe there was a clear danger of socializing American medicine had we given Oscar Ewing the unusual powers which were written into the disability section.

The bill we have before us today meets most of the objections which were raised—and legitimately raised—4 weeks ago. I believe the intent of Congress regarding the disability section is quite clear and that intent constitutes a rebuke to Federal Security Administator Ewing for his efforts to socialize the medical portions of the social-security program. I trust that Mr. Ewing will recognize this fact. If he does not, Congress has the power to discipline him and should do so.

Retirement Plans of State Employees Threatened

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1952

Mr. SHAFER. Mr. Speaker, a belated protest against the attempt to secure passage of the bill amending the Social Security Act (H. R. 7800), under a suspension of the rules, has come to me from Hon. D. Hale Brake, able and distinguished treasurer of the State of Michigan.

Mr. Brake wrote, under date of May 23, in his capaity as a member of the board of the Michigan State Employees' Retirement Fund, the board of the Michigan Municipal Employees' Retirement Fund, and the board of the Michigan Judges' Retirement Fund.

This protest further confirms the wisdom of this House in rejecting the effort to steamroller this bill through this body.

It is noteworthy that Mr. Brake bases his opposition to the bill and his insistence upon adequate public hearings, debate, and opportunity to amend, on the threat which the bill presents to existing retirement systems of State and municipal employees.

Thus, he completely refutes the slurring and inexcusably insulting charge that the bill was defeated because a lot of lawmakers jump when the American Medical Association cracks the whip or because a lot of others roll over and play dead when anybody yells socialism.

There is ample opportunity to accomplish the desirable and necessary improvements in social security during the present session of the Congress through proper legislative procedure.

Under leave to extend my remarks, I include the letter from Mr. Brake:

LANSING, MICH., *May 23, 1952.*

The Honorable PAUL W. SHAFER,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I write you as a member of the Board of the Michigan State Employees' Retirement Fund, the Board of the Michigan Municipal Employees' Retirement Fund, and a member of the Board of the Michigan Judges' Retirement Fund.

I have just been informed that House bill 7800, introduced by Congressman DOUGHTON, after lying quietly in committee for a long period of time with no action at all has suddenly been passed out on the floor of the House without any opportunity for hearing, and that there is a likelihood of its passing. This bill, as I am informed, would make governmental employees who belong to retirement systems eligible for Social Security.

I wish to protest, in the first place, action on the bill without due opportunity for hearing; and, in the second place, hearing or no hearing, I protest its passage.

Here in Michigan our retirement systems have been very carefully set up and they provide for anybody except very short-term employees, who under social security simply take a Government handout, a much more satisfactory system than Social Security, and they are set up on an actuarially sound basis and pay their way. We are being confronted constantly by insidious propaganda from Social Security—propaganda which is undoubtedly paid for with taxpayers' money.

This new move under this bill, as I see it, would be a very serious threat to the present retirement systems. People are naturally easily attracted to Social Security with its seemingly low cost in the beginning and do not think far enough to realize that ultimately the cost will increase and that it couldn't be run as it is without the taxpayers' backing. We are getting socialism altogether too fast.

Very sincerely,

D. HALE BRAKE,
State Treasurer.

Social-Security Bill

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 17, 1952

Mr. SHELLEY. Mr. Speaker, from the tenor of remarks on the floor yesterday, there doesn't seem to be much doubt but that H. R. 7800 will pass the House despite its failure to do so 2 weeks ago. I am personally quite pleased at this prospect. I do feel very strongly that this bill does not go nearly far enough. However, rather than deprive social-security recipients of any increase at all I urge my colleagues to let no smoke screens which may be raised today block approval of the bill—no smoke screens such as the one raised 2 weeks ago, which blinded so many of those on the other side of the aisle that they were willing to forget the humanitarian considerations they have remembered today.

When I look down the table of benefits which this bill provides, even with the small increases included, I wonder how there can be any doubt in any one's mind but that, if we are to keep these elderly people alive, Congress has an obligation to do substantially more than we are doing here and now. I do not see how anyone can exist on the amounts provided, even when maximum benefits are allowed. Our action here today does little enough to make it possible for those who have retired on social security to pay their grocery bills and keep a roof over their heads.

The question of proper care for our aged citizens is certainly one which should not be made a political football. That this happened 2 weeks ago is regrettable since it seriously jeopardized the prospects for any social security liberalization by this Congress. However, in view of statements which have been made on the floor today by many of the Republican members indicating their belief that the present bill does not go far enough, I think that we should look at the interesting legislative history of social security legislation. We should look at it just to make clear in our own minds where the responsibility for delaying greater social security benefits lies.

We all know that it was under the administration of Franklin D. Roosevelt that the first Federal social security laws were passed—despite bitter opposition from the reactionaries in the Republican camp. On the various occasions when scheduled increases in amounts of employer's contributions to the old-age and survivors insurance funds were eliminated by legislative action, the strongest support for the cuts came from the Republican side of the House. Had those increases been permitted, the reserves built up would have provided ample funds for far more liberal benefits than we are voting today. Liberal Democrats have time after time introduced bills to broaden the base of social security coverage and increase the monthly payments, only to have their efforts knocked down by combined Republican-Dixiecrat opposition. If there is any one factor responsible for the niggardly increases called for by H. R. 7800, it is the well founded fear that a bill with more generous terms would not get by the Dixie-GOP coalition in Congress. It is extremely interesting to note that the very groups who are so outwardly sympathetic today are the ones at whose door we must lay the responsibility for failure to build up social security funds over the years—the failure to properly pave the way for social security legislation which will do what its name implies; that is, to provide real security for the aged worker and his family in his declining years.

It would indeed be interesting to see how sympathetic the members of the opposition party would be if a bill were reported providing increases of $20 or $25 a month. Those amounts are certainly no more than should be given in the face of high living costs. Yet, such an increase would probably require increased employer contributions to meet the drain on the present reserves. I wonder how the Republican Members of the House would vote under those circumstances, and with the outraged cries of the National Association of Manufacturers ringing in their ears. It is my guess that they would follow the pattern of the years and vote along with their big brothers in big business.

Mr. Speaker, I shall vote for H. R. 7800 and I believe that every Member of the House should do the same. I have only one reservation in casting my vote. We just are not going far enough in meeting the dire need of the old folks who have to feed and clothe themselves on their well earned but inadequate monthly social security checks.

Blind Object to Social Security Board Ruling

EXTENSION OF REMARKS
OF
HON. PAUL CUNNINGHAM
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 20, 1952

Mr. CUNNINGHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the Iowa Association of the Blind:

Whereas the Congress of the United States recently passed an amendment to title X of the Social Security Act providing that in determining the need of blind aid recipients the first $50 of earned income shall be disregarded; and

Whereas the specific purpose of this amendment was to permit the blind person to retain a certain amount of earnings without reduction of the public-assistance grant as a method of encouraging the blind in their efforts to overcome the employment handicaps of blindness and to engage in the productive activities of the community; and

Whereas the Senate Finance Committee expressly declared this to be the purpose of the amendment in the following words: "The present requirement stifles incentive and discourages the needy blind from becoming self-supporting and therefore it should be replaced by a requirement that would assist blind individuals in becoming useful and productive members of their community;" and

Whereas the House Committee on Ways and Means addressed itself to this fundamental issue in equally pointed language: "Your committee * * * believes that (the blind) should be afforded incentive to work and to become as nearly self-supporting as possible;" and

Whereas notwithstanding all of the foregoing the Federal Social Security Board immediately assumed the position that the amendment should be interpreted as meaning that, while the first $50 of earned income could not be considered in determining the need of a blind person himself, it must be considered as part of the resources available to his spouse or other dependents, thus virtually nullifying the act of Congress in its application to all but single persons; and

Whereas the matter was early brought before the attorney general of Illinois for an opinion as to the correct interpretation of the amendment, and the attorney general ruled adversely to the position of the Social Security Board; and

Whereas the Social Security Administration has nevertheless persisted in its private and arbitrary interpretation and has issued a directive embodying it: Now, therefore, be it

Resolved by the Iowa Association of the Blind, assembled at Vinton, Iowa, in its annual convention on this 7th day of June 1952, That we strongly condemn and oppose this arbitrary interpretation by the Social Security Board as a most flagrant nullification of an act of Congress by an administrative board, without color of right or authority and as violative of the basic American principle of equality of opportunity and of encouragement to all to become self-supporting and contributing members of society; and be it further

Resolved, That we urge upon the National Federation of the Blind the policy of fighting the issue out on these grounds, rather than seeking further amendments, which would most likely be similarly disregarded by a board bent on having its own way in spite of the will of the people's representatives; be it further

Resolved, That, mindful of our own weakness in numbers and influence which has invited the arrogant assaults of a' burrowing bureaucracy, but being equally mindful of the strength of the principle we defend, which transcends the interest of the blind alone, and concerns all those who wish to preserve government by law and who oppose government by edict, we seek the help of public opinion and all citizens interested in checking the deplorable tendency toward administrative legislation; and that the secretary be therefore instructed to give copies of this resolution to the press and radio and to send copies to the members of the Iowa delegation in Congress.

Social-Security Benefits

EXTENSION OF REMARKS
OF
HON. WALTER K. GRANGER
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, June 16, 1952

Mr. GRANGER. Mr. Speaker, the changes that H. R. 7800 will make in the social-security program are very much

needed, and they are needed now. They are all necessary and desirable changes. They can all be made without increasing the contribution rates for old-age and survivors insurance. I do not see how any of us can go back to the people in our districts who are interested in this bill and tell them we voted against it.

First, the bill increases the amount of the benefits paid under the insurance program, both for people now on the benefit rolls and those who will come on the rolls in the future. Present benefits have been made inadequate and unrealistic by rising prices. The beneficiaries are finding it difficult to get along on the amounts they are now receiving. For most of them, this benefit is the chief source of income, and for many the only source. The rise in living costs has resulted in considerable deprivation and suffering among the aged, the widows, and the orphans who are the beneficiaries of this program. Unless their benefits are raised, an increasing number of them will have to turn to public assistance for supplementary payments. Certainly we want to avoid this. We want to continue toward the objective the Congress reaffirmed in 1950 of making social insurance, rather than assistance, the Nation's primary defense against insecurity.

I want to emphasize again that these increased benefits can be paid for without increasing the contribution rates now provided in the law. We are only doing what in 1950 we recognized could and should be done—we are increasing benefits as increased wage levels and price levels make such increases possible and desirable. We have a moral obligation to increase the benefits and we must not neglect to fulfill that obligation.

Second, the bill gives wage credits under the insurance program to men and women who have served in the defense of their country since World War II. Now I am aware, of course, that a week or so ago the House passed a bill that gives wage credits for service in the present emergency period. That provision is a good one, but it does not do the whole job. Many young men who were called into the service before the Korean hostilities began have no protection under that insurance program. The survivors of those who were killed in the early fighting in Korea will not be taken care of under the bill that passed the House last week. If we want to take care of those deserving families—and I am sure every Member of this House does want to—we will have to adopt the provisions of H. R. 7800.

Third, the bill increases the so-called work clause in the insurance program from $50 to $70. This means that a beneficiary can earn $70 in a month, instead of $50, without losing his insurance benefits.

I am fully aware that some Members of this House will say that this provision does not go far enough. In fact, there are some who think the retirement test ought to be entirely eliminated. On the other hand, those who helped to work out the original social-security law back in 1935 remember that it was thought then that the law should be a retirement law, that we should not pay benefits to people who keep on working full time. Now it seems to me that when you have a provision about which there is this kind of a disagreement it is not wise to go too far in changing it without the most careful study.

Fourth, H. R. 7800 would make a much-needed change in the law as it applies to public employees covered under State and local retirement systems. The employees covered by these systems naturally have a great interest in the preservation of these retirement systems. Some groups of employees have felt that an extension of old-age survivors insurance might result in the dissolution of their systems. It was because of this view, of course, that a provision was put into the 1950 legislation prohibiting the coverage under old-age and survivors insurance of members of State and local retirement systems.

This provision has not been satisfactory from any standpoint. The dissolution of some retirement systems as in my own State of Utah, has been brought about because those concerned wanted old-age and survivors insurance coverage and in order to get such coverage they were forced to dissolve their retirement system. In other cases in which old-age and survivors insurance coverage is desired, the employees cannot have the protection they want because they do not want to give up their own system. In other words, groups wanting old-age survivors insurance protection have been faced with two alternatives: First, to be deprived of the sought-after protection of the Federal old-age survivors insurance program; or second, to dissolve the State or local system.

The provisions of H. R. 7800 meet this problem. They respect the wishes of groups covered under State or local retirement systems by prohibiting coverage under this legislation unless the members of the local retirement system vote in favor of coverage by a two-thirds majority in a written referendum. On the other hand, except for policemen, firemen, and grade-school and high-school teachers, who are in disagreement as to social-security coverage, there is no prohibition against coverage where there is a two-thirds vote favoring coverage, so that those groups wishing to have the protection of old-age and survivors insurance are not prevented from obtaining this protection.

Fifth, the bill corrects a defect in the aid to the blind provisions of the law. In 1950 we provided for exempting from consideration in determining need a limited amount of income earned by blind people, but we did not specifically provide that that income be excluded in determining the need of another person in the family. H. R. 7800 makes that provision.

Sixth, and this is one of the most important provisions of all, the bill includes a provision to preserve the insurance rights of permanently and totally disabled persons. This is a good provision and a necessary provision. It is the same as the waiver of premium provision in private life insurance policies. The present law is simply not fair to people who are unfortunate enough to become permanently and totally disabled; H. R. 7800 will do no more than correct that injustice. It is not "socialized medicine" in any sense, and I want to make it clear that I am not now and have never been for socialized medicine.

Now, because of the misunderstanding that arose on this point when the bill was before the House on May 19, the provisions of the bill which would preserve the insurance rights of permanently and totally disabled persons have been revised to remove even the slightest possibility that these might have extended broader powers than it was the intention of the committee to allow. In particular, section 220, the chief cause of the misunderstanding, has been deleted. In order, however, that the RECORD may be perfectly clear on our intent, I should state that the deletion of section 220 does not remove from the Bureau of Old-Age and Survivors Insurance its responsibility for maintaining necessary and sound standards of medical evidence in processing claims and for keeping a close check on the facts in any questionable case.

The provision in this bill for the disability "waiver" is a very important and necessary one. It will be of benefit to a great many worthy and very deserving cases. We do not, however, want to benefit anyone who might wish to take advantage of the provision through the allegation of questionable facts or through the presentation of inadequate or incomplete medical evidence. Accordingly, the Bureau of Old-Age and Survivors Insurance must have available the same tried and tested methods that are used by private insurance companies, the Veterans' Administration, the Railroad Retirement Board, and the State and Federal workmen's compensation programs and other agencies which have to make adjudications on the facts of permanent total disability.

Section 220 as originally reported out was intended primarily to be declarative of these standard practices and to provide certain facilitating authority. In eliminating this section in the bill now under consideration we are motivated by a desire to remove the doubts and fears of those who thought it may have granted authority beyond standard practices. We leave the Bureau of Old-Age and Survivors Insurance in a position, however, to avail itself of existing statutory authority to do a careful job of administration.

Finally, the bill makes certain technical changes in the benefit-computation provisions to facilitate the administration of the law and to enable workers who qualify for benefits this year to get the full advantage of the higher benefits provided by the bill. These changes affect only individuals who die or retire this year. They correct certain inequities which were not foreseen in 1950. If these inequities are not corrected this year, we cannot correct them in a satisfactory way later. These provisions are a further reason why we should not delay action on this bill.

Mr. Speaker, I strongly urge the passage of H. R. 7800. All of its provisions are urgently needed. We will be creat-

ing unnecessary hardships among the aged people and widows and orphans of this country if we fail to pass the bill today. It is a good, sound, conservative bill and I urge that it be adopted.

Social Security

EXTENSION OF REMARKS
OF
HON. PAUL F. SCHENCK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, June 16, 1952

Mr. SCHENCK. Mr. Speaker, I voted for H. R. 7800 today because I felt that, although I object to such important legislation coming up under a suspension of the rules and therefore not subject to proper amendments and full debate, our older people are entitled to more adequate social-security benefits. It is also apparent that in the short remaining time before this Congress adjourns it will not be possible to consider other and more proper social-security legislation. A few days ago I addressed a letter to Hon. DAN REED, ranking minority member of the House Committee on Ways and Means, in an effort to secure proper consideration of my several suggestions looking toward the proper improvement of this social-security legislation. I am told that the majority members of the Ways and Means Committee insisted that this legislation be presented as it was this date. It is my earnest hope, therefore, that as soon as practicable the Ways and Means Committee will give full and complete consideration to all the right and proper improvements for the benefit of everyone having a part in the benefits of social-security legislation and that a new bill be brought in on the floor of the House for consideration with opportunity for full and complete debate and amendments. Social-security legislation affecting as it does, the very living and lives of millions of people is of tremendous importance and it deserves not only full and complete hearings by the Ways and Means Committee but it also deserves full and complete consideration of the Members of the House with full opportunity for necessary debate and for full consideration of good and proper amendments. I hope most sincerely that this can be done in the very near future.

Social-Security Benefits

EXTENSION OF REMARKS
OF
HON. CHARLES W. VURSELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 16, 1952

Mr. VURSELL. Mr. Speaker, when this bill, H. R. 7800, came before us on May 19 the American Medical Association and many Members of the House felt that it opened the door to the application of socialized medicine in handling social-security benefits.

The administration leaders had the bill to the floor of the House under a gag rule which gave the Members no chance to amend it in any way. We who wanted to vote to increase the social-security benefits of the bill but were opposed to the socialized medicine part of the bill were compelled to take it all—the good with the bad—or vote it all down.

I helped to vote the bill down believing that we could get it back before this body stripped of the socialized medicine provision of the bill. Since voting it down, the committee has gone over the bill again and has amended section 3 which was strenuously opposed by the American Medical Association and by many Members of the House, eliminating the language carrying the threat of socialized medicine.

I am now supporting the bill before us as amended because I believe we are fully justified in increasing the social-security benefits carried in this bill. I am supporting it because of the greater benefits it will give to those who become permanently disabled. This permanent disability section of the bill cannot and should not longer be delayed.

I am supporting this bill because I feel that every threat of socialized medicine objected to in the other bill has been completely eradicated from this legislation. It is growing late and if we are to enact this legislation into law at this session, it should be sent to the Senate immediately where under the leadership of Senators GEORGE, BYRD, and ERIDGES, of the Senate Finance Committee, it will be thrown open to full debate and amendment, if needed. If the bill as it leaves the House needs any corrections, those corrections will be made in the Senate and it will be returned to the House for further consideration in the conference report.

Social Security Bill

EXTENSION OF REMARKS
OF
HON. JOHN T. WOOD
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Monday, June 16, 1952

Mr. WOOD of Idaho. Mr. Speaker, inasmuch as opportunity was not afforded to other than committee members to express themselves in regard to H. R. 7800, the social-security bill upon which a vote was taken today, I am taking this means of explaining my position and vote in regard to the measure.

I may say in advance that I am as much opposed to the Federal Government engaging in the insurance business as in any other private business. However, realizing that the social-security system is the present law of the land and that there is little opportunity for a change for some time, even though there might be a change in administration, I am endeavoring to make the best of what I consider to be a bad job and vote for the best interests of those millions who have their private funds invested in what I consider to be a not very safe investment.

First, as to the $5 increase in the pension rate proposed by the bill. If a raise is indicated at this time, it should bear some relation to the inflationary cost of living which has certainly depleted the value of the dollar 40 percent, which makes a paltry $5 increase more or less absurd.

Next, as to the provision by which the pensioner is permitted to earn $70 outside of his pension return in place of the former $50. Since the sum represented by the pension return is merely the return of the pensioner's own money plus that of his employer, it does not seem to me that it is any of the Government's business how much money the pensioner shall be permitted to earn outside of his pension. This provision does not seem to be applied in other forms of pension outside of the social-security system.

And lastly, as to the question of the total disability provision in this bill. To me, this provision merely represents the waiver of premium provision so often a part of the ordinary life insurance, and is an added advantage in my opinion for two reasons: First, because it is a waiver of premium during total disability which I have just mentioned; and, second, because the period of total disability is subtracted from the total time computed in the average earnings of the pensioner; thus increasing the amount of pension which would be allowed.

Naturally, if total disability is claimed by the pensioner, and the period of disability is to work to his interest in the average amounts paid in any pension settlement, every life insurance company states in its policy that it reserves the right to examine the person being insured at stated periods to determine the existence or continuation of the waiver of premiums.

The Federal Security Agency, which is by law charged with the administration of this act, also in like manner reserves the right to examine the pensioner for the existence or continuation of total disability. This can be done in one of two ways. Either through the medium of an existing Federal medical agency reasonably close to the insured, or more frequently by a members of a panel board appointed by the Federal Security Agency.

Having been a practicing physician for 49 years before coming to Congress, and having been a member of one these panel boards ever since the beginning of the Federal Security Agency, I can testify as to the efficiency and dispatch with which these examinatons are made in the pensioner's hometown, and that the system has worked out very efficiently and well.

The composition of these panels is determined upon application of any regular physician to join such panel, his agreement to complete the examination for the stated fee and the determination of his qualifications for making such examinations by the agency.

It is true that the new section added to the bill adds somewhat to the powers of the admiinstrator, but inasmuch as it benefits the pensioner and protects his rights of recovery, I have been unable to ascertain why the added relief to the pensioner would not outweigh the slight, but to me, necessary increase of power vested in the Federal Security Administrator to protect the pension fund from being despoiled by the unworthy.

I have purposely refrained from placing this in the CONGRESSIONAL RECORD before the vote was taken.

House Bill 7800 To Increase Social-Security Benefits Results in Kidding the Aged People

EXTENSION OF REMARKS
OF
HON. TIMOTHY P. SHEEHAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 16, 1952

Mr. SHEEHAN. Mr. Speaker, on Tuesday, June 17, I voted against passage of H. R. 7800, which was a bill to amend title II of the Social Security Act by increasing certain benefits which are now being received under the social-security program.

The general purpose of the bill is deserving of support, but in my opinion the bill does not go far enough and merely results in kidding the public and the recipients of social-security benefits into thinking they are getting a worthwhile increase in benefits whereas the facts show that the benefits are increased but very slightly.

There were quite a number of good reasons for opposing the passage of H. R. 7200, and some of them are as follows:

In the first place, the bill was brought up under peculiar circumstances in that we witnessed an attempt to pass very important legislation without due consideration on the floor of the House of Representatives. The bill was brought up under what is known as a suspension of the rules, which means that debate is very limited and no amendments can be offered to the bill. Under this parliamentary procedure, the bill has to be accepted or rejected in toto so that no perfecting amendments or clarifying amendments can be voted into the bill. Besides being brought up under peculiar circumstances on the floor, the bill was suddenly given to the committee members and reported out with no public hearings being held, so that neither opponents nor proponents of the measure could be heard, which is contrary to the accepted procedure in Congress on practically all matters of important legislation. The Republican members of the committee did make a storng demand that the committee hold public hearings on the subject but this was denied, and Congressman JENKINS, one of the members of the committee stated that, although he cannot prove the fact, nobody on the Ways and Means Committee had anything to do with the writing of H. R. 7800.

One of the controversial parts of H. R. 7800 concerned whether or not the bill provided a back-door entrance for socialized medicine. The doctors of the country, through the American Medical Association, went on record as opposing section 3 of the bill with reference to what they termed was socialized medicine. If public hearings were held on the bill it would have been very easy for all parties to express their opinions on the so-called socialized-medicine angle of the bill so that the situation would have been clarified as far as the socialistic features are concerned.

The bill is unrealistic in that it does not go far enough in providing for an increase in the social security payments. As was brought out in the limited House debate, the average payment of social security benefits runs from approximately $40 to $42 per month, and H. R. 7800 provides for a $5 or 12½-percent increase per month, whichever is greater. You can very well conceive the unrealistic approach to the problem if the average payment is $42 a month and we give each recipient approximately a $5 increase, certainly in this instance $5 is not going to be a real help. My contention is that the whole bill is unrealistic because it does not provide enough for people receiving social security benefits to do anything but continue to make a mockery of the word "security."

One of the facts brought out in the debate was that in the light of our Government's poor fiscal policies which have decreased the value of the dollar approximately 50 percent in the last 10 years, it is ironical to offer a man $5 a month increase and expect him to be pleased. The bill is political, being designed to attract votes based upon a small increase in social security payments which serves as a sop to the aged people.

Under the present law, if a man earns over $50 a month he is not entitled to his social security benefits, while H. R. 7800 will increase this to $70 per month. This to me seems to be an unfair and ridiculous limitation because it means that the Social Security Agency says, in effect, that a man can live on $70 a month. After a man has spent a great amount of his lifetime in earning and paying into the social security fund, it seems to me rather unjust that there should be a low, arbitrary limit placed upon the amount of money he can earn after age 65. It would seem to me that under present living conditions we should make the amount as high as $200, or more, which a man can earn before he is deprived of the social security payments.

The common-sense viewpoint appears to be that as long as a person has paid into the social-security fund he should be entitled to the benefits at retirement age regardless of how much money he is or is not making at the time of his retirement. This section places an undue burden on the working people. A wealthy man or one who has accumulated enough money to receive an income from investments would be entitled to benefits regardless of whether his income was $75 monthly or $7,000 monthly. Yet, the average laboring or working man who has not been able to save money for investment purposes and who still has his hands or his brain to work with is not entitled to benefits because he is earning over $70 per month. This is unjust discrimination against the working people. Certainly we should take our hats off to the people who have the fortitude and ambition to keep on working after age 65 to supplement their income, rather than penalize them for being ambitious and being good workers.

In my opinion, H. R. 7800 is unrealistic and a sop to the elderly people of our country because it will give them such a slight increase in benefits that it will not be of any practical advantage. Congress should face the facts squarely and write a good law in the sense that it should recognize the loss in purchasing power of the dollar over the last 20 years and give the elderly people something with which to at least meet present-day needs, rather than the ridiculously low payments which they are getting today. Furthermore, it should not penalize the workers who have ambition and working ability over age 65 and should permit them to earn a sum commensurate with the standard of living acceptable to the American people.

Social Security

EXTENSION OF REMARKS
OF
HON. LEON H. GAVIN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 19, 1952

Mr. GAVIN. Mr. Speaker, on Tuesday of this week the House voted on H. R. 7800, a bill reputed to improve the Social Security Act. The bill came on to the floor of the House from the Ways and Means Committee under a suspension of the rules which precluded any amendments except one by the chairman of the Ways and Means Committee. No Member of the House had any opportunity to change or alter the bill in any way whatsoever. It was take it or leave it, and like it.

This bill provided for an increase of $5 a month to those who receive benefits under the old-age insurance provisions of the Social Security Act. It also increased from $50 to $70 a month the amount a social-security recipient might earn without jeopardizing his retirement status.

The bill as it came from the Ways and Means Committee, and as it passed the House, did not increase the pensions of those on old-age assistance—the real old-age pensioners. In my opinion, it is this group of our citizens that is in greatest need of assistance today. There are some 1,700,000 of our senior citizens who are on the old-age assistance rolls. They receive an average of about $46 a month and must prove that they are destitute before they can even secure this meager pittance. Yet the only pension bill that has come before this Congress totally disregards this unfortunate class of older people.

During my almost 10 years in Congress I have worked honestly and faithfully for better old-age pensions. I regret exceedingly that I was denied the opportunity to support a bill that would have provided a decent standard of living for our indigent old folks.

It is a mystery to me why the administration will go all out for foreign assistance to the tune of billions of our taxpayers' money and, at the same time, fail to award our own deserving aged a pension sufficient to keep body and soul together.

I voted for H. R. 7800 because I had no other choice. It will help—to the extent of $5 a month—about 4,500,000 who are retired on social security. It is better than nothing. It is a little progress and it proves that the Congress and the public are still pension-conscious.

I shall continue my efforts in behalf of our senior citizens and hope that the eighty-third Congress will see its way clear to meet this great humanitarian issue honestly and forthrightly.

The Social-Security Bill Is Another Forward Step Under a Democratic Administration

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 17, 1952

Mr. FORAND. Mr. Speaker, 4 weeks have passed since H. R. 7800 came before the House. The time that has intervened since our first debate has made possible a more balanced appraisal of its merits, particularly the merits of the provisions to preserve the old-age and survivors insurance rights of workers who become permanently and totally disabled. Also it has permitted an expression of opinion on the part of the people which would be affected by passage of this bill.

I have before me more than a dozen editorial statements out of a much larger number that have appeared in support of this legislation. I would like to quote a few of them at this time. For instance: The Watertown Daily Times, Watertown N. Y., of May 20, 1952, stated:

> The AMA thought it detected in the bill a provision which would pave the way for socialized medicine. This provision had to do with disabled workers, whose disability would be passed on by doctors appointed by the Federal Security Administrator.
>
> It seems to us that the AMA objection is rather far-fetched.

The Courier-Journal, of Louisville, Ky., of May 21 commented as follows:

> To the rescue of those who want to vote against extension of social security rushes the AMA in the nick of time. A smoke screen goes up. An opening wedge to socialized medicine is seen in a provision, which ought to seem quite reasonable, giving the Federal Security Administrator (whose name happens to be the anathematized one of Oscar Ewing), power to set rules and select physicians or agencies for examining claimants of total and permanent disability.

Finally, the Buffalo Evening News, Buffalo, N. Y., of May 23, carried this editorial:

> The doctors' lobby, it seems, had sold them the idea that one of the clauses in the bill might just possibly be an entering wedge for socialized medicine. That was in connection with a new provision to freeze the social security status of anyone declared totally disabled, a feature similar in effect to the premium-waiver clause in many standard life-insurance policies. Presumably to guard against fraud, this section authorized Federal Security Administrator Oscar Ewing to prescribe standards for determining disability.

A rather standard provision, you'd think, but the American Medical Association saw it as a grant of vast powers to Mr. Ewing.

The slogan thinking which the medical lobby has indulged in with all its oversimplification and outright distortion will not stand them in good stead. Their action, whatever its intent may have been, in effect struck a blow not only against the potential beneficiaries of this measure whose need for the proposed aid no one has denied, but hit also the very pledge which each doctor takes as he swears the age-old oath of Hippocrates to:

Come for the benefit of the sick, remaining free of all intentional injustices.

At this late date we need not confine ourselves to hypothetical arguments to appease any fears—if such fears really exist among the doctors—of possible inroads into their legitimate professional prerogatives. We are in a position to refer to actual experience. In my own State of Rhode Island any initial hesitation on the part of the physicians concerning the State's cash sickness program have disappeared, and differences concerning administrative policy have been worked out to the mutual satisfaction of the physicians and the administrators of the program.

The Rhode Island law authorizes the Administrator to "require any benefit claimant to submit to a reasonable examination or examinations for the purpose of determining the physical or mental condition." The law states that such examination or examinations are "to be conducted by an expert or experts appointed by the Administrator" and are "to be made at such times or at such places as said experts, with the approval of the Administrator, require." In practice the attending physician of a worker claiming benefits submits a statement to the administering agency. If the agency finds that additional medical evidence is needed it obtains an examination of the disabled person by a local doctor or specialist other than the worker's own doctor. Doctors performing these official examinations are paid fees for their services which are acceptable both to the medical society and to the administering agency. The Rhode Island Medical Society cooperated with the administering agency in working out these arrangements, and all concerned are generally satisfied.

The social-security structure that we have built up in these 15 years is something in which all of us take pride. But we must not fail to recognize, despite our sense of accomplishment, what gaps are left to be filled before this system becomes as perfect as our planning and resources can make it. Certainly, the risk of disability now unprovided for is a terribly serious one. As long as we see no way of providing disability benefits as part of our social-security program, we should at least avoid adding insult to injury and should stop denying to working people who become disabled the old-age and survivor benefit rights which they have acquired and legitimately expected to enjoy.

The facts speak louder than the slogans. There is nothing doctors have to fear from this measure. An editorial that appeared in the News and Observer, Raleigh, N. C., aptly put it:

The American Medical Association may have a perfect right to spend money and distribute propaganda to influence congressmen on legislation which affects the status of doctors. The American people, on the other hand, are entitled to believe that the AMA, in its zeal to protect doctors, will also respect the rights of millions of other citizens who are not doctors.

Due to a claimed misunderstanding of some of the sections of the bill dealing with the disability provision, several changes in language have been proposed in the bill. Section 220 of the May 19 version of the bill and the proposed new subsection 216 (i) (4) of the act have been eliminated. These were the parts of the bill that led the American Medical Association into making the unfounded allegation that the bill provided for socialized medicine.

I want to emphasize, however, that the protection afforded disabled persons under the previous version of the bill is still provided under the bill. Not a single substantive right of the disabled is taken away. Their rights will still be preserved.

This provision in section 3 of this bill merely protects the benefit rights of insured persons who become permanently and totally disabled and can no longer work and contribute to the insurance system. Such a provision is as necessary and important for old-age and survivors insurance as are the "waiver of premium" provisions in life insurance contracts. Under the present law a person who has contributed to the old-age and survivors insurance system for many, many years may lose all protection or have it greatly reduced if he becomes blind, gets cancer, or breaks his back or if something else happens to him that makes it impossible for him to work. The present law is not equitable. This bill corrects this defect.

In administering this provision, the Social Security Administration, just like an insurance company, would need to have medical evidence to determine whether a person is permanently and totally disabled and therefore eligible for this waiver of premium. Private life insurance companies, the veterans' insurance program, the civil-service retirement system, the Railroad Retirement Board, the Federal employees' workmen's compensation program, and State workmen's compensation programs all obtain medical evidence of this kind in the administration of their programs. They request examinations on a fee-for-service basis from local private physicians who submit their findings to the company or agency requesting the examination.

The Social Security Administration in administering the disability waiver of premium provision may need only a statement which the individual's own private doctor would give him, as in the case of amputees, for example. But there will be less clear cases where such a statement alone will not be sufficient to make an objective determination that the individual is permanently and totally disabled for all gainful work. Specialists may be needed to help in this determination or complex laboratory tests may be called for. In other cases, the disabled person may be unable to contact the physician who treated him because the doctor has gone into military service or has died and the disabled person will have no readily available medical evidence. The attending doctor himself may disclaim sufficient knowledge of the individual's physical condition or medical history, or the physician may be unwilling or unable to make a diagnosis and prognosis concerning the condition.

When a special examination or a special test is needed and is performed by a private doctor or a private clinic or hospital, the doctor or clinic performing such examination would be paid the regular fee through standard-type arrangements with the Government which already exist. The examinations would be confidential and would be used solely for the purpose of making the disability determination required by the law. The doctor-patient relationship between the disabled worker and the physician would not be adversely affected in any way. Doctors would in no way be controlled or "socialized" by the administering agency.

In the original bill section 220 was designed to facilitate the securing of this necessary medical evidence from private doctors. It has been deleted from the bill we are considering today because it was misunderstood and was a source of apprehension on the part of some Members of this body. It was superfluous language, but because of the wild charges of the AMA people evidently thought that the language allowed a broader interpretation of the authority granted than was intended. Under the bill the Social Security Administration will depend on the existing provisions of law to reimburse agencies and individuals who provide advice or factual information for making disability determinations.

A proposed new subsection to the act, 216 (i) (4), has also been deleted. This subsection provided for the termination of the period of disability of an individual who fails to comply with rules governing examinations or reexaminations or who refused without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act. Again, in order to avoid any misunderstanding or apprehension and because it is not absolutely essential for the operation of the program, this provision has been stricken out.

The "waiver of insurance premium" section is one of the most important and needed improvements in this bill. It is necessary that it be included in the social-security program if justice is to be done those individuals who have been unfortunate enough to become blind or disabled and cannot work any longer. This provision has absolutely nothing to do with socialized medicine. It would in no way result in control of the medical profession. With the changes which the amendments make in the bill these facts should be completely clear to all. I

strongly urge that the House pass H. R. 7800 today.

[From the Louisville (Ky.), Courier-Journal of May 21, 1952]

SOCIALIZED MEDICINE STILL A HANDY CLARION

Time flies, and it hardly seems that 2 years have passed since the boast of scalps of two Senators hanging at the belt of the American Medical Association, Claude Pepper in Florida and Frank P. Graham in North Carolina had been undone after campaigns in which the issue of socialized medicine were raised against both.

Now another scalp has been added, seized hold of in confusion created by fearsome sounds of the same old war whoop. This time it is not that of a candidate but of a bill in Congress to increase minimum benefits under Social Security's old-age and survivors insurance.

True, the bill was open to question, but on entirely different grounds. It had been hauled out of committee after two brief closed meetings suspiciously late in the session. Everybody's mind is on adjournment for the party conventions and the political campaign to follow, in which bigger and better benefits might be good to talk about. For this very reason, few were so bold as to make a frontal attack on the bill itself, for all the political coloration of its obvious timing.

To the rescue of those who want to vote against extensions of social security rushes the AMA in nick of time. A smoke screen goes up. An opening wedge to socialized medicine is seen in a provision, which ought to seem quite reasonable, giving the Federal Security Administrator—whose name happens to be the anathematized one of Oscar Ewing—power to set rules and select physicians or agencies for examining claimants of total and permanent disability. Under this screen the attack proceeds, and the bill is killed by failure to get the two-thirds majority required.

This cry of "wolf" can be uttered too often. Just now it works, with the aid of general weariness toward a moribund administration. But there may come a day when people who have demonstrated they are for certain programs—say, a broadening social-security structure—will pause to harken more carefully and critically. The more the cry is raised needlessly, as in this case, the less effective it may become. The tinny edges of its note may be detected.

[From the Watertown (N. Y.) Daily Times of May 20, 1952]

WHO KILLED COCK ROBIN?

Republicans are blaming the Democrats and Democrats are blaming the Republicans for the defeat of a bill to increase social-security benefits $5 a month. The defeat came in the House yesterday. Actually, the measure had a slim majority of 10 but, under the rule which brought it to the floor, required a two-thirds' majority.

In view of the fact that the measure had bipartisan support, it was supposed to go through both House and Senate with little opposition. It required no increase in present social-security taxes and was an effort to increase social-security benefits to a limited extent to meet the increased cost of living.

Why, then, was the bill defeated? Despite the charges made by House Democrats and Republicans, the American Medical Association actually did the job. The AMA thought it detected in the bill a provision which would pave the way for socialized medicine. This provision had to do with disabled workers, whose disability would be passed on by doctors appointed by the Federal Security Administrator.

It seems to us that the AMA objection is rather far fetched. It concerns a comparatively minor point in the bill. Yet, the doctors flooded House Members with telegrams arguing that a vital principle was at stake. As a result, a bill which had wide public support was defeated and may not be brought up again this session.

We believe the AMA was poorly advised in this matter. It has won the support of the overwhelming majority of the American people in its fight against compulsory medical insurance. It would be a shame if it lost this support by taking an unrealistic attitude every time a minor change in the Social Security Act is proposed.

[From the Buffalo (N. Y.) Evening News of May 23, 1952]

SAVING THE DAY FOR THE DEMS?

"It is just at this point, when things look darkest for the Democrats," said President Truman in his speech to Americans for Democratic Action last Saturday, "that you can count on the Republicans to do something that will save the day—save the day for us, that is."

Maybe he was clairvoyant, or maybe it was just due to happen anyway. But he only had to wait till Monday for one of those actions that may prove a classic example of what he had in mind. For this was the day on which a majority of the House Republicans put their party on record against the bill to increase social-security pensions in order to compensate for inflation.

Of course, the Republicans weren't really against the $5 (or 12½ percent) increase in old-age retirement benefits, and they certainly weren't against the increase from $53 to $70 in the amount a retired person may earn on the side without jeopardizing his pension. Many of them had been clamoring for this and more, as a matter of simple justice. In fact, Representative DANIEL A. REED, of Dunkirk, leader of the fight against the administration bill, is sponsoring one of his own that would raise to $100 the amount a pensioner could earn.

But the Republicans now are on record against all this nonetheless, because they voted (99-to-51) against passage. The bill won a favorable vote, 149-to-140, but it needed two-thirds because it was being handled on a rush basis. Opponents say they really wanted only a chance to amend a few details, but that the Democrats brought it up under an all-or-nothing "gag rule." They have demanded that it be brought up again so they can join in passing it. If there is any good faith on the administration side, this will still be done, under a rule that permits amendments.

The Democratic leaders, however, are more inclined to weep copious crocodile tears over the bill's demise. Too bad, they say in effect, but it's probably too late to get the bill enacted this year. If the Republicans had let it pass as was, the Senate would have had time to act, but now it may be too late to make a fresh start. Thus, the ground is laid for the Democrats to try to hang an "anti-social security" label on the Republicans this fall, as they have managed to do with even less reason in times past. And, of course, many of them would be happier to see it turn out that way than to have a social-security bill enacted.

Why did the Republicans give them the opportunity? The doctors' lobby, it seems, had sold them the idea that one of the clauses in the bill might just possibly be an entering wedge for socialized medicine. That was in connection with a new provision to freeze the social security status of anyone declared totally disabled, a feature similar in effect to the premium-waiver clause in many standard life-insurance policies. Presumably to guard against fraud, this section authorized Federal Security Administrator Oscar Ewing to prescribe standards for determining disability.

A rather standard provision, you'd think, but the American Medical Association saw it as a grant of vast powers to Mr. Ewing. Republican House leaders took up the cry, the debate turned on the personality of Oscar Ewing, and the bill failed of the two-thirds majority. How much of a case the doctors had, we are not sure, but to reject the whole bill on account of one possibly objectionable clause seems a good deal like "throwing the baby away with the bath." If Congressmen were sincerely worried about the Ewing clause, they had the alternative of passing the bill and carrying their fight for an amendment to the Senate, where it would be guaranteed a full airing in both committee and floor debate.

As matters stand—if the Democratic strategists act as cynically on this as they have on civil rights and some other items on which they were hungrier for an issue than an accomplishment—the Republicans could discover that they have had their last chance to vote some justice into the social security system. And the reasons for not doing so may be rather hard to explain during the campaign, when the inflation-gouged old-age pensioners are wondering how to vote. As we say, maybe Mr. Truman was clairvoyant when he counted on the Republicans "to do something that will save the day * * * for us, that is."

[From the Denver (Colo.) Post of May 25, 1952]

MUCH ADO ABOUT NOTHING

The act to increase social-security benefits and to pay up Federal insurance of totally disabled workmen until age 65 can and should be amended and passed.

Social security is actually contributory insurance. It should not be confused with relief for the indigent, or identified with State activity in that field. The Colorado State Medical Society committed that error in objecting to the bill.

The act before Congress simply says that permanently and totally disabled workers will continue to be covered until age 65, although amounts in lieu of contributions will be credited to them from the social security fund at the rate they and their employers were paying at the time they were totally disabled.

The American Medical Association's objection was against giving Oscar Ewing, Federal Security Administrator, the say on whether a worker had become disabled. Most States provide for a commission hearing on each case, supported by competent medical testimony, and providing review and appeal from decisions.

The latter course, if provided in the new law, should meet the objections of those who feel Ewing is still trying to promote some form of State medicine. It seems to us about that simple.

Federal social security is a matter of joint employer-employee contributions. The benefits are accumulated through payments by covered workers and those who employ them; and the recipients' financial independence or indigence at the time of qualifying age-wise for their paid-up insurance is related only to their earnings after retirement and not to their net worth.

Social security is not, therefore, a form of relief or public welfare. It is not paid out of general taxes. Some people have difficulty keeping that distinction in mind.

The point at issue in this instance is only how disability is to be determined and how rehabilitation is to be supervised. Those are administrative problems which Congress should be able to solve.

Meanwhile paying up the disabled person's insurance out of social security funds, at a rate prevailing at the time he is removed from the labor force, will not cost the general taxpayer a dime.

[From the Chattanooga (Tenn.) Times of May 25, 1952]

NOT SOCIALIZED MEDICINE

The House of Representatives defeated a bill whose main purpose was to raise monthly social-security checks of retired workers or their survivors by $5, or 12½ percent, whichever was greater.

Everybody seemed to be in favor of the old-age payment increase.

The bill was defeated largely because Joseph S. Lawrence, Washington representative for the American Medical Association, cried: "Socialized medicine! As written (the bill) gives Mr. Ewing (Federal Security Administrator) absolute control over certain medical authorities."

Representative FRAZIER of the Third Tennessee District was among four Tennessee Congressmen voting against the bill and he gave as his reason that it had a "socialized medicine" clause. He said that he expected another bill granting the social security increase to be offered and he will vote for it.

As a matter of fact, there was nothing of "socialized medicine" about the measure. The Federal Security Administrator under the bill had the responsibility for deciding if a worker were actually totally disabled. The FSA could either use Government facilities or hire private doctors to make the examinations. This same method is used in the Veterans' Administration and it is used by every big insurance company in the examination for applicants for life insurance.

It happens that the Congressman who wrote the controversial clause into the bill is a strong opponent of "socialized medicine." He rightly says: "If the Medical Association keeps crying 'wolf, wolf' on matters like this, the effectiveness of its campaign on the real issues may be weakened."

Obviously, if the FSA has no check on the reliability of physicians making the examinations on applicants for total disability, the door would be open for quacks and fakers to reap a golden harvest.

We understand that a new bill granting the $5 increase in old-age social security has been prepared. We hope that it will pass.

[From the St. Louis Post-Dispatch of May 26, 1952]

TWO WORDS BEAT A BILL

Never underestimate the power of the words "socialized medicine." That is the lesson of the House defeat of a bill to liberalize social-security benefits.

This bill was generally supported by both parties. It was defeated because it contained a clause protecting the insurance rights of persons who become totally and permanently disabled.

Nobody to speak of, apparently, is even against that. But the American Medical Association called this provision a trick intended to establish a foothold for socialized medicine. And presto. Forty-one Democrats and ninety-nine Republicans voted against the bill.

Let us look at this "entering wedge for socialized medicine." The bill provides that a disabled person, in order to receive social-security benefits, would have to prove that he was disabled. For that purpose, he would have to undergo a medical examination.

The bill authorizes the head of the Federal Security Agency, which operates the social-security system, to write regulations governing those medical examinations. It authorizes him to select the doctors who would do the examining. It authorizes him to pay for the examinations. It provides that if a disability claimant refuses to take rehabilitation training, designed to restore his earning power, he can be denied social-security benefits.

And this, said the AMA, is "socialized medicine." The AMA having spoken, 41 Democrats and 99 Republicans leaped to the bastions and struck down a bill most of them said they favored. Fortunately the bill, which would increase benefits 12½ percent and permit retired persons to earn $75 instead of $50 a month without sacrificing their benefits, is to get another chance. Let us hope that nobody says "boo" while the learned Congressmen are voting.

[From the Akron Beacon-Journal of May 21, 1952]

UNNECESSARY DELAY

The American Medical Association has whipped up unjustified fears of socialized medicine in connection with a proposed revision of the social-security law.

As a consequence, 4,500,000 old-age and survivor beneficiaries will be needlessly delayed in getting increases in their small pensions.

Ready for passage in the House was a bill providing that benefits be increased 12½ percent or a minimum of $5 a month. You could properly call it a "cost of living" increase. It is not only urgently needed but the funds are available in the social-security fund to pay it.

Among other provisions in the bill was one designed to preserve the old-age and survivors insurance rights of persons suffering total and permanent disability.

This section drew the fire of the AMA which objected because it would give the Federal Security Administrator authority to establish certain rules for examining claimants, designate physicians and agencies that would examine applicants and deny certification to applicants who refused to accept services offered under the vocational rehabilitation act.

This is a far cry from socialized medicine. As a Republican Congressman, Representative KEAN of New Jersey, said, the opponents were seeing "burglars under the bed."

But the opposition was strong enough to block passage of the bill in the House.

Chances are that the measure will come back in some revised form and that the people dependent on social security will finally get their increases. But Members of Congress are getting anxious to wind up their session and the bill may now get caught in the closing jam.

The delay was totally unnecessary.

[From the Daytona Beach Evening News of May 21, 1952]

WHAT A LOBBY CAN DO

We have just seen a striking example of what a powerful lobby can do with Congressmen who are more sensitive to organized pressure than they are to the general welfare.

A proposed $300,000,000 increase in social-security benefits was voted down in the House of Representatives, largely because of opposition spearheaded by the American Medical Association and backed by several Republicans.

It was not the increase in social-security payments to which the AMA specifically objected. But this powerful organization, whose members are dedicated to the art of healing, wilfully turned its back on the dire need of millions of aged citizens and helped fight the bill to death.

Why? The AMA lobby spokesmen and some Republican Congressmen said the bill as drawn would open the way to socialized medicine. The charge arose from the fact that the new bill gave more security than the existing law does to employed persons who become totally and permanently disabled before they reach the retirement age of 65.

Technical arguments were brought up by the AMA concerning the powers given to the Social Security Administrator in determining who should receive the total disability concession, and how decisions should be arrived at.

So with these technical arguments, supported by the rabble cry of "socialized medicine," the lobby and reactionary Congressmen brushed aside all consideration of the physical wants of millions of Americans.

There was only one crumb of comfort in the way the increase was defeated. The vote was taken under a rule requiring a two-thirds majority to pass it. The vote for it was 150 to 140 against it—not enough to get it passed. In the distant future it may become law—but many aged citizens will suffer from the delay.

Meanwhile, the AMA can cut another notch in the handle of its scalpel. It has scored again in its stubborn fight against measures designed to improve the health and welfare of the people, but which it has chosen to stigmatize inaccurately as socialism.

The AMA defeated the compulsory health insurance bill by calling it socialized medicine, though the proposal didn't even resemble the socialized programs of several European countries. Americans generally don't want socialized medicine. If we get it some day the AMA will be much to blame—because it has refused to diagnose public need and help write the prescription.

F. B.

[From the Charlotte (N. C.) News of May 22, 1952]

THE AMA RAISES A FALSE ISSUE

The other day we had occasion to quote from a British journal a complaint that many Europeans were picking up anti-American slogans and repeating them without examining either their meaning or their origin.

This is not a uniquely European tendency. Here in our Nation many slogans are accepted without question by people who should know better. "Socialized medicine" is one of them.

This week a good bill was defeated in the House of Representatives. It would have provided increases in social-security benefits to some 4,500,000 retired Americans. The increase would have amounted to $5 a month, or 12.5 percent, whichever was larger. The bill would also have boosted from $50 to $70 a month the amount a person could earn without forfeiting his benefits, provided a $160 a month credit for military service since World War II, and protected the insurance rights of persons forced to quit work because of total or permanent disability.

It was this last "waiver premium" provision that set off the hue and cry about "socialized medicine." The American Medical Association sent telegrams to all Members of the House protesting the power given to Federal Security Administrator Oscar Ewing to set the rules governing medical examinations of applicants for disability waivers. "This is socialized medicine," said the statement—a cry that was repeated on the floor of the House. It killed the bill.

It was a distressing display by the House. The issue raised by the AMA was entirely false. The Government, as the insurer, has the full right to lay down the rules that would govern applications for premium relief by disabled persons, the same right that a private insurance company exercises. To call this "socialized medicine" is to abuse the English language.

The increases would not have required any boost in social-security tax premiums. The money is there. The increases are needed by the old folks now on the retired list. And the particular provision that stirred the ire of the AMA would have protected many American citizens from losing their already-paid premiums because of physical disability.

The House—and the AMA—merit the strongest possible rebuke from the American people for this hand-in-hand conspiracy to defeat a worthy piece of legislation on entirely false grounds.

[From the Louisville (Ky.) Times of May 24, 1952]

THOSE CONGRESSMEN WHO JUMP FOR THE MEDICAL LOBBY

President Truman has paid his respects to the medical lobby's latest triumph—the defeat in the House of a bill to increase social security benefits. A lot of lawmakers, said he in a fighting speech Wednesday, jump when the American Medical Association cracks the whip. Truer words were never spoken.

In this instance, however, AMA didn't have to crack its whip very hard. All it had to do was whisper the sinister phrase, "socialized medicine." Apparently those who voted against the bill (which would have raised old-age and survivors insurance benefits $5 a month) were only too glad to have this handy excuse to take back home to the voters when election time rolls around. Indeed, a spokesman for the opposition seized the opportunity to say for the record that his group wasn't objecting to the increased benefits.

Had they searched 7 days and 7 nights, the 99 Republicans and 41 Democrats voting against the bill couldn't have found a flimsier excuse for their action than the one AMA handed them. The measure might have been questioned on other grounds, but wasn't. No opposition voice was heard until AMA showed the lawmakers (through a microscope, presumably) an opening wedge for socialized medicine in a section of the bill pertaining to disability claims.

The section in question proposed, reasonably enough, that Federal Security Administrator Oscar Ewing be authorized to set rules and select physicians or agencies to examine persons claiming total and permanent disability. If this is socialized medicine, or anything approaching it, then catfish is cavier. But in AMA's book, Oscar Ewing and socialized medicine are synonymous. So there it is, and a bill loaded with political appeal meets the strange fate of death in an election year for want of a needed two-thirds majority. Did you ever see such a sight in your life?

[From the Raleigh (N. C.) News and Observer of May 23, 1952]

LEARNED LOBBYISTS

The American Medical Association, through levies of political assessments and the distribution of propaganda in the offices of its member-doctors, has learned its lobbying lessons well. And while it represents one of the most honored of all professions, the association, by its tactics on the social-security-benefits bill, stooped to strategy regularly employed by the most greedy seekers of special privileges in Washington.

This social-security measure was designed to raise the monthly payments by $5 for persons drawing retirement benefits under the present program. No statistician is required to show the needs here. Old people trying to buy groceries and the bare necessities of life have been carried up the inflation spiral with everybody else. Unfortunately, they are not in a position to do much about it, and are forced to depend upon just treatment at the hands of Congress.

Arguments against this bill did not turn on the annual cost of $300,000,000 it would have entailed, or on similar practical grounds. What killed it, according to the Associated Press, was the cry of the American Medical Association that the bill would open the way for socialized medicine. Primary fire of the AMA was directed at a section of the measure preserving the old-age and survivors insurance rights of persons totally and permanently disabled.

The devious reasoning by which the AMA arrived at its conclusions that increased benefits for the old and helpless would lead to socialized medicine is not clear. On the face of it, such reasoning is as ridiculous as a doctor diagnosing a broken arm and prescribing amputation of a healthy leg as a cure. Injection of the old bugaboo of socialized medicine in this case is a deplorable example of a lobby diverting attention from the main issue by raising absolutely irrelevant issues.

As an organization with all the resources of the most well-heeled lobby, the American Medical Association may have a perfect right to spend money and distribute propaganda to influence Congressmen on legislation which affects the status of doctors. The American people, on the other hand, are entitled to believe that the AMA, in its zeal to protect doctors, will also respect the rights of millions of other citizens who are not doctors.

[From the Toledo (Ohio) Blade of May 23, 1952]

IN MR. REAMS' POSITION

When FRAZIER REAMS comes home to launch his campaign for reelection, we hope he will explain what happened last Monday when the House of Representatives blocked the bill to increase social-security benefits slightly to compensate for the higher costs of living. As the only independent Member of Congress, he appears to be in the best position to solve this peculiar political puzzle.

The bill presented to the House seemed so reasonable and its enactment so easily assured that it was brought up under a suspension-of-the-rules procedure which requires a two-thirds vote for passage. But something went wrong with the measure which was intended primarily to grant a $5-a-month increase in old-age-insurance benefits to some 4,500,000 of our older citizens.

One explanation for its defeat is that both Democrats and Republicans seized the opportunity to play politics with a social security measure in an election year. Some of the Republican leaders charged that the Democrats were merely trying to make political capital by rushing through the bill to increase old-age-insurance payments. But even if that is so, it is hard to see how the Republicans will profit by voting against it.

Another explanation is that a Washington lobbyist for the American Medical Association put the skids under the measure at the last minute by charging that it would pave the way for socialized medicine. He was objecting to provisions in the bill, almost identical with standard Veterans' Administration procedure, which would give the Federal Security Administrator authority over the determination of disability payments and empower him to designate private physicians to give disability examinations. But he didn't say on what other basis disability payments should be made or who else but physicians should make such examinations.

Because he is the only independent Member of Congress, Mr. REAMS could rise above the politics played by members of both parties on a Social Security measure and could ignore the pressure of a lobbyist who successfully substituted hysteria for judgment by hollering socialism. FRAZIER REAMS did vote to boost social-security benefits a little to enable our aged citizens to keep up with the higher costs of living. And we think he might well explain in his forthcoming campaign who voted against such a desirable measure and for what reason.

[From the Baltimore Evening Sun of May 20, 1952]

UNHAPPY EXAMPLE OF SLOGAN THINKING

The defeat yesterday of the bill designed to increase the monthly payments to the social-security program's old-age and survivors beneficiaries reflects no credit upon the intellectual processes of the House of Representatives.

The main intention of the measure was in keeping with the rise in prices and cost of living generally. It provided for a 12½-percent increase in payments to the approximately 4,500,000 retired persons now receiving benefits under the plan. But some other changes in the law were also included in the bill. Exception was taken to just one of them. This was the stipulation meant to protect the rights, under the program, of persons who suffer a total disability expected to prove permanent.

This proposal also provided that the Federal Security Administrator should arrange for such medical examination "as he determines to be necessary to carry out the provisions * * * relating to disability and periods of disability."

Against this the cry of socialized medicine was raised—apparently at the instigation of the American Medical Association—and raised successfully. This despite the fact that in this instance there was little or no reality behind the fear that a departure into socialism was in prospect.

The number of total-disability cases arising would certainly be limited and so would not entail the creation of any large machinery of examination. As for the examination itself, it would be akin to what is routine procedure in many ordinary life-insurance policies which include a waiver of premiums in the event of disability. Obviously, in all such cases, somebody must decide whether the necessary degree of disability exists. Just as obviously, under the social-security system, the Government, which controls the payments to beneficiaries, must make that decision. That is all there is to it.

But Mr. Oscar Ewing is an unpopular man and socialized medicine has acquired, no doubt understandably, disturbing connotations. However, it is one thing to apply an ugly expression to measures which merit it and an altogether different thing to use it as a stick to beat down a proposal which does not deserve such description. But slogan thinking on a single point has defeated and so put off a bill which, it is generally agreed, the majority in Congress approves. It should not be difficult for reasonable men in a reasonable frame of mind to work out a satisfactory agreement on this disputed issue when the bill comes back to the floor.

[From the Des Moines Register of May 21, 1952]

TWO WORDS BY AMA AND CONGRESS QUAILS

A representative of the American Medical Association fastened the label socialized medicine on a bill to increase social-security benefits the other day, and presto! 140 Members of the House of Representatives ran from it like frightened sheep.

The principal intent of the bill was to raise Federal old-age insurance and retirement benefits by $5 monthly, but it also provided certain changes in disability regula-

tions and benefits. The House Ways and Means committee had approved the measure automatically. So generally was it supported that a two-thirds vote of the House was taken for granted, and the rules were suspended to get this done.

Then the AMA said socialized medicine—and only 150 Congressmen dared to vote aye!

This is a remarkable demonstration of the use of a fear-word by a pressure group to scare Congress out of using its reasoned judgment about legislation.

Here are the provisions which the AMA said would "open the door to socialized medicine":

The Federal Security Agency would have power to write regulations governing medical examinations.

It could select and approve doctor-examiners of applicants for total disability benefits.

It could control the money paid for such examinations, and for transporting applicants to and from examining sites.

It could deny applications to those who refuse to take rehabilitation training.

If these are anything but reasonable controls to prevent abuses by applicants for social security benefits, we fail to see it.

Congressman ROBERT J. KEAN, Republican, of New York, observed the AMA was "seeking burglars under the bed."

Since the Federal Security Agency is responsible for seeing that social security legislation is administered fairly and efficiently, it certainly should have the authority to lay down examination rules, to approve the examiners, and to control the money spent for examinations.

To place the emphasis on rehabilitation, instead of permanent pensions, for the disabled is a principle no reasonable person could quarrel with. FSA surely must have some means of enforcing such policy.

The House of Representatives has the duty to study these provisions carefully, of course. But to reject them overnight because of a scare label attached by a pressure group seems to us an abdication of legislative responsibility.

Old-Age and Survivors Insurance Benefits

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 16, 1952

Mr. MILLER of Nebraska. Mr. Speaker, I am supporting H. R. 7800. I am supporting it because in my opinion these folks under old-age and survivors insurance are entitled to a $5-a-month increase, or 12½ percent increase in their payments, whichever is the most. The money has been paid in and it is their money.

The privilege of earning up to $70 a month, without affecting their pension, is an improvement. Here again I believe it should be $100 a month, or the work provision entirely removed.

It is unfortunate that the social-security funds have not been handled by the Federal Government as they should have been handled, and would be handled under a private insurance company. The Federal Government has taken these funds and used them for running expenses of government.

I understand there are about 62,000,000 people now under some form of Federal social security, or old-age and survivors insurance. There are about 4,500,000 who will benefit under the provisions of this bill.

Another section of the bill which has caused some apprehension is that on the question of socialized medicine. There is perhaps some of that in the bill. The bill requires that the individual furnish proof of his disability. This is naturally done under the general provisions and direction of the Administrator. This is also included in the Veterans' Administration bill, when it comes to examining veterans who are disabled. It occurs in the disability clauses of the unemployment compensation bill. It must be remembered that someone must examine these people to determine their disability. That should not be done by anyone but a physician. When I was practicing in Nebraska, I made examinations for Federal agencies. Physicians all over the country today assume that responsibility.

I do feel that if Oscar Ewing and his crowd are to stay in office, that this provision is too general and too broad. It does give the Administrator more authority than I would want him to have. If this bill is administered as it should be it can be beneficial to those who are under the old-age insurance provision of the law. Let us hope that Oscar Ewing and his crowd will not be in the Federal Security Agency after January 1, 1953.

It should be understood that this bill in no way affects those receiving old-age assistance payments. It does not affect payments to dependent mothers or children. It simply affects those who are under the old-age and survivors insurance provision of the law.

I think it is an improvement, so I am supporting the measure.

Social-Security Benefits

EXTENSION OF REMARKS
OF
HON. JOHN V. BEAMER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 16, 1952

Mr. BEAMER. Mr. Speaker, H. R. 7800 to increase the social-security benefits, passed the House of Representatives on June 17 by a vote of 360 yeas to 22 nays. This was the second time that it came to the House under suspension of rules whereby it was impossible to either debate or amend the legislation.

This parliamentary procedure alone was sufficient grounds to vote against the bill. However, since this legislation was presented for purely political purposes by the majority party in control of the Con-

gress, it was necessary to vote for this legislation even though it needed some revision and perfecting amendments:

First. To give the increased benefits to the deserving recipients of social security; and, second, to reduce or eleminate the authority of the Federal Security Administrator which conceivably could be a back-door approach to socialized medicine.

On May 19 this same legislation came before the House also under the suspension of rules. The chief objection to this legislation at that time stemmed from the American Medical Association, because certain portions of section 3 gave too much discriminatory authority to the Federal Security Administrator and otherwise opened the door to socialized medicine.

When the question was put to vote, the two-thirds majority required under suspension of rules for passage did not respond in favor of the legislation. Then apparently the administration majority started the false story that those of us who voted against this measure on May 19 voted against the needy old-age recipients.

Nothing was further from the truth. In fact, this "nay" vote at that time was a protest against the attempt to introduce socialized medicine through this legislation. Furthermore, H. R. 7800 gave no benefits of any kind to the old people who are not on the social-security rolls. It merely raised by a very small amount the benefits that are being given to those who now are on the list. The obvious answer to this procedure is "What a cheap political trick to use to buy votes."

Actually, the intent was to place Republicans and certain Democrats on the defensive and to discredit their vote with the public. This is a shining example of how some groups will play politics instead of working for worthy legislation.

H. R. 7800 has a few good features but its many deceptions could have been brought to the attention of the public and corrections could have been made, if the bill had been brought before the House in regular order and made subject to debate.

For example, a very unwise fiscal policy that has been followed by the present administration has created an inflationary condition which has cut the purchasing power of the dollar approximately in half. The increased benefits offered by H. R. 7800 by no means take care of this added living cost. Furthermore, the present law requires that no recipient of social security dare earn more than $50 per month from outside sources. H. R. 7800 proposed to increase this work clause to $70 per month but this is by no means a sufficient amount and, again, was another manifestation of the unfairness of the bill.

The Ways and Means Committee apparently ignored the minority party members and reported back the same bill with the deletions requested originally by the American Medical Association. Even so, perhaps not quite enough was deleted to insure that the Federal Security Administrator would not have the excess authority which he and his Department always attempt to secure.

However, it was a step in the right direction to eliminate the hazard and danger of socialized medicine. I voted "aye" for the reason that it reduced at least the possibility of introducing socialized medicine and it made a slight increase in the work clause.

Neither of these improvements were sufficient to satisfy either the recipients of social security benefits or the good Americans who oppose socialism in any form but it was felt that it was better to do this much rather than deprive these people of even this small increased benefit since the Congress may be nearing adjournment.

The bill now goes to the Senate and it is hoped that this body will be interested in legislation instead of politics in considering this worthy measure. It is also hoped that they will further reduce the objectionable socialized medicine possibility and increase the benefits and improve the work clause.

Representative REED of New York has introduced a bill, H. R. 7922, which is much fairer to the recipients of social security and absolutely removes all possibilities of socialized medicine. Thus, it would be a double blessing and a protection to all groups.

I am hoping that any future Congress of which I or any other person may be a Member will not stoop to play politics with the welfare of the old age and other deserving recipients. It is also hoped that this Congress and future Congresses will not resort to the "gag" rule whereby it is impossible to improve legislation by debate and amendment.

I also hope that all Congresses will be very conscious of the determination to oppose socialism wherever it rears its ugly head whether it be in the field of medicine, as was attempted in this bill, or in any other form, even if it is necessary to forego certain apparent benefits.

82D CONGRESS
2D SESSION

H. R. 7800

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, JUNE 10), 1952
Read twice and referred to the Committee on Finance

AN ACT

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1952".

INCREASE IN BENEFIT AMOUNTS

Benefits Computed by Conversion Table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the

conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such Act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the

amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such Act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the Benefit Formula; Revised Minimum and Maximum Amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950

are quarters of coverage shall be 55 per centum of the first $100 of his average monthly wage, plus 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average Monthly Wage	II Primary Insurance Amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45", respectively.

Effective Dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social

Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ per centum of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of

$0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments

made by this Act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving Provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such Act for August 1952;

(B) two or more other persons were entitled (without the application of such section 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the

provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this Act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this Act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this Act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of

such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage".

(2) Section 215 (b) (4) of such Act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; Period of Disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less

in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

A period of disability shall end on the day on which the disability ceases. No application for a disability determin-

ation which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraphs (2) (C) and (4) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of

disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(e) Title II of the Social Security Act is amended by adding after section 219 the following new section:

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsections (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 4. (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "$70".

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "$70".

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "$70".

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "$70".

(e) The amendments made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the indi-

vidual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II Veterans) is amended by striking out "WORLD WAR II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (5)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and

prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death

payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1,

1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the

United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217".

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application

was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act.

(2) In the case of any veteran (as defined in section 217 (e) (5) of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within two years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such Act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this

subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United

States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—

"(A) there were in effect on January 1, 1951, in a

State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who

voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the two-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system

established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security

Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955".

TECHNICAL PROVISIONS

SEC. 7. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six

of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of

such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such Act, but only if it would result in a higher primary insurance amount for such individual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952".

(2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $70, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than $70;".

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)".

EARNED INCOME OF BLIND RECIPIENTS

SEC. 8. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

Passed the House of Representatives June 17, 1952.

Attest: RALPH R. ROBERTS,

Clerk.

82D CONGRESS
2D SESSION

H. R. 7800

AN ACT

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

JUNE 18 (legislative day, JUNE 10), 1952
Read twice and referred to the Committee on Finance

Calendar No. 1736

82D CONGRESS, 2d Session } SENATE { REPORT No. 1806

SOCIAL SECURITY ACT AMENDMENTS OF 1952

JUNE 23 (legislative day, JUNE 21), 1952.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 7800]

The Committee on Finance, to whom was referred the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

PURPOSE AND SCOPE OF THE COMMITTEE-APPROVED BILL

This bill provides for four urgently needed changes in the old-age and survivors insurance program:

1. Benefit increases.
2. Liberalization of the retirement test to $100 a month.
3. Wage credits for military service during emergency period.
4. Correction of defects in benefit computation provisions.

Your committee believes that all of these changes require immediate attention. They are all within areas which were intensively studied by your committee prior to the enactment of 1950 amendments, and thus do not require prolonged consideration now. These changes do not affect the fundamental principles of the program They will not require any amendment of the present contribution schedule, nor will they disturb the self-supporting basis of the system. These four changes in the old-age and survivors insurance program have been selected because of their urgency and because of the widespread agreement on their desirability.

In addition, the bill corrects a defect in the public assistance provisions of the Social Security Act with respect to earned income of recipients of aid to the blind.

Your committee has deleted the provisions contained in the House bill which would have (1) preserved the insurance rights of permanently and totally disabled persons and (2) extended to the States the option of bringing under old-age and survivors insurance certain State and local employees covered by existing local or State retirement systems. In deleting these provisions, your committee did not prejudge the merits of these proposals. There was insufficient time for full hearings which would have been necessary if proper consideration were given to these two provisions and the numerous amendments suggested thereto. Thus, hearings were waived in order not to delay action on the other important revisions in our Social Security System so urgently needed at this time. If the House of Representatives should choose to send back to the Senate a bill containing the deleted provisions at a later date when public hearings can be held, the committee will give them careful attention and take appropriate action.

A. OLD-AGE AND SURVIVORS INSURANCE BENEFIT INCREASES

The rapid rise in wages and prices during the last few years makes immediate benefit adjustments imperative. While the money income of many groups in the population has gone up since the outbreak of hostilities in Korea, the benefit rates of over 4½ million persons now on the old-age and survivors insurance rolls were determined in the early part of 1950, prior to the beginning of the present emergency period. As a consequence, retired aged persons and widows and orphans are finding it very difficult to meet their costs of living.

Adjustment of the program to keep its provisions in line with major changes in economic conditions is of great personal significance to nearly all Americans. Nearly 8 out of every 10 persons at work in paid civilian employment are covered by old-age and survivors insurance. Over 60 million persons (in addition to those now receiving benefits) are insured. More than three out of every four mothers and children in the Nation can count on monthly survivors insurance benefits if the family breadwinner dies.

Four and a half million persons (nearly 3.5 million of them aged 65 or over) receive payments from this program every month. For most of these people the monthly insurance payments are their chief source of dependable income, and often their only source. A recent survey of beneficiaries has shown that even when all of their money income is taken into account (such as annuities, company pensions, earnings from part-time work, public assistance payments, and contributions from relatives) nearly three-fourths of all retired aged individuals and married couples have less than $50 a month per person in addition to their benefits.

Today the average old-age-insurance benefit for a retired worker is about $42 a month. For an aged couple, the average is $70; for an aged widow it is $36. These incomes must perforce be used almost entirely to procure the bare essentials of existence. Consequently, unless the old-age and survivors insurance program is adjusted to major economic developments, many more beneficiaries will have to turn to public assistance to make up the deficiency between their income and the minimum necessary to meet living costs.

From the beginning of the social security program in 1935 it has been the intent of Congress to establish contributory social insurance,

with benefits related to individual earnings, as the foundation of social security. Public assistance is less satisfactory for the individual than the insurance program and the cost of assistance falls on the general taxpayer. Old-age and survivors insurance benefits, on the other hand, are payable without the humiliation of a test of need, and the cost of those benefits is met by the contributions of covered workers and their employers. A major objective of the amendments of 1950, therefore, was to strengthen the insurance program and thereby cut down the need for further expansion of public assistance.

Toward achievement of this goal, Congress broadened the coverage of old-age and survivors insurance, increased the benefit amounts payable and modified the eligibility requirements so that more persons already aged could qualify. As a result, in 1951, for the first time since the establishment of the social security programs, more people were receiving old-age-insurance payments than were receiving old-age assistance. To maintain the gains which already have been made and to prevent more and more people from having to turn to the less satisfactory assistance program for supplementation of their insurance benefits, it is necessary that benefits under old-age and survivors insurance be increased.

Such an increase can be accomplished at this time without changing the contribution schedule or the self-supporting nature of the system. Under the benefit formula the percentage of a worker's average wage paid in benefits declines as his average wage increases. For the program as a whole, therefore, benefit costs measured as a percentage of payroll drop as those covered have higher average wages. Thus the percentages of payroll in the contribution schedule allow for benefit increases as wage levels rise.

The schedule of contributions in existing law was based on a 1950 estimate that the level-premium cost of the present program was 6.05 percent. These estimates were based on the wage levels of 1947. Based on 1951 wage levels, which are some 20 percent higher, and on current interest rates applicable to the trust fund (2.25 percent) the level-premium cost of the program under these amendments will be about 6 percent.

General explanation of benefit increases

The bill would increase old-age and survivors insurance benefit amounts for both present and future beneficiaries. The increases are accomplished by a revision of the conversion table and of the benefit formula provided in existing law. For nearly all persons now on the rolls, the benefit increases would be derived from the liberalized conversion table. On the other hand, most of those who will come on the rolls in the future will receive the larger benefits provided through the revised formula in this bill.

Increase in benefits computed by conversion table.—Individuals receiving benefits based on earnings from 1937 on (who constitute almost the entire beneficiary roll at this time) would have their benefits increased at least 12½ percent, subject to certain maximum provisions applying to the larger families. The increase in the primary insurance amount (the amount payable to a retired insured individual or the amount on which benefits of dependents and survivors are based) would be $5 or 12½ percent, whichever is greater. For retired workers, the increases would range from $5 to $8.60 and would average about

$6. These increases would apply also to future beneficiaries whose benefits are based on earnings beginning with 1937.

The following table gives examples of increases in primary insurance amounts.

Present old-age insurance benefit, from present conversion table	*Old-age insurance benefit as increased under table in bill*
$20.00	$25.00
30.00	35.00
40.00	45.00
50.00	56.30
60.00	67.50
68.50	77.10

Dependents' and survivors' benefits (which are a proportion of the primary insurance amount) are increased for those now on the rolls by 12½ percent (if the primary insurance amount is increased by 12½ percent) or by the appropriate proportion of $5 (if the primary insurance amount is increased by $5). These increased amounts would be subject to the provisions limiting the total monthly amount payable to a family on the basis of the wages and self-employment income of an insured individual.

Increase in benefits computed by the new benefit formula.—Beneficiaries whose benefits are based on earnings after 1950 (a very small number now on the old-age and survivors insurance benefit rolls and the great majority of those coming on the rolls in future), would have their primary insurance amounts computed by the revised formula provided in the bill. The formula would be 55 percent of the first $100 of average monthly wage and 15 percent of the next $200, rather than 50 percent of the first $100 and 15 percent of the next $200, as in present law. The new formula thus results in an increase of $5 in the primary insurance amount where the average monthly wage is $100 and over, with smaller increases where the average monthly wage is below $100. The following table illustrates the increases in benefit amounts provided by the new formula in the bill:

Illustrative monthly benefits

Average monthly wage	Retired worker alone		Retired worker and wife		Aged widow	
	Present law	H. R. 7800	Present law	H. R. 7800	Present law	H. R. 7800
$50	$25.00	$27.50	$37.50	$41.30	$18.80	$20.70
$100	50.00	55.00	75.00	80.00	37.50	41.30
$150	57.50	62.50	86.30	93.80	43.20	46.90
$200	65.00	70.00	97.50	105.00	48.80	52.50
$250	72.50	77.50	108.80	116.30	54.40	58.20
$300	80.00	85.00	120.00	127.50	60.00	63.80

Average monthly wage	Widow and 1 child		Widow and 2 children		Widow and 3 children	
	Present law	H. R. 7800	Present law	H. R. 7800	Present law	H. R. 7800
$50	$37.60	$41.40	$40.00	$45.20	$40.20	$45.00
$100	75.00	80.00	80.00	80.10	80.10	80.20
$150	86.40	93.80	115.20	120.20	120.00	120.30
$200	97.60	105.00	130.20	140.10	150.00	160.20
$250	108.80	116.40	144.80	155.20	150.10	168.80
$300	120.00	127.60	150.10	168.90	150.30	168.90

Increase in minimum primary amount.—The present minimum primary insurance amount of $20 would be raised to $25.

Increase in maximum family benefits.—The act now provides that the total of benefits payable on one record may not exceed the smaller of 80 percent of the average monthly wage on which the benefits are based, or $150, except that the 80 percent maximum cannot reduce the total family benefits below $40. The bill raises the dollar maximum to $168.75 and raises to $45 the amount below which total family benefits cannot be reduced by the operation of the maximum. Both the $168.75 and the $45 amounts are 12½ percent higher than the present amounts. The provision that total family benefits cannot exceed 80 percent of the average monthly wage is retained.

B. LIBERALIZATION OF THE RETIREMENT TEST

Payments to beneficiaries under 75 are designed as replacements for earnings lost through retirement or death and not as annuities payable to those who remain in full-time-work status.

Under the present program the average age at which people first claim old-age-insurance benefits is 68½ rather than 65. The contribution schedule which supports the program takes this into account. The removal of the retirement test would be very expensive. If there were no retirement test the long-run cost of the program would be increased by over 1 percent of payrolls; in 1953 alone it would cost the trust fund an additional billion dollars. This amount would be paid largely to people over 65 who are employed full time and who are no more in need of benefits than regularly employed people at younger ages.

It is desirable to allow old-age beneficiaries and dependent and survivor beneficiaries to supplement their benefits with part-time work. In the light of current wage levels a $100 test rather than the present $50 test is more in keeping with this objective.

Under the committee-approved bill, a beneficiary will be able to earn $100 of wages in a month (rather than $50 as in existing law) and still receive his benefits for the month. Similarly, a beneficiary may derive net earnings from self-employment averaging $100 a month in a taxable year (rather than $50 as in existing law) and receive all his benefits for the year.

Under the House-approved bill, the retirement test would have been $70 per month.

C. WAGE CREDITS FOR MILITARY SERVICE DURING EMERGENCY PERIOD

The Korean conflict has made urgently necessary an adjustment to protect servicemen's rights under the system. In the 1950 amendments to the Social Security Act, your committee provided wage credits of $160 for each month of active military or naval service during World War II. No credit was provided for any month after the end of World War II. The millions of men and women who will have served their country during the present emergency, especially those who have fought in Korea, should have the same opportunity to build up old-age and survivors insurance rights as people in covered employment and those who served in World War II. Your committee believes that credit should be given, also, for service between the end

of World War II and the beginning of the Korean hostilities. If such credit is not given the survivors of many of the men already killed in Korea would not be able to qualify for benefits.

Your committee believes that it is proper for credits given to servicemen for this emergency period to be financed out of the trust fund. The cost of the credits would average about $5 million annually over the next 50 years.

Under the House-approved bill the credits would have been financed by general revenues.

General explanation of wage credit provision

The bill provides wage credits of $160 for each month of active military or naval service after July 24, 1947, and before January 1, 1954. Veterans would be eligible for these credits if they died in service or were discharged from service, under conditions other than dishonorable, after active service of at least 90 days or by reason of a service-connected disability.

As in the case of World War II wage credits, the credits provided by the bill would not be given in any case where another benefit based on the same period of service is payable by any Federal agency other than the Veterans' Administration. Thus, for example, if credit is given under the civil service retirement system or any of the military retirement systems for the service in question, it could not be credited under old-age and survivors insurance.

Reinterment of deceased veterans

An extension of the time normally permitted for claiming a lump-sum death payment as reimbursement for burial expenses is provided where a serviceman dies abroad on or after June 25, 1950, and prior to January 1954, and is later returned to the United States for burial or reburial. Persons incurring such burial expenses could claim reimbursement within 2 years of the date of burial or reburial. Existing law requires that such claims be filed within 2 years of the date of death.

D. CORRECTION OF DEFECTS IN BENEFIT COMPUTATION PROVISIONS

The bill contains several technical amendments. The most important of these would correct inequities arising in 1952 under the benefit computation provisions of the present law. One such amendment permits self-employment income derived in any taxable year beginning or ending in 1952, to be used in benefit computations made for persons who die or become entitled to benefits in 1952 or in a fiscal year beginning in 1952. This change is particularly important for 1952 because the minimum divisor of 18 used in computing average monthly wage would cause serious reductions in the benefit if only years prior to 1952 may be counted. Another such change would permit individuals who die or become entitled to benefits in 1952 and who have six quarters of coverage after 1950 to have all their covered wages up to the quarter of death or entitlement included in the initial computation of the benefit amount.

The bill would also allow beneficiaries aged 75 or over whose benefits have been determined only under the conversion table to have their benefits recomputed under the new benefit formula if they have at least six quarters of coverage after 1950.

A minor amendment was added by your committee to facilitate prompt payment of the increased benefits provided in the bill.

E. EARNED INCOME OF RECIPIENTS OF AID TO THE BLIND

In 1950 the provisions of the Social Security Act relating to State plans for aid to the blind were amended to provide that such plans (*a*) could provide for disregarding the first $50 of earned income of needy blind recipients in determining their need, and (*b*) had to provide for disregarding such income after June 30 of this year if the plans were to continue to be approved. However, this income is disregarded only in determining the need for aid to the blind of the individual who earned it. Where that individual is a member of a family which also includes another individual claiming or receiving aid under the same or another State plan approved under the Social Security Act (relating to old-age assistance, aid to the dependent children, or aid to the permanently and totally disabled), the income available to such other individual from the blind individual who earned it is considered a resource in determining such other individual's need for assistance. This prevents giving full effect to the special consideration which your committee felt the blind deserved and which was the purpose of the Congress in enacting the 1950 amendment. In order to remedy this deficiency in the law, the committee-approved bill would also permit the States, up to June 30, 1954, to disregard the earned income of the recipient of aid to the blind in determining the need of any other individual under the same or any of the other State public-assistance plans approved under the Social Security Act. After June 30, 1954, this requirement would become mandatory thus permitting any State legislature ample time to make any necessary changes in State laws governing State-Federal public assistance.

The House-approved bill does not contain the mandatory provision.

ACTUARIAL COST ESTIMATES FOR THE OLD-AGE AND SURVIVORS INSURANCE SYSTEM AS MODIFIED BY THE COMMITTEE-APPROVED BILL

A. INTRODUCTION

The long-range cost estimates for the old-age and survivors insurance provisions of the committee-approved bill are set forth below.

From an actuarial-cost standpoint the main features of this bill are as follows:

(1) Monthly primary insurance amount is based on 55 percent of the first $100 of average monthly wage (determined from covered earnings after 1950) plus 15 percent of the next $200, as contrasted with the formula in present law which is 50 percent of the first $100 and 15 percent of the next $200. Minimum primary insurance amount is $26, unless average wage is less than $35—in which case the benefit is $25. Maximum family benefits are $168.75 or 80 percent of average wage, if less. Retired worker beneficiaries on the roll are to be given an increase of either $5 or 12½ percent, whichever is larger, with corresponding increases generally for other beneficiaries; this is done by means of a conversion table which is also applicable for those retiring in the future, if on the basis of average wage after 1936, it yields more favorable results.

(2) Amount of earnings permitted under the work clause is raised from $50 per month to $100 per month.

(3) Wage credits of $160 for each month of military service are given for such service after the close of World War II and during the present emergency (through calendar year 1953).

Estimates of the future costs of the old-age and survivors insurance program are affected by many factors that are difficult to determine. Accordingly, the assumptions used in the actuarial cost estimates may differ widely and yet be reasonable. Because of numerous factors, such as the aging of the population of the country and the inherent slow but steady growth of the benefit roll in any retirement-insurance program, benefit payments may be expected to increase continuously for at least the next 50 years.

The cost estimates for the amendments proposed in the bill are presented here first on a range basis so as to indicate the plausible variation in future costs depending upon the actual trend developing for the various cost factors in the future. Both the low-cost and high-cost estimates are based on "high" economic assumptions, intended to represent close to full employment, with average annual earnings at about the level prevailing in 1951, or probably somewhat below current experience. Following the presentation of the cost estimates on a range basis, intermediate estimates developed directly from the low-cost and high-cost estimates (by averaging them) are shown so as to indicate the basis for the financing provisions of the bill.

In general, the costs are shown as a percentage of covered payroll. It is believed that this is the best measure of the financial cost of the program. Dollar figures taken alone are misleading, because, for example, extension of coverage will increase not only the outgo but also to a greater extent the income of the system with the result that the cost relative to payroll will decrease.

Both the House and the Senate very carefully considered the problems of cost in determining the benefit provisions of the 1950 act and were of the belief that the old-age and survivors insurance program should be on a completely self-supporting basis. Accordingly, the act contained a tax schedule which it was believed would, under a level-wage assumption, make the system self-supporting as nearly as could be foreseen under circumstances then existing. The amendments proposed by the bill will not affect the actuarial balance of the program, which will remain virtually the same as in the estimates made at the time the 1950 act was enacted; this is the case because of the rise in earnings levels in the past 3 or 4 years. Future experience may be expected to differ from the conditions assumed in the estimates so that this tax schedule, at least in the distant future, may have to be modified. This may readily be determined by future Congresses after the revised program has been in operation for a decade or two.

B. BASIC ASSUMPTIONS FOR ACTUARIAL COST ESTIMATES

The estimates have been prepared on the basis of high-employment assumptions somewhat below conditions now prevailing. The estimates are based on level-earnings assumptions (slightly below the present level). If in the future the earnings level should be considerably above that which now prevails, and if the benefits for those on the roll are at some time adjusted upward on this account, the increased outgo resulting will be offset. This is an important reason for considering costs relative to payroll rather than in dollars.

The cost estimates, however, have not taken into account the possibility of a rise in earnings levels, as has consistently occurred over the past history of this country. If such an assumption were used in the cost estimates, along with the unlikely assumption that the benefits nevertheless would not be changed, the cost relative to payroll would, of course, be lower. If benefits are adjusted to keep pace with rising earnings trends, the year-by-year costs as a percentage of payroll would be unaffected. However, in such case this would not be true as to the level-premium cost. If earnings do consistently rise, thorough consideration would need to be given to the financing basis of the system since under such circumstances the relative value of the accumulated reserves would be diminished.

The low-cost and high-cost assumptions relate to the cost as a percent of payroll in the aggregate and not to the dollar costs. The two cost assumptions are based on possible variations in fertility rates, mortality rates, retirement rates, remarriage rates, etc.

In general, the cost estimates have been prepared according to the same assumptions and techniques as those contained in Actuarial Studies Nos. 23, 27, and 28 of the Social Security Administration, and also the same as in the estimates prepared for the Advisory Council on Social Security of the Senate Committee on Finance (S. Doc. 208, 80th Cong., 2d sess.) and for the congressional committees which considered the 1950 amendments. The only changes made in the assumptions as used in the present estimates are the use of an interest rate of 2¼ percent instead of 2 percent (since interest rates have risen significantly) and the use of higher earnings assumptions, namely corresponding to the experience during 1951 (as contrasted with the previous estimates having been based on the 1947 experience).

The earnings assumptions used in the current cost estimates, along with the actual recorded earnings of the past few years, are indicated in the following table which shows for men and women separately the average annual taxable earnings for persons working in covered employment during all four quarters of the year:

Average annual taxable earnings—	Men	Women
Used in 1950 cost estimates, $3,600 base [1]	$2,550	$1,625
Used in present cost estimates, $3,600 base	2,950	2,030
Actual 1944, $3,000 base	2,301	1,402
Actual 1945, $3,000 base	2,293	1,384
Actual 1946, $3,000 base	2,269	1,480
Actual 1947, $3,000 base	2,393	1,611
Actual 1948, $3,000 base	2,493	1,733
Actual 1949, $3,000 base [2]	2,493	1,750
Actual 1950, $3,000 base [2]	2,558	1,811
Estimated 1950, if $3,600 base [2]	2,800	1,860

[1] Based on 1947 experience adjusted for $3,600 base.
[2] Preliminary.

C. RESULTS OF COST ESTIMATES ON RANGE BASIS

Table 1 gives the estimated taxable payrolls, which are the same under the bill as under present law. Because of increased earnings the estimates of payroll shown are about 20 percent higher than in the 1950 estimates; total earnings increased by somewhat more than 25 percent, but taxable earnings had a smaller increase because of the effect of the $3,600 maximum taxable earnings base. Since both

the low-cost and the high-cost estimates assume a high future level of economic activity, the payrolls are substantially the same under the two estimates in the early years. In later years the estimated payrolls increase in accordance with the population assumptions, and a spread develops between the low-cost and high-cost estimates. The assumptions which affect benefits, however, have widely different effects even in the early years of the program. The range of error in the estimates, nevertheless, may be fully as great for contributions as it is for benefits.

TABLE 1.—*Estimated taxable payrolls under present act and under H. R. 7800*

[In billions]

Calendar year	Low-cost estimate	High-cost estimate
1953	$130	$129
1955	132	131
1960	136	137
1970	150	150
1980	160	156
1990	170	159
2000	181	160

The estimates of the number of monthly beneficiaries (see table 2) are substantially the same as for the present law. However, there will be slight increases in most categories because of the liberalized work clause.

TABLE 2.—*Estimated numbers of beneficiaries under committee-approved bill*

[In thousands]

Calendar year	Monthly beneficiaries [1]							Total	Lump-sum death payments [2]
	Retirement beneficiaries [3]			Survivor beneficiaries					
	Old-age	Wife's [4]	Child's	Widow's [4]	Parent's [4]	Mother's	Child's		
	Actual data for present law								
1952	2,345	663	69	403	20	208	804	4,512	475
	Low-cost estimate								
1960	3,082	925	77	1,101	37	391	1,135	6,748	687
1970	4,469	1,214	102	2,031	42	450	1,317	9,625	890
1980	6,110	1,403	130	2,709	42	496	1,446	12,336	1,090
1990	8,209	1,425	150	3,029	39	538	1,576	14,966	1,290
2000	9,329	1,329	143	3,008	34	586	1,714	16,143	1,472
	High-cost estimate								
1960	4,648	1,314	110	1,133	69	387	901	8,562	627
1970	7,226	1,805	127	2,074	90	368	808	12,498	811
1980	10,665	2,309	138	2,788	97	343	718	17,058	999
1990	14,924	2,617	128	3,141	94	324	653	21,881	1,246
2000	17,820	2,704	90	3,083	90	311	602	24,700	1,468

[1] In current payment status as of middle of year. Actual figures for 1952 are for March.
[2] Number of insured deaths during year for which payments are made. Actual figure for 1952 based on experience during first 3 months.
[3] I. e., for benefits paid to retired workers and their dependents.
[4] Does not include those also eligible for old-age benefits. For wife's and widow's benefits, includes husband's and widower's benefits, respectively.

Table 3 shows the estimated average benefits under the bill; these are given only for 1952, 1960, and 2000, since in general there is a smooth trend in the intervening periods. Also shown are the estimated average payments under the present system as of August 1952.

TABLE 3.—*Estimated average monthly benefit payments and average lump-sum death payments under present law and under committee-approved bill*

Category	Under present law in August 1952	Under H. R. 8000		
		September 1952	1960	2000
Old-age (primary)	$42	$48	$59	$57
Male	44	50	62	66
Female	33	38	46	44
Wife's [1]	23	26	32	35
Widow's [1]	36	40	46	52
Parent's [2]	37	41	46	51
Mother's	33	36	43	48
Child's [3]	27	30	39	42
Lump-sum death [4]	150	170	185	178

[1] Does not include those eligible for primary benefits. Includes husband's and widower's benefits.
[2] Does not include those eligible for primary, widow's or widower's benefits.
[3] Includes child's benefits for both children of old-age beneficiaries and child survivor beneficiaries.
[4] Average amount per death.

NOTE.—A range of figures is not shown because there is relatively little difference between the low-cost and high-cost benefits. Also the figures for child's and mother's benefits are consistent with operating procedures (which grant benefits to all family members, subject to the maximum benefit provisions) rather than the estimates following (which assume only sufficient persons file as to reach such maximum).

It will be noted that for old-age beneficiaries separate figures are given for men and women, since the results differ greatly and since a combination would obscure the trend. For men the average old-age benefit increases from 1952 to 1960, and also to some extent thereafter, due to the effect of the "new start" average wage and, in addition, due to the fact that the conversion table produces somewhat lower results than will arise under the new benefit formula. On the other hand, for women the average old-age benefit shows a small decrease over the long-range future because there will ultimately be a large number of women receiving such benefits who did not engage in covered employment for their entire adult lifetime after 1950.

Table 4 presents costs as a percentage of payroll for each of the various types of benefits. As used here, "level-premium cost" may be defined as the level contribution rate charged from 1951 on, which together with interest on invested assets would meet all benefit payments after 1950. This level-premium rate, which is based on a level-earnings assumption, would produce a substantial excess of income over disbursements in the early years, the interest on which would help considerably in meeting the higher benefit outgo ultimately.

TABLE 4.—*Estimated relative costs in percentage of payroll for committee-approved bill, by type of benefit*

Calendar year	Old-age	Wife's [1]	Widow's [1]	Parent's	Mother's	Child's [2]	Lump-sum death	Total
	Low-cost estimate							
1960	1.61	0.26	0.44	0.02	0.17	0.45	0.09	3.04
1970	2.25	.33	.81	.02	.19	.49	.11	4.20
1980	2.83	.36	1.06	.02	.20	.51	.13	5.11
1990	3.46	.35	1.16	.02	.20	.52	.14	5.86
2000	3.61	.31	1.11	.01	.21	.53	.15	5.93
Level premium: [3]								
At 2 percent	2.89	.31	.91	.01	.19	.49	.13	4.94
At 2¼ percent	2.82	.31	.89	.01	.19	.49	.13	4.84
	High-cost estimate							
1960	2.39	.37	0.46	0.03	0.16	0.36	0.08	3.86
1970	3.52	.49	.83	.04	.15	.31	.10	5.45
1980	4.91	.61	1.13	.04	.14	.27	.12	7.22
1990	6.55	.70	1.30	.04	.13	.24	.14	9.10
2000	7.62	.74	1.33	.03	.12	.22	.16	10.23
Level premium: [3]								
At 2 percent	5.41	.59	1.02	.03	.13	.26	.13	7.58
At 2¼ percent	5.21	.58	.99	.03	.13	.27	.12	7.34

[1] Included are excesses of wife's and widow's benefits over old-age benefits for female old-age beneficiaries also eligible for wife's or widow's benefits. Also includes husband's and widower's benefits, respectively.
[2] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[3] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

Table 5 presents the estimated operations of the trust fund under the expanded program. The trust fund at the end of 1952 is estimated to be about $17.3 billion. The figures for 1952 reflect the operation of the present act for the entire year as to contribution receipts, but as to benefit disbursements the figure includes payments made under the present act for the first 9 months of the year and under the bill for the remainder of the year; the liberalized benefit conditions will be effective in September, with the first payments coming out of the trust fund in October. The future progress of the trust fund has been developed here on the basis of a 2¼ percent interest rate, which is about what the trust fund is currently earning.

TABLE 5.—*Estimated progress of trust fund for committee-approved bill*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Fund at end of year
	Actual data for present law				
1951	$3,367	$1,885	$81	$417	$15,540
	Low-cost estimate				
1952 [3]	$3,763	$2,300	$88	$365	$17,280
1955	5,140	3,124	91	493	23,367
1960	6,428	4,152	103	740	34,696
1970	9,352	6,291	141	1,511	70,116
1980	10,096	8,153	173	2,494	114,239
1990	10,735	9,944	203	3,411	155,318
2000	11,470	10,753	219	4,370	198,834
	High-cost estimate				
1952 [3]	$3,763	$2,300	$88	$365	$17,280
1955	5,105	3,597	117	468	21,996
1960	6,454	5,286	151	614	28,402
1970	9,359	8,169	209	992	45,563
1980	9,850	11,239	269	1,197	53,561
1990	10,041	14,441	331	718	30,282
2000	10,092	16,318	367	(4)	(4)

[1] Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950–53, 4 percent for 1954–59, 5 percent for 1960–64, 6 percent for 1965–69, and 6½ percent for 1970 and after. The self-employed pay ¾ of these rates.
[2] Interest is figured at 2¼ percent on average balance in fund during year.
[3] See text for description of assumptions made for 1952.
[4] Fund exhausted in 1996.

Under the low-cost estimate, the trust fund builds up quite rapidly and even some 50 years hence it is growing at a rate of $5 billion per year and at that time is about $200 billion in magnitude; in fact, under this estimate benefit disbursements never exceed contribution income and even in the year 2000 are almost 7 percent smaller.

On the other hand, under the high-cost estimate the trust fund builds up to a maximum (of $54 billion in 1978), but decreases thereafter until it is exhausted (1996). In each of the years prior to the scheduled tax increases (namely, 1953, 1959, 1964, and 1969) benefit disbursements are over 5 percent lower than contributions. Benefit disbursements exceed contribution income after 1975.

These results are consistent and reasonable, since the system on an intermediate-cost estimate basis is intended to be approximately self-supporting, as will be indicated hereafter. Accordingly, a low-cost estimate should show that the system is more than self-supporting, whereas a high-cost estimate should show that a deficiency would arise later on. In actual practice under the philosophy in the 1950 amendments and set forth in the committee reports therefor, the tax schedule would be adjusted in future years so that neither of the developments of the trust fund shown in table 5 would ever eventuate. Thus, if experience followed the low-cost estimate, the contribution rates would probably be adjusted downward or perhaps would not be increased in future years according to schedule. On the other hand, if the experience followed the high-cost estimate, the contribution

rates would have to be raised above those scheduled. At any rate, the high-cost estimate does indicate that under the tax schedule adopted there would be ample funds for several decades even under relatively unfavorable experience.

D. INTERMEDIATE-COST ESTIMATES

In this section there will be given intermediate-cost estimates, developed from the low-cost and high-cost estimates of this report. These intermediate costs are based on an average of the low-cost and high-cost estimates (using the dollar estimates and developing therefrom the corresponding estimates relative to payroll). It should be recognized that these intermediate-cost estimates do not represent the "most probable" estimates, since it is impossible to develop any such figures. Rather, they have been set down as a convenient and readily available single set of figures to use for comparative purposes.

The Congress, in enacting the 1950 amendments, was of the belief that the old-age and survivors insurance program should be on a completely self-supporting basis. Therefore, a single figure is necessary in the development of a tax schedule which will make the system self-supporting, according to a reasonable estimate. Any specific schedule will be different from what will actually be required to obtain exact balance between contributions and benefits. However, this procedure does make the intention specific, even though in actual practice future changes in the tax schedule might be necessary. Likewise, exact self-support cannot be obtained from a specific set of integral or rounded fractional rates, but rather this principle of self-support should be aimed at as closely as possible.

The tax schedule contained in present law is as follows:

Calendar year	Employee	Employer	Self-employed
	Percent	*Percent*	*Percent*
1951–53	1½	1½	2¼
1954–59	2	2	3
1960–64	2½	2½	3¾
1965–69	3	3	4½
1970 and after	3¼	3¼	4⅞

This tax schedule was determined to be roughly equivalent to the level-premium cost under the intermediate estimate for the 1950 amendments when they were enacted and, as will be shown on the basis of the following actuarial cost analysis, continued to be so for the bill according to current estimates.

Table 6 gives an estimate of the level-premium cost of the bill, tracing through the increase in cost over the present program according to the major types of changes proposed.

TABLE 6.—*Estimated level-premium costs as percentage of payroll by type of change*

Item	Level-premium cost
	Percent
Cost of present law: [1]	
1950 estimate, using 2-percent interest	6.05
1950 estimate, using 2¼-percent interest	5.85
Current estimate, using 2¼-percent interest	5.35
Effect of proposed changes:	
Increased benefits	+.40
Military service credits	+.05
Liberalized work clause	+.20
Cost of program as amended by committee approved bill, using 2¼-percent interest [1]	6.00

[1] Including adjustments for existing trust fund and for future administrative expenses.

NOTE.—Figures relate to benefit payments after 1950 and represent an intermediate estimate which is subject to a significant range because of the possible variation in the cost factors involved in the future.

It should be emphasized that in 1950 neither committee recommended that the system be financed by a high, level tax rate from 1951 on but rather recommended an increasing schedule, which—of necessity—will ultimately have to rise higher than the level-premium rate. Nonetheless, this graded-tax schedule will produce a considerable excess of income over outgo for many years so that a sizable trust fund will arise, although not as large as would arise under a level-premium tax rate; this fund will be invested in Government securities (just as is much of the reserves of life insurance companies and banks, and as is also the case for the trust funds of the civil-service retirement, railroad retirement, national service life insurance, and United States Government life insurance systems), and the resulting interest income will help to bear part of the increased benefit costs of the future. For comparing the cost of various possible alternative plans and provisions, the use of level-premium rates based on a level-earnings assumption is helpful as a convenient yardstick instead of considering the relative year-by-year costs, regardless of whether future wages remain level.

As will be seen from table 6, the level-premium cost of the present law—taking into account 2¼ percent interest—is about 5⅓ percent of payroll; this is approximately 0.7 percent of payroll lower than the cost was estimated to be on a 2-percent interest basis when the program was revised in 1950, partially because of the higher assumed interest rate and partially because of the rise in the earnings level which has occurred in the past 3 or 4 years (higher earnings result in lower annual costs as a percentage of payroll because of the weighted nature of the benefit formula).

Under the committee-approved bill the level-premium cost of the system is increased to 6.00 percent of payroll using a 2¼-percent interest rate. This is about 0.05 percent of payroll lower than the estimated cost, on an intermediate-cost basis, of the 1950 act according to the estimates made during congressional consideration of the legislation, which used a 2-percent interest rate.

Table 7 compares the year-by-year cost of the benefit payments according to the intermediate-cost estimate, not only for the bill but also for the present act. These figures are based on a future level-earnings assumption and do not consider business cycles (booms and depressions) which over a long period of years tend to average out about the trend.

The dollar amount of the increased cost in 1952 of the bill over the present act is about $100 to 125 million; this relatively small rise is due to the fact that the increased benefits under the bill would be disbursed from the trust fund during only the last 3 months of the year. The increase for 1953, the first full year of operation, is roughly $400 to $450 million.

TABLE 7.—*Estimated cost of benefit payments under present law and under committee-approved bill, intermediate-cost estimate*

Calendar year	Amount (in millions)		In percent of payroll	
	Present law	H. R. 7800	Present law	H. R. 7800
1955	$2,775	$3,358	2.11	2.55
1960	4,119	4,720	3.01	3.45
1970	6,402	7,229	4.27	4.83
1980	8,689	9,696	5.51	6.15
1990	10,995	12,193	6.69	7.42
2000	11,879	13,536	7.20	7.94
Level premium: [1]				
At 2 percent			5.58	6.22
At 2¼ percent			5.42	6.05

[1] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

NOTE.—These figures represent an intermediate estimate which is subject to a significant range because of the possible variation in the cost factors involved in the future.

Table 8 presents estimates of the numbers of beneficiaries and is comparable with table 2.

TABLE 8.—*Estimated number of beneficiaries under committee-approved bill, intermediate-cost estimate*

[In thousands]

Calendar year	Monthly beneficiaries [1]							Total	Lump-sum death payments [2]
	Retirement beneficiaries [3]			Survivor beneficiaries					
	Old-age	Wife's [4]	Child's	Widow's [4]	Parent's [4]	Mother's	Child's		
	Actual data for present law								
1952	2,345	663	69	403	20	208	804	4,512	475
	Intermediate-cost estimate								
1955	2,875	860	81	654	38	337	934	5,779	570
1960	3,865	1,120	94	1,117	53	389	1,018	7,656	657
1970	5,848	1,510	114	2,052	66	409	1,062	11,061	850
1980	8,388	1,856	134	2,748	70	420	1,082	14,698	1,044
1990	11,567	2,021	139	3,085	66	431	1,114	18,423	1,268
2000	13,574	2,016	116	3,046	62	448	1,158	20,420	1,470

[1] In current payment status as of middle of year. Actual figure for 1952 is for March.
[2] Number of insured deaths during year for which payments are made. Actual figures for 1952 based on experience during first 3 months.
[3] I. e., for benefits paid to retired workers and their dependents.
[4] Does not include those also eligible for old-age benefits. For wife's and widow's benefits, includes husband's and widower's benefits, respectively.

Table 9 presents costs of benefits under the bill as a percent of payroll for each of the various types of benefits and is comparable with table 4.

TABLE 9.—*Estimated relative costs in percentage of payroll for committee-approved bill, by type of benefit intermediate-cost estimate*

Calendar year	Old-age	Wife's [1]	Widow's [1]	Parent's	Mother's	Child's [2]	Lump-sum death	Total
1960	2.00	0.32	0.45	0.02	0.17	0.41	0.09	3.45
1970	2.88	.41	.82	.03	.17	.40	.11	4.83
1980	3.85	.49	1.10	.03	.17	.39	.12	6.15
1990	4.96	.52	1.23	.03	.17	.39	.14	7.42
2000	5.49	.51	1.21	.02	.17	.38	.15	7.94
Level premium: [3]								
At 2 percent	4.11	.45	.96	.02	.16	.38	.13	6.22
At 2¼ percent	3.98	.44	.94	.02	.16	.38	.12	6.05

[1] Included are excesses of wife's and widow's benefits over old-age benefits for female old-age beneficiaries also eligible for wife's or widow's benefits. Also includes husband's and widower's benefits, respectively.
[2] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[3] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

Table 10 presents the estimated operation of the trust fund according to the intermediate estimate (using a 2¼-percent interest rate) and is comparable to table 5 of the previous section.

TABLE 10.—*Estimated progress of trust fund for committee-approved bill, intermediate-cost estimate*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Fund at end of year
	Actual data for present law				
1951	$3,367	$1,885	$81	$417	$15,540
	Intermediate-cost estimate				
1952 [3]	$3,763	$2,300	$33	$365	$17,280
1953	3,787	2,900	93	398	18,469
1954	4,878	3,129	98	434	20,554
1955	5,117	3,358	102	481	22,692
1960	6,441	4,720	127	677	31,567
1970	9,355	7,229	175	1,252	57,869
1980	9,973	9,696	221	1,847	83,943
1990	10,388	12,193	267	2,066	92,838
2000	10,781	13,436	293	1,920	85,782

[1] Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950–53, 4 percent for 1954–59, 5 percent for 1960–64, 6 percent for 1965–69, and 6½ percent for 1970 and after. The self-employed pay ¾ of these rates.
[2] Interest is figured at 2¼ percent on average balance in fund during year.
[3] See text for description of assumptions made for 1952.

The trust fund grows steadily reaching a maximum of almost $93 billion in 1990, and then declines slowly. The fact that the trust fund declines slowly after 1990 indicates that, under the bill, the proposed tax schedule is not quite self-supporting under a level-wage assumption but is sufficiently close for all practical purposes considering the uncertainties and variations possible in the cost estimates. This same

situation was the case for the 1950 amendments according to estimates made at the time they were being considered, but to a somewhat greater extent. In regard to the ultimate 6½-percent employer-employee rate, your committee concurred in the following statement made by the House Ways and Means Committee when the 1950 amendments were being considered.

> If a 7-percent ultimate employer-employee rate had been chosen, the cost estimates developed would have indicated that the system would be slightly overfinanced. Your committee believes that it is not necessary in such a long-range matter to attempt to be unduly conservative and provide an intentional overcharge—especially when it is considered that it will be many, many years before any deficit or excess in the ultimate rate will be determined and even at that time it will probably be of only a small amount.

E. SUMMARY OF COST OF COMMITTEE-APPROVED BILL

The old-age and survivors insurance system, as modified by the committee-approved bill has a cost, on the basis of the continuation of 1951 wage levels and interest rates, slightly below the estimated cost of the 1950 act at the time it was enacted. In other words, the system as amended by the bill would be more nearly in actuarial balance, according to the estimates made, than were the 1950 amendments when they were considered by the Congress. Although in both instances the system is shown to be not quite self-supporting under the intermediate estimate, there is very close to an exact balance especially considering that a range of error is necessarily present in long-range actuarial cost estimates and that rounded tax rates are used in actual practice and hence an exact balance would not be possible even if exact future conditions were known.

SECTION-BY-SECTION ANALYSIS OF THE BILL

SECTION 1. SHORT TITLE

The first section of the bill contains a short title, "Social Security Act Amendments of 1952."

SECTION 2. INCREASE IN BENEFIT AMOUNTS

Under title II of the Social Security Act, as amended in 1950, two methods are provided for computing the primary insurance amount. (All benefit amounts are derived from this primary insurance amount, the retired worker getting a monthly benefit equal to this amount and dependents or survivors getting between one-half and three-fourths thereof, subject to the maximum imposed on the total payable on the basis of one individual's wages and self-employment income.) For those on the benefit rolls on August 31, 1950, a conversion table was included in the law, showing the primary insurance amount for each of the primary insurance benefits (in dollar intervals) derived by application of the preexisting law. For those coming on the rolls thereafter, who obtained six quarters of coverage after 1950 and were 22 before 1951, their primary insurance amount is computed (generally) in the same way or, if it gives them a larger amount, it is computed by use of a formula prescribed in section 215 (a) (1) of the act. This formula (50 percent of the first $100 of the worker's

average monthly wage plus 15 percent of the next $200) is used also for computing the primary insurance amount of any worker who became 22 after 1950 and obtained six quarters of coverage after 1950.

Section 2 of the bill provides an increase in primary insurance amounts whether derived from use of the conversion table or from the formula. This section of the bill is the same as section 2 of the bill as passed by the House of Representatives.

Changes in benefits computed by conversion table

Section 2 (a) of the bill amends section 215 (c) of the Social Security Act to increase the primary insurance amount of individuals whose benefits are computed through use of the conversion table.

Paragraph (1) of section 2 (a) amends section 215 (c) (1) of the act by striking out the table and inserting in lieu thereof a new table.

The primary insurance amounts in column II of the new table were derived by taking the amounts in the table in existing law, and increasing them by 12½ percent (rounding each resulting amount, where not then a multiple of 10 cents, to the next higher multiple of 10 cents). If, however, this resulted in any case in an increase of less than $5—as it would where the present primary insurance amount is less than $40—the present amount was raised by $5.

The new table also increases the amounts of the average monthly wages contained in column III, which are used under section 203 (a) of the Social Security Act in determining the maximum amount which the beneficiaries receiving benefits on the same wages and self-employment income may receive for any month. These increased amounts in column III were obtained by determining the average monthly wage which would be necessary to obtain each of the increased primary insurance amounts by application of the formula contained in section 215 (a) (1) of the Social Security Act, as amended by the bill (55 percent of the first $100 plus 15 percent of the next $200 of the average monthly wage). These amounts were then rounded to the nearest dollar.

Section 215 (c) (2) of existing law provides that when the conversion table is to be used, and an individual's primary insurance benefit falls between the amounts shown on any two consecutive lines in column I of the table (i. e., where it is not a multiple of $1), his primary insurance amount and average monthly wage shall be determined by regulations which will yield results consistent with those obtained under the table in existing law for individuals whose primary insurance benefits are a multiple of $1. Paragraph (2) of section 2 (a) of the bill would amend this provision of the law so as to provide, for individuals whose primary insurance amounts are determined under these regulations, the same increase as is provided for individuals whose primary insurance amounts are in the new conversion table—i. e., $5, or 12½ percent of the existing amount (rounded to the next higher multiple of 10 cents), whichever is larger.

Paragraph (3) of section 2 (a) of the bill adds a new paragraph (4) to section 215 (c) of the Social Security Act. This new paragraph (4) provides a method for determining average monthly wage amounts corresponding to the primary insurance amounts derived pursuant to paragraph (2) of section 215 (c) of the act as amended by this bill. This method relates each new average monthly wage amount to its corresponding primary insurance amount in the same manner as each

average monthly wage amount appearing in the new table is related to its corresponding primary insurance amount.

Revision of the benefit formula; revised minimum and maximum amounts

Section 2 (b) (1) of the bill amends section 215 (a) (1) of the Social Security Act to provide a new benefit formula for the computation of benefits based entirely on wages paid and self-employment income derived after 1950. The new benefit formula is 55 percent of the first $100 of average monthly wage plus 15 percent of the next $200. The formula in existing law is 50 percent of the first $100 of average monthly wage plus 15 percent of the next $200.

The minimum primary insurance amount is raised by section 2 (b) (1) to $25 from the present range of $20–$24 for individuals with average monthly wages of $34 or less; individuals with average monthly wages ranging from $35 through $47 would have a primary insurance amount of $26, rather than the $25 provided for them in existing law.

Section 2 (b) (2) amends section 203 (a) of the Social Security Act to provide that the maximum monthly amount of benefits payable to a family on the basis of the same wages and self-employment income may not exceed the lesser of $168.75 (rather than $150 in existing law) or 80 percent of the average monthly wage of the insured individual on whose record the benefits are based. The amount below which the limitation of 80 percent of average monthly wage could not operate to reduce total family benefits would be increased from the present $40 per month to $45.

Effective date for increase in benefits derived from conversion table

Section 2 (c) (1) of the bill provides that the amounts computed pursuant to section 2 (a) of the bill shall (except as provided in sec. 2 (c) (2)) apply in the case of lump-sum death payments with respect to deaths occurring after, and in the case of monthly benefits for any month after, August 1952.

Computation of increased benefits for dependents and survivors on benefit rolls for August 1952 with benefit amounts derived from conversion table

Section 2 (c) (2) provides a special method for increasing the monthly benefit amounts of dependents and survivors who are entitled to benefits for August 1952 (without regard to sec. 202 (j) (1) of the Social Security Act, relating to the retroactive effect of an application) and whose benefit amounts are based on primary insurance amounts determined under section 215 (c) of the act, relating to determinations made by the conversion table.

Subparagraph (A) provides for computing such increased benefits by raising the benefit amount for August 1952 (as reduced by the maximum benefit provisions in existing law, and as rounded to the next higher multiple of 10 cents) to the larger of (1) 112½ percent of such benefit amount for August 1952, or (2) such benefit amount for August 1952 increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit. Any amount so computed, if not a multiple of 10 cents, would then be increased to the next higher multiple of 10 cents. The resulting amount would be subject to the maximum provisions as amended by this bill, and, after application of such provisions, rounded, if not a multiple of 10 cents, to the next higher multiple of 10 cents.

Subparagraph (B) provides that the benefit amounts computed under subparagraph (A) are to be redetermined upon (1) the entitlement of an additional individual to benefits on the basis of the same wages and self-employment income, (2) the termination of any other individual's entitlement to benefits on the basis of the same wages and self-employment income, or (3) any change in the benefit amount of any individual entitled on the same record, as compared with what would have been payable to him for August 1952 had the provisions of this bill been applicable in that month. The redetermination would be made by the application of the appropriate provisions of the Social Security Act as amended by this bill; and the redetermined benefit amount would be payable beginning with the first month for which subparagraph (A) ceases to apply.

Effective date for revised benefit formula and for new minimum and maximum provisions

Section 2 (c) (3) provides that the revised benefit formula and the new minimum and maximum provisions relating to benefits computed under either the benefit formula or the conversion table will be applicable in the case of lump-sum death payments with respect to deaths occurring after August 1952, and in the case of monthly benefits for months after August 1952.

Saving provisions

In a small number of retirement cases the increase in the benefit of the old-age insurance beneficiary would, in the absence of a saving provision, decrease the benefits payable to his dependents, because his own increase exceeds the maximum increase allowable for the entire family. Section 2 (d) (1) of the bill would guarantee that the amount payable to the dependents would be at least as much as was payable to them for August 1952. This guaranty would be effective only so long as the old-age insurance beneficiary lives, since it would be unnecessary after his death.

Section 2 (d) (2) provides that any recomputation of benefits made pursuant to section 2 of this bill shall not be regarded as a recomputation for purposes of section 215 (f) of the act.

SECTION 3. INCREASE IN AMOUNT OF EARNINGS WITHOUT DEDUCTIONS

Section 3 (a) of the bill amends section 203 (b) (1) of the act to raise from $50 to $100 the amount of wages a beneficiary under age 75 may earn in covered employment in any month without being subject to a deduction from his benefits. It also amends section 203 (c) (1) of the act to raise from $50 to $100 the amount of wages an old-age insurance beneficiary under age 75 may earn in covered employment in any month without having the benefits of his dependents (his spouse or child) subject to deduction.

Section 3 (b) amends section 203 (b) (2) of the act to raise from $50 to $100 the amount of net earnings from self-employment with which an individual under age 75 must be charged for any month before he becomes subject to a deduction from his benefits.

Section 3 (c) amends section 203 (c) (2) of the act to raise from $50 to $100 the amount of net earnings from self-employment with which an old-age-insurance beneficiary under age 75 must be charged for a month before his dependents become subject to deductions from their benefits.

Section 3 (d) amends section 203 (e) of the act to raise from $50 to $100, the amount used in the method prescribed by section 203 (e) for charging net earnings from self-employment to months of the taxable year. Section 3 (d) also amends section 203 (g) of the act, which describes the circumstances under which beneficiaries with net earnings from self-employment are required to file reports with the Federal Security Administrator, by changing the figure of $50 to $100.

Section 3 (e) provides when the amendments made by section 3 will take effect. In general, these amendments will apply, in the case of wages, to monthly benefits for months after August 1952, and, in the case of net earnings from self-employment, to monthly benefits for months in any taxable year ending after August 1952.

The House bill increased from $50 to $70 per month the amount of wages a beneficiary might earn without deductions from his benefits or those of any other individual receiving benefits on the basis of his wages and self-employment income (and it made a similar amendment in the case of earnings from self-employment).

SECTION 4. WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

Wage credits for certain military service

Section 4 (a) of the bill provides old-age and survivors insurance wage credits of $160 per month for service in the active military or naval service of the United States from July 25, 1947, through December 31, 1953. With but one exception, these credits will be provided on the same basis as credits are provided under section 217 (a) of existing law for World War II service. The exception is the provision making it unnecessary for the Federal Security Administrator to ascertain whether another benefit has been determined by a Federal agency other than the Veterans' Administration to be payable on the basis of the same service in cases in which the denial of the wage credits, otherwise required because of such a determination, would make a difference of 50 cents or less in the amount of the primary insurance amount of the serviceman. Section 4 (d) of the bill, however, adds the same provision (effective in the case of applications for benefits filed after August 1952) to section 217 (a) of existing law.

In the House bill, these new provisions differed from those in the law relating to credits for World War II service in another respect.

The bill as passed by the House also authorized appropriations from the General Treasury funds to the Federal old-age and survivors insurance trust fund to meet the additional cost resulting from the wage credits provided by the new section 217 (e) of the act. Under the bill as reported, as is the case with the World War II credits, this additional cost would be borne by the trust fund.

Where a serviceman has served in July of 1947 both before and on or after July 25, it is not intended that he shall receive more than $160 in wage credits for his active military or naval service during that month.

Technical amendment

Section 4 (b) makes a technical amendment in section 205 (o) of the Social Security Act necessitated by the addition of the new section 217 (e).

Effective date

Section 4 (c) of the bill provides effective dates for the new wage credits given by section 217 (e) and extends the time for the filing of proof of support by certain survivors of deceased servicemen.

Paragraph (1) of section 4 (c) provides that wage credits granted under section 217 (e) of the Social Security Act will, except in the case of beneficiaries already on the rolls, apply in the case of monthly benefits for months after August 1952 and in the case of lump-sum death payments with respect to deaths after August 1952. In the case of beneficiaries already on the rolls, recomputation of the benefit amounts of all persons entitled on the basis of the same wages and self-employment income will be authorized only upon the filing of an application for such recomputation by one of them. Upon such filing a recomputation will be made for all of them, effective for and after September 1952 or the sixth month before the month in which the application is filed, whichever is later.

Paragraph (2) of section 4 (c) of the bill extends the time within which proof of support may be filed by the surviving dependent parent or widower of a veteran of active service after July 24, 1947, who died before September 1952. Proof of support in such cases can be filed at any time before September 1954 instead of within 2 years of the date of death.

Reinterment of deceased veterans

Section 4 (e) of the bill (sec. 4 (d) was explained above) extends the time allowed for filing a claim for reimbursement of burial expenses in certain cases where a serviceman who dies outside the United States is later returned to the United States for burial or reburial.

Paragraph (1) of subsection (e) amends section 101 (d) of the Social Security Act Amendments of 1950 to extend the time allowed for filing application for reimbursement of burial expenses in the case of a serviceman who died outside the 48 States and the District of Columbia on or after June 25, 1950, and before September 1950, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for burial or reburial. Under the amendment an application for reimbursement of burial expenses may be filed, by or on behalf of the person who paid such expenses, prior to the expiration of 2 years after the date of that burial or reburial. Existing provisions require that such an application be filed within 2 years of the date of death.

Paragraph (2) of section 4 (e) of the bill makes a similar extension of the time limitation on the filing of applications for reimbursement, prescribed in section 202 (i) of the Social Security Act, in the case of deaths after August 1950 and before January 1954.

House bill

With the one exception noted above, this section of the bill is the same as the section on the same subject as passed by the House.

SECTION 5. TECHNICAL PROVISIONS

Recomputation of benefits of certain individuals aged 75 and over

Section 5 (a) of the bill amends section 215 (f) (2) of the Social Security Act to provide that, upon application, an individual will have his benefit recomputed by the new formula prescribed in section

215 (a) (1) of the Social Security Act as amended by the bill, if (1) in or before the month of filing such application he attained the age of 75, and (2) he is entitled to an old-age insurance benefit which was computed and could have been computed only under the conversion table, and (3) he has at least 6 quarters of coverage after 1950 and before the quarter in which he filed application for such recomputation. This change would provide these individuals with an opportunity, not now available, to have their benefits computed by the benefit formula rather than by the conversion table if this alternative results in a larger primary insurance amount.

Recomputation of benefits for certain self-employed individuals

Section 5 (b) renumbers the present paragraph (5) of section 215 (f) as paragraph (6) and adds a new paragraph (5). The new paragraph (5) provides for a recomputation of benefits to take into account certain self-employment income which was omitted from the initial computation of the benefit amounts.

Under existing law (sec. 215 (b) (4)) an individual's self-employment income for the taxable year ending in or after the month in which he became entitled to old-age insurance benefits or died, whichever first occurred, cannot be taken into account in a computation of his average monthly wage. Under section 215 (b) (1), in computing an individual's average monthly wage, a minimum divisor of 18 is required. As a result, an individual who, for example, becomes entitled or dies in 1952 can in the computation of his average monthly wage have at most only 1 year of self-employment income divided by 18. This lowers the average monthly wage and primary insurance amount.

Under the new paragraph (5) in the case of any individual who becomes entitled to an old-age-insurance benefit in 1952, or in 1953 in a taxable year which began in 1952, and whose self-employment income for the taxable year in which he became entitled (without the application of the provisions for retroactivity in sec. 202 (j) (1)) was not, because of the provisions of section 215 (b) (4), used in the initial computation of his average monthly wage, such individual would have his benefit recomputed if he files an application for such recomputation after the close of such taxable year. In recomputing his benefit, the Administrator would include the self-employment income during the taxable year in which the individual became entitled. Any increase in the amount of the benefit resulting from any such recomputation would be paid retroactively to the first month of entitlement, including months for which benefits can be paid pursuant to the provisions of section 202 (j) (1) of the act.

Similarly, where an individual, on the basis of whose wages and self-employment income survivors' benefits are payable, dies in 1952, or dies in 1953 in a taxable year which began in 1952, and where he had self-employment income in the taxable year which ended with his death, the primary insurance amount of the deceased individual would be recomputed to include the self-employment income derived by him during the taxable year ending with his death. No such recomputation would be made, however, if the individual, on the basis of whose wages and self-employment income benefits are payable to his survivors, became entitled to old-age insurance benefits prior to 1952. Any increase resulting from a recomputation under this provision would be paid retroactively to the first month of entitlement, including

months for which benefits can be paid pursuant to section 202 (j) (1) of the act. Further, no such recomputation would affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation would render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

Change of wage closing date in certain cases to the first day of the quarter of death or entitlement

Section 5 (c) provides that in the case of an individual who died or became entitled to old-age insurance benefits in 1952, and had at least six quarters of coverage after 1950 and prior to the quarter following the quarter in which he died or became entitled, the wage closing date for computation of his average monthly wage shall be the first day of the quarter in which he died or became entitled, whichever first occurred, rather than the first day of the second quarter preceding that quarter, as provided in existing law. This provision will apply only if it will yield a higher primary insurance amount.

Maintenance of existing relationship between the old-age and survivors insurance system and the railroad retirement system

Section 5 (d) of the bill, as reported, amends the Railroad Retirement Act of 1937. These amendments are designed to maintain the relationship between the old-age and survivors insurance system and the railroad retirement system that was established by the amendments made in 1951 to the Railroad Retirement Act by Public Law 234, Eighty-second Congress.

Paragraph (1) of section 5 (d) amends section 1 (q) of the Railroad Retirement Act so as to provide that references in the Railroad Retirement Act to the "Social Security Act" and to the "Social Security Act, as amended," are references to the Social Security Act, as amended to date (that is, as amended by all previous acts and by this bill).

Paragraph (2) of section 5 (d) amends section 5 (i) (1) (ii) of the Railroad Retirement Act so as to raise from $50 to $100 a month the work clause which is applicable to individuals receiving survivor benefits under the Railroad Retirement Act. This amendment conforms this provision with the work clause of the Social Security Act, as amended by section 3 of the bill. In the bill as passed by the House, the $50 would have been raised to only $70 (consistently with the amendment to the work clause of the Social Security Act contained in the House bill).

Paragraph (3) of section 5 (d) amends section 5 (l) (6) of the Railroad Retirement Act so as to include in the definition of Social Security Act wages the military wage credits provided in the amendment made by section 4 (a) of the bill, but only to the extent the military service is not creditable under section 4 of the Railroad Retirement Act.

It should be noted that for the purposes of section 5 (d) of the bill the effective dates will be those set forth in the appropriate provisions of the bill.

Technical amendment relating to computation of new benefit amounts under section 2 (c) (2) (A) of bill

Section 5 of the bill as reported by your committee contains a subsection which was not in the analogous section of the House bill. This new subsection (e) would facilitate the application of the maxi-

mum provisions to benefit amounts computed under section 2 (c) (2) (A) of the bill (relating to a special method of computing increased benefits for dependents and survivors receiving for August 1952 benefits the amounts of which were derived from the conversion table in section 215 (c) of the Social Security Act). The subsection provides that where an existing benefit amount could have been derived from either of two (and not more than two) primary insurance amounts which differ from each other by not more than $0.10, then in computing the maximum applicable to this benefit under the amended act, the existing benefit amount shall be presumed to have been derived from the higher of such two primary insurance amounts from which it could have been derived. The maximum on the total of benefits payable to a family under the amended act is derived ultimately from the primary insurance amount on which the existing benefits are based (raised by 12½ percent or $5); and it is, therefore, necessary to determine that amount in order to apply the maximum provision. The amendment makes it possible to avoid references to basic records and other extra administrative steps in many cases while generally yielding identical benefit results. In the rare case where the results do differ, the difference is insignificant. This amendment is necessary in order to make possible the rapid mailing of the increased benefit checks to existing beneficiaries whose new benefits are subject to the maximum provisions.

SECTION 6. EARNED INCOME OF RECIPIENTS OF AID TO THE BLIND

In order for a State to be eligible under title X of the Social Security Act for Federal payments toward the cost of assistance provided by it to its needy blind individuals, it must provide such assistance in accordance with a State plan which meets the requirements set forth in section 1002 of that act. One of these requirements is that the plan must provide for taking into consideration any income and resources of a claimant for aid in determining his need therefor, except that, in making such determination, the first $50 per month of his earned income may be disregarded and, effective July 1, 1952, must be disregarded.

Section 6 of the bill would amend title XI of the Social Security Act by the addition of a new section 1109, providing that the amount of earned income so disregarded may also be disregarded by the State until June 30, 1954, and must be disregarded by the State after that date, in determining the need of any other individual applying for or receiving old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled under a State plan approved under the Social Security Act. The bill as passed by the House provided only that the State could, if it so desired, disregard this earned income in determining the need of other individuals. There was no requirement that it do so.

Changes in Existing Law

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT

TITLE II—FEDERAL OLD-AGE AND SURVIVORS INSURANCE BENEFITS

* * * * * * *

REDUCTION OF INSURANCE BENEFITS

Maximum Benefits

SEC. 203. (a) Whenever the total of monthly benefits to which individuals are entitled under section 202 for a month on the basis of the wages and self-employment income of an insured individual exceeds [$150] *$168.75*, or is more than [$40] *$45* and exceeds 80 per centum of his average monthly wage (as determined under subsection (b) or (c) of section 215, whichever is applicable), such total of benefits shall, after any deductions under this section, be reduced to [$150] *$168.75* or to 80 per centum of his average monthly wage, whichever is the lesser, but in no case to less than [$40] *$45*, except that when any of such individuals so entitled would (but for the provisions of section 202 (k) (2) (A) be entitled to child's insurance benefits on the basis of the wages and self-employment income of one or more other insured individuals, such total of benefits shall, after any deductions under this section, be reduced to [$150] *$168.75* or to 80 per centum of the sum of the average monthly wages of all such insured individuals, whichever is the lesser, but in no case to less than [$40] *$45*. Whenever a reduction is made under this subsection, each benefit, except the old-age insurance benefit, shall be proportionately decreased.

Deductions on account of work or failure to have child in care

(b) Deductions, in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 for any month—

(1) in which such individual is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than [$50] *$100*; or

(2) in which such individual is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than [$50] *$100*; or

(3) in which such individual, if a wife under retirement age entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit; or

(4) in which such individual, if a widow entitled to a mother's insurance benefit, did not have in her care a child of her deceased husband entitled to a child's insurance benefit; or

(5) in which such individual, if a former wife divorced entitled to a mother's insurance benefit, did not have in her care a child, of her deceased former husband, who (A) is her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her deceased former husband.

Deductions From Dependents' Benefits Because of Work by Old-Age Insurance Beneficiary

(c) Deductions shall be made from any wife's, husband's, or child's insurance benefit to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's, husband's, or child's insurance benefit or benefits under section 202 for any month—

(1) in which the individual, on the basis of whose wages and self-employment income such benefit was payable, is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than [$50] *$100*; or

(2) in which the individual referred to in paragraph (1) is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than [$50] *$100*.

* * * * * * *

Months to Which Net Earnings From Self-Employment Are Charged

(e) For the purposes of subsections (b) and (c)—

(1) If an individual's net earnings from self-employment for his taxable year are not more than the product of [$50] *$100* times the number of months in such year, no month in such year shall be charged with more than [$50] *$100* of net earnings from self-employment.

(2) If an individual's net earnings from self-employment for his taxable year are more than the product of [$50] *$100* times the number of months in such year, each month of such year shall be charged with [$50] *$100* of net earnings from self-employment, and the amount of such net earnings in excess of such product shall be further charged to months as follows: The first [$50] *$100* of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of [$50] *$100* per month to each preceding month in such year until all of such balance has been applied, except that no part of such excess shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which an event described in paragraph (1), (3), (4), or (5) of subsection (b) occurred, (C) in which such individual was age seventy-five or over, or (D) in which such individual did not engage in self-employment.

(3) (A) As used in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

(B) For the purposes of clause (D) of paragraph (2), an individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Administrator that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing his net earnings from self-employment for any taxable year. The Administrator shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

* * * * * * *

Report to Administrator of Net Earnings From Self-Employment

(g) (1) If an individual is entitled to any monthly insurance benefit under section 202 during any taxable year in which he has net earnings from self-employment in excess of the product of [$50] *$100* times the number of months in such year, such individual (or the individual who is in receipt of such benefit on his behalf) shall make a report to the Administrator of his net earnings from self-employment for such taxable year. Such report shall be made on or before the fifteenth day of the third month following the close of such year, and shall contain such information and be made in such manner as the Administrator may by regulations prescribe. Such report need not be made for any taxable year beginning with or after the month in which such individual attained the age of seventy-five.

(2) If an individual fails to make a report required under paragraph (1), within the time prescribed therein, of his net earnings from self-employment for any taxable year and any deduction is imposed under subsection (b) (2) by reason of such net earnings—

(A) such individual shall suffer one additional deduction in an amount equal to his benefit or benefits for the last month in such taxable year for which he was entitled to a benefit under section 202; and

(B) if the failure to make such report continues after the close of the fourth calendar month following the close of such taxable year, such individual shall suffer an additional deduction in the same amount for each month during all or any part of which such failure continues after such fourth month;

except that the number of the additional deductions required by this paragraph shall not exceed the number of months in such taxable year for which such individual received and accepted insurance benefits under section 202 and for which deductions are imposed under subsection (b) (2) by reason of such net earnings from self-employment. If more than one additional deduction would be imposed

under this paragraph with respect to a failure by an individual to file a report required by paragraph (1) and such failure is the first for which any additional deduction is imposed under this paragraph, only one additional deduction shall be imposed with respect to such first failure.

(3) If the Administrator determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to benefits under section 202 for any taxable year will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year, the Administrator may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Administrator may specify) of the benefits payable on the basis of such individual's wages and self-employment income; and such suspension shall remain in effect with respect to the benefits for any month until the Administrator has determined whether or not any deduction is imposed for such month under subsection (b). The Administrator is authorized, before the close of the taxable year of an individual entitled to benefits during such year, to request of such individual that he make, at such time or times as the Administrator may specify, a declaration of his estimated net earnings from self-employment for the taxable year and that he furnish to the Administrator such other information with respect to such net earnings as the Administrator may specify. A failure by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year.

* * * * * * *

EVIDENCE, PROCEDURE, AND CERTIFICATION FOR PAYMENT

SEC. 205. (a) * * *

* * * * * * *

Crediting of Compensation Under the Railroad Retirement Act

(o) If there is no person who would be entitled, upon application therefor, to an annuity under section 5 of the Railroad Retirement Act of 1937, or to a lump-sum payment under subsection (f) (1) of such section, with respect to the death of an employee (as defined in such Act), then, notwithstanding section 210 (a) (10) of this Act, compensation (as defined in such Railroad Retirement Act, but excluding compensation attributable as having been paid during any month on account of military service creditable under section 4 of such Act if wages are deemed to have been paid to such employee during such month under [section 217 (a)] *subsection (a) or (e) of section 217* of this Act) of such employee shall constitute remuneration for employment for purposes of determining (A) entitlement to and the amount of any lump-sum death payment under this title on the basis of such employee's wages and self-employment income and (B) entitlement to and the amount of any monthly benefit under this title, for the month in which such employee died or for any month thereafter, on the basis of such wages and self-employment income. For such purposes, compensation (as so defined) paid in a calendar year shall, in the absence of evidence to the contrary, be presumed to have been paid in equal proportions with respect to all months in the year in which the employee rendered services for such compensation.

* * * * * * *

COMPUTATION OF PRIMARY INSURANCE AMOUNT

SEC. 215. For the purposes of this title—

Primary Insurance Amount

(a) (1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be [50] *55* per centum of the first $100 of his average monthly [wage plus] *wage, plus* 15 per centum of the next $200 of such wage; except [that if] *that, if* his average monthly wage is less than [$50] *$48*, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

[

I Average Monthly Wage	II Primary Insurance Amount
$30 or less	$20
$31	$21
$32	$22
$33	$23
$34	$24
$35 to $49	$25

]

I *Average Monthly Wage*	*II* *Primary Insurance Amount*
$34 or less	*$25*
$35 through $47	*$26*

* * * * * * *

Determinations Made by Use of the Conversion Table

(c) (1) The amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for an individual shall be the amount appearing in column II of the following table on the line on which in column I appears his primary insurance benefit (determined as provided in subsection (d)); and his average monthly wage shall, for purposes of section 203 (a), be the amount appearing on such line in column III.

[I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$20.00	$40.00
$11	22.00	44.00
$12	24.00	48.00
$13	26.00	52.00
$14	28.00	56.00
$15	30.00	60.00
$16	31.70	63.40
$17	33.20	66.40
$18	34.50	69.00
$19	35.70	71.40
$20	37.00	74.00
$21	38.50	77.00
$22	40.20	80.40
$23	42.20	84.40
$24	44.50	89.00
$25	46.50	93.00
$26	48.30	96.60
$27	50.00	100.00
$28	51.50	110.00
$29	52.80	118.60
$30	54.00	126.60
$31	55.10	134.00
$32	56.20	141.30
$33	57.20	148.00
$34	58.20	154.60
$35	59.20	161.30
$36	60.20	168.00
$37	61.20	174.60
$38	62.20	181.30
$39	63.10	187.30
$40	64.00	195.00
$41	64.90	210.00
$42	65.80	220.00
$43	66.70	230.00
$44	67.60	240.00
$45	68.50	250.00
$46	68.50	250.00]

I	*II*	*III*
If the primary insurance benefit (as determined under subsection (d) is:	*The primary insurance amount shall be*	*And the average monthly wage for purpose of computing maximum benefits shall be:*
$10	*$25.00*	*$45.00*
$11	*27.00*	*49.00*
$12	*29.00*	*53.00*
$13	*31.00*	*56.00*
$14	*33.00*	*60.00*
$15	*35.00*	*64.00*
$16	*36.70*	*67.00*
$17	*38.20*	*69.00*
$18	*39.50*	*72.00*
$19	*40.70*	*74.00*
$20	*42.00*	*76.00*
$21	*43.50*	*79.00*
$22	*45.30*	*82.00*
$23	*47.50*	*86.00*
$24	*50.10*	*91.00*
$25	*52.40*	*95.00*
$26	*54.40*	*99.00*
$27	*56.30*	*109.00*
$28	*58.00*	*120.00*
$29	*59.40*	*129.00*
$30	*60.80*	*139.00*
$31	*62.00*	*147.00*
$32	*63.30*	*155.00*
$33	*64.40*	*163.00*
$34	*65.50*	*170.00*
$35	*66.60*	*177.00*
$36	*67.80*	*185.00*
$37	*68.90*	*193.00*
$38	*70.00*	*200.00*
$39	*71.00*	*207.00*
$40	*72.00*	*213.00*
$41	*73.10*	*221.00*
$42	*74.10*	*227.00*
$43	*75.10*	*234.00*
$44	*76.10*	*241.00*
$45	*77.10*	*250.00*
$46	*77.10*	*250.00*

(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in [paragraph (3) and clause (B) of paragraph (2) of subsection (a) for such individual, and his average monthly wage for purposes of section 203 (a), shall be determined in accordance with regulations of the Administrator designed to obtain results consistent with those obtained for individuals whose primary insurance benefits are shown in column I of the table] *paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10.*

(3) For the purpose of facilitating the use of the conversion table in computing any insurance benefit under section 202, the Administrator is authorized to assume that the primary insurance benefit from which such benefit under section 202 is determined is one cent or two cents more or less than its actual amount.

(4) For the purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1)

of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1.

* * * * * * *

Recomputation of Benefits

(f) (1) After an individual's primary insurance amount has been determined under this section, there shall be no recomputation of such individual's primary insurance amount except as provided in this subsection or, in the case of a World War II veteran who died prior to July 27, 1954, as provided in section 217 (b).

(2) *(A)* Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

(C) A recomputation under *subparagraphs (A) and (B) of* this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed.

(3) (A) Upon application by an individual entitled to old-age insurance benefits, filed at least six months after the month in which he became so entitled, the Administrator shall recompute his primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the first month in which he became entitled to old-age insurance benefits.

(B) Upon application by a person entitled to monthly benefits on the basis of the wages and self-employment income of an individual who died after August 1950, the Administrator shall recompute such individual's primary insurance amount if such application is filed at least six months after the month in which such individual died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be effective for and after the month in which such person who filed the application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph shall affect the amount of the lump-sum death payment under subsection (i) of section 202 and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

(4) Upon the death after August 1950 of an individual entitled to old-age insurance benefits, if any person is entitled to monthly benefits, or to a lump-sum death payment, on the basis of the wages and self-employment income of such individual, the Administrator shall recompute the decedent's primary insurance amount, but (except as provided in paragraph (3) (B)) only if—

(A) the decedent would have been entitled to a recomputation under paragraph (2) if he had filed application therefor in the month in which he died; or

(B) the decedent during his lifetime was paid compensation which is treated, under section 205 (o), as remuneration for employment.

If the recomputation is permitted by subparagraph (A), the recomputation shall be made (if at all) as though he had filed application for a recomputation under paragraph (2) in the month in which he died, except that such recomputation shall include any compensation (described in section 205 (o)) paid to him prior to the divisor closing date which would have been applicable under such paragraph. If recomputation is permitted by subparagraph (B), the recomputation shall take into account only the wages and self-employment income which were taken into account in the last previous computation of his primary insurance amount and the compensation (described in section 205 (o)) paid to him prior to the divisor closing date applicable to such computation. If both of the preceding sentences are applicable to an individual, only the recomputation which results in the larger primary insurance amount shall be made.

(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

[(5)] *(6)* Any recomputation under this subsection shall be effective only if such recomputation results in a higher primary insurance amount.

* * * * * * *

BENEFITS IN CASE OF [WORLD WAR II] VETERANS

SEC. 217. (a) (1) For purposes of determining entitlement to and the amount of any monthly benefit for any month after August 1950, or entitlement to and the amount of any lump-sum death payment in case of a death after such month, payable under this title on the basis of the wages and self-employment income of any World War II veteran, such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States during World War II. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran during World War II is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any World War II veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other

agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran during World War II, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service during World War II shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

(b) (1) Any World War II veteran who died during the period of three years immediately following his separation from the active military or naval service of the United States shall be deemed to have died a fully insured individual whose primary insurance amount is the amount determined under section 215 (c). Notwithstanding section 215 (d), the primary insurance benefit (for purposes of section 215 (c)) of such veteran shall be determined as provided in this title as in effect prior to the enactment of this section, except that the 1 per centum addition provided for in section 209 (e) (2) of this Act as in effect prior to the enactment of this section shall be applicable only with respect to calendar years prior to 1951. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application;

(B) any pension or compensation is determined by the Veterans' Administration to be payable by it on the basis of the death of such veteran;

(C) the death of the veteran occurred while he was in the active military or naval service of the United States; or

(D) such veteran has been discharged or released from the active military or naval service of the United States subsequent to July 26, 1951.

(2) Upon an application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any World War II veteran, the Federal Security Administrator shall make a decision without regard to paragraph (1) (B) of this subsection unless he has been notified by the Veterans' Administration that pension or compensation is determined to be payable by the Veterans' Administration by reason of the death of such veteran. The Federal Security Administrator shall thereupon report such decision to the Veterans' Administration. If the Veterans' Administration in any such case has made an adjudication or thereafter makes an adjudication that any pension or compensation is payable under any law administered by it, it shall notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment, or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection. Any payments theretofore certified by the Federal Security Administrator on the basis of paragraph (1) of this subsection to any individual, not exceeding the amount of any accrued pension or compensation payable to him by the Veterans' Administration, shall (notwithstanding the provisions of section 3 of the Act of August 12, 1935, as amended (38 U. S. C., sec. 454a)) be deemed to have been paid to him by such Administration on account of such accrued pension or compensation. No such payment certified by the Federal Security Administrator, and no payment certified by him for any month prior to the first month for which any pension or compensation is paid by the Veterans' Administration shall be deemed by reason of this subsection to have been an erroneous payment.

(c) In the case of any World War II veteran to whom subsection (a) is applicable, proof of support required under section 202 (h) may be filed by a parent at any time prior to July 1951 or prior to the expiration of two years after the date of the death of such veteran, whichever is the later.

(d) For the purposes of this section—

(1) The term "World War II" means the period beginning with September 16, 1940, and ending at the close of July 24, 1947.

(2) The term "World War II veteran" means any individual who served in the active military or naval service of the United States at any time during World War II and who, if discharged or released therefrom, was so discharged or released

under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.

(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (4)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

(4) For the purposes of this subsection, the term "veteran" means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.

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TITLE XI—GENERAL PROVISIONS

* * * * * * *

EARNED INCOME OF BLIND RECIPIENTS

SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X or XIV may, until June 30, 1954, and thereafter shall provide that where earned income has

been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV.

* * * * * * *

SECTION 101 (d) OF THE SOCIAL SECURITY ACT AMENDMENTS OF 1950 (PUBLIC LAW 734, 81ST CONGRESS)

(d) Lump-sum death payments shall be made in the case of individuals who died prior to September 1950 as though this Act had not been enacted; except that in the case of any individual who died outside the forty-eight States and the District of Columbia after December 6, 1941, and prior to August 10, 1946, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not be applicable if application for a lump-sum death payment is filed prior to September 1952[.], *and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.*

RAILROAD RETIREMENT ACT OF 1937, AS AMENDED

DEFINITIONS

SECTION 1. For the purposes of this Act—

* * * * * * *

(q) The terms "Social Security Act" and "Social Security Act, as amended" shall mean the Social Security Act as amended in [1950] *1952*.

* * * * * * *

ANNUITIES AND LUMP SUMS FOR SURVIVORS

SEC. 5. * * *.

(i) Deductions from Annuities.—(1) Deductions shall be made from any payments under this section to which an individual is entitled, until the total of such deductions equals such individual's annuity or annuities under this section for any month in which such individual—

(i) will have rendered compensated service within or without the United States to an employer;

[(ii) will have rendered service for wages of not less than $50;]

(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $100, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than $100;

* * * * * * *

(l) Definitions.—For the purposes of this section the term "employee" includes an individual who will have been an "employee", and—

* * * * * * *

(6) The term "wages" shall mean wages as defined in section 209 of the Social Security Act (except that for the purposes of section 5 (i) (1) (ii) of this Act such wages shall be determined without regard to subection (a) of said section 209). In addition, the term shall include (i) "self-employment income" as defined in section 211 (b) of the Social Security Act (and in determining "self-employment income" the "net earnings from self-employment" shall be determined as provided in section 211 (a) of such Act and charged to correspond with the provisions of section 203 (e) of such Act), and (ii) wages deemed to have been paid under section 217 (a) *or* (e) of the Social Security Act on account of military service which is not creditable under section 4 of this Act.

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Calendar No. 1736

82D CONGRESS
2D SESSION

H. R. 7800

[Report No. 1806]

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, JUNE 10), 1952
Read twice and referred to the Committee on Finance

JUNE 23 (legislative day, JUNE 21), 1952
Reported by MR. GEORGE, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1952".

INCREASE IN BENEFIT AMOUNTS

Benefits Computed by Conversion Table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the

conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such Act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the

amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such Act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the Benefit Formula; Revised Minimum and Maximum Amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950

are quarters of coverage shall be 55 per centum of the first $100 of his average monthly wage, plus 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average Monthly Wage	II Primary Insurance Amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45", respectively.

Effective Dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social

Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ per centum of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of

$0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments

made by this Act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving Provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such Act for August 1952;

(B) two or more other persons were entitled (without the application of such section 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the

provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this Act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this Act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this Act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of

such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage".

(2) Section 215 (b) (4) of such Act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; Period of Disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less

in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

A period of disability shall end on the day on which the disability ceases. No application for a disability determin-

ation which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraphs (2) (C) and (4) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(c) Title II of the Social Security Act is amended by adding after section 219 the following new section:

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsection (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 4 *3.* (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of

subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "~~$70~~ *$100*".

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "~~$70~~ *$100*".

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "~~$70~~ *$100*".

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "~~$70~~ *$100*".

(e) The amendments made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have

the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. ~~5~~ *4.* (a) Section 217 of the Social Security Act (relating to benefits in case of World War II Veterans) is amended by striking out "WORLD WAR II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph ~~(5)~~ *(4)*), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a

lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such

veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

~~"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which in-~~

~~clude service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.~~

"~~(5)~~ *(4)* For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217".

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act.

(2) In the case of any veteran (as defined in section 217 (e) ~~(5)~~ *(4)* of the Social Security Act) who died prior

to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within two years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such Act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25,

1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent)

prior to the expiration of two years after the date of such interment or reinterment.

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—

"(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was

held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the two-year period which ends on the date

of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system

applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955".

TECHNICAL PROVISIONS

SEC. 7 5. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-

employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) ~~(A)~~) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits

in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such Act, but only if it would result in a higher primary insurance amount for such individual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952".

(2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than ~~$70~~ *$100*, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than ~~$70~~ *$100*;".

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)".

(e) In case the benefit of any individual for any month after August 1952 is computed under section 2 (c) (2) (A) of this Act through use of a benefit (after the application of sections 203 and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952 which could have been derived from either of two (and not more than two) primary insurance amounts, and such primary insurance amounts differ from each other by not more than $0.10, then the benefit of such individual for such month of August 1952 shall, for the purposes of the last sentence of such section 2 (c) (2) (A), be deemed to have been derived from the larger of such two primary insurance amounts.

EARNED INCOME OF BLIND RECIPIENTS

SEC. ~~8~~ *6*. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may *until June 30, 1954, and thereafter shall* provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income

so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

Amend the title so as to read: "An Act to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to increase the amount of earnings permitted without loss of benefits, and for other purposes."

Passed the House of Representatives June 17, 1952.

Attest: RALPH R. ROBERTS,

Clerk.

Calendar No. 1736

82D CONGRESS
2D SESSION

H. R. 7800

[Report No. 1806]

AN ACT

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

JUNE 18 (legislative day, JUNE 10), 1952
Read twice and referred to the Committee on Finance

JUNE 23 (legislative day, JUNE 21), 1952
Reported with amendments

AMENDMENT OF TITLE II OF THE SOCIAL SECURITY ACT

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1736, H. R. 7800, to amend title II of the Social Security Act, and for other purposes.

The PRESIDING OFFICER. The clerk will state the bill by title; for the information of the Senate.

The CHIEF CLERK. A bill to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill

(H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. BRIDGES. Mr. President, this is a very important bill, and many Senators have requested to be notified when it is taken up by the Senate. Therefore, I will take the liberty of suggesting the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the suggestion of the absence of a quorum may be withdrawn and that the order for the call of the roll may be rescinded.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, it is so ordered.

Mr. GEORGE. Mr. President, the bill now before the Senate, having been made a special order, is comparatively short, but in the form in which it now stands it is of very great importance. In reporting this bill to the Senate I called attention specifically to a provision in the report in which it was stated that the committee had deleted the provisions contained in the House bill which would have (1) preserved the insurance rights of permanently and totally disabled persons, and (2) extended to the States the option of placing under old-age and survivors' insurance certain State and local employees covered by existing local or State retirement systems. In deleting these provisions, as stated in the report, it was the sentiment of the committee that the committee had not predetermined or considered the merits of these provisions, but that, because of the unusual demand for the right to be heard by people interested in both sections of the bill, the committee had simply deleted these two sections of the bill—which, incidentally, of course, reduces the cost of the bill somewhat—and had then proceeded to consider all the other sections which were included by the House. To some of these sections the committee has recommended amendments; to others, it has not.

The bill now before the Senate does these things:

First, it raises the benefits for retired persons now on the roll—that is, those who have the benefit of the old-age and survivors insurance system—by $5, or 12½ percent, whichever is larger.

Second, it increases the benefit formula from 50 percent to 55 percent of the first $100 of the average monthly wage. This, Mr. President, is an important provision, and it becomes a permanent provision of the law. The remainder of the formula, 15 percent of the next $200, would remain unchanged. This higher benefit formula will apply to those who retire in the future.

Third, the bill will increase proportionately the benefits for wives, widows, children, and beneficiaries in other categories.

Fourth, it raises from $20 to $25 a month the minimum benefit payable to a retired person. That is, the minimum benefit is raised from $20 to $25 a month, and the maximum amount payable to a family is raised from $150 to $168.75.

Fifth, the four changes noted above would become effective beginning with the month of September 1952; that is, if the bill is passed during this month and is submitted to the President.

Sixth, credits of $160 a month are provided members of the Armed Forces serving since the close of World War II, through 1953. These credits are the same as those provided in the Social Security Act amendments of 1950 for servicemen of World War II. This section was amended by the Senate Finance Committee to provide that such credits be paid out of the old-age and survivors insurance trust fund, rather than out of general revenues, as provided in the House bill.

Seventh, it makes technical changes that will simplify the administration of the insurance payments and correct certain inequities of the 1950 amendments.

Eighth, it provides that States may disregard the first $50 of the earned income of a needy, blind recipient, in determining the need of other members of his family receiving old-age assistance, aid to dependent children, or aid to the disabled. The committee amendment makes this provision mandatory upon the States after June 30, 1954.

Mr. President, I may explain—and this is an important provision of the bill—in the amended Social Security Act of 1950, the committee, with the Senate's approval and with approval in final conference with the House, provided that the first $50 of income earned by a blind person should not necessarily be denied the blind person by the State in fixing the amounts which his dependents might receive under some other form of aid. It was left optional, so to speak, with the States.

Again, the House has dealt with the problem, but not in the same manner the Senate dealt with it. The Senate Finance Committee has said that in their judgment the first $50 of earnings of a blind person should not be taken into consideration by the State in reducing, let us say, the amount of old-age benefits payable to the wife, or the amount payable to a dependent child living in the family. We said that, until June 30, 1954, the States may take into consideration earnings of the blind person; but that, after June 30, 1954, they may not do so. The purpose of leaving it optional with the States, until June 30, 1954, is to enable the States to make such readjustments in their laws as perhaps one or two of them may be required to make. It is not done for the purpose of encouraging the States to deduct the earned income of a blind person from the amounts which otherwise would be allowed to his wife or dependent or helpless children if they were receiving benefits under one of the assistance programs.

Mr. CASE. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I am glad to yield.

Mr. CASE. First, I may say I think the committee has acted very commendably in relation to the amount of earned income which either those who come under the general provisions of the bill or the blind could earn. I think it desirable that we encourage self-help to the extent that that is possible.

I realize that it may, as the committee report suggests, take care of the eligibility of certain individuals. At the same time, I feel that if it were not for that, there would be much greater pressure for an even greater expansion of the benefits to be paid out of the fund. The pressure comes from a lack of income by which to live, so that to the extent income may be supplemented by earned income, it reduces the pressure for a greater increase.

Mr. GEORGE. I think the Senator from South Dakota is correct. In that connection, we have increased the amount which the insured beneficiary may earn, even in a covered industry, from the present $50 a month to $100 a month. The House increased the figure from $50 to $70, but the Finance Committee was of the opinion, particularly during this period, that the recipient should be allowed to earn $100 a month without affecting his retirement benefits.

Mr. CASE. I have noted that with interest. The question I want to raise, however, is with relation to the amendment proposed by the Senator from Alabama and other Senators, which has to do with the other side of social security; namely, old-age assistance. If it is desirable to liberalize the amount of money that may be earned by individuals under the insurance features of social security, would it not also be desirable to raise the amount which persons coming under old-age assistance may earn, because there is no greater eligibility created, and, actually, the earned income will supplement the needs of older persons who receive old-age assistance.

Mr. McFARLAND. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I shall be glad to yield to the Senator from Arizona.

Mr. McFARLAND. The amendment which I propose to offer for myself and a group of Senators contains the amendment which the distinguished Senator from Georgia offered a year ago when the Senate adopted an amendment which would exempt farmers up to an amount not in excess of $50 a month for agricultural labor. We have attached the Senator's amendment to our amendment.

Mr. GEORGE. I think that meets the inquiry of the distinguished Senator from South Dakota.

Mr. CASE. Mr. President, I made a mistake when I referred to the Senator from Alabama as having offered the amendment.

Mr. McFARLAND. I thought the Senator was referring to the amendment which I expect to offer.

Mr. CASE. It is very much in line with what the distinguished Senator from Georgia had just been saying.

Mr. GEORGE. Mr. President, the effect of the amendment is to raise the allowable earnings of beneficiaries of old age and survivors' insurance from $50 to $100, and also to raise the amount of the earned income of the self-employed, so that the self-employed person may be permitted to earn $100 a month and not be denied his benefits unless his earned income exceeds $1,200 a year. Both of those provisions seem wise to the committee.

Mr. O'CONOR. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. O'CONOR. May I ask the able chairman of the committee a question or two concerning the possible inclusion of parts of State retirement systems? I inquire whether any consideration was given, or is to be given, to the question, because I recall distinctly that the able Senator from Georgia gave special attention to this question in the past and manifested a very keen interest in the welfare features of State systems and those affected thereby who might properly be included in the Federal system.

Mr. GEORGE. I may say to the distinguished Senator from Maryland that the committee is not unaware of that problem; it is also acutely aware that it is a problem which ought to be fully considered. Speaking for myself, and I am rather of the opinion that I am speaking for a majority of the committee, we recognize the necessity of broadening the present provision of the Social Security Act so that State employees may have the option, at least, and the State itself may be given the option, of bringing those employees under the Federal social-security system if they wish. We have, in a separate bill which has already passed the Senate, given the States until January 1, 1954, to readjust their agreements with the Social Security Board if they wish to bring employees under the Federal system.

Mr. O'CONOR. Mr. President, will the Senator yield further?

Mr. GEORGE. I shall be glad to yield.

Mr. O'CONOR. I thank the Senator very much. I am sure he is aware of the fact that at the present time there are some conditions which, in the estimation of certain of the retired and other employees, appear discriminatory and which may very well deserve the attention of the committee. I believe the Senator's suggestion is a very good one, because I think that in the end it will expedite the matter rather than delay it. I think the attention which the Senator intends to give it will actually hasten the day when the proper solution is reached.

Mr. GEORGE. That was the view taken by the committee. We were faced with the request of a large number of important witnesses, both for and against the proposal in the House bill, and the general proposal to bring State employees who are under separate retirement systems under Federal social security.

We are not predetermining the merits of the issue at all, but in the report, politely, as we should, we are asking the House to send us back a bill containing the two sections which we have deleted, in order that we may begin work on it, if we are to remain in session beyond next week.

I wish to say to the Senator from Maryland, and to all other Senators interested in this important phase of social security, that the Finance Committee proposes, in any event, to open hearings in January on this question, and on another question involved in a section which had been stricken from the bill, to wit, the freezing of wage payments during the permanent and total disability of the wage earner. Early in January we shall be able to complete the hearings and report a bill. There is always some bill to which social-security amendments may be attached, even if the Senate has no original jurisdiction of this particular question.

Mr. O'CONOR. I am very much indebted to the Senator from Georgia for the assurance that the committee will give consideration to the question. While I have the opportunity, may I say that the Senator from Georgia is entitled to the gratitude of all concerned in connection with other provisions, specifically, that pertaining to the blind, to which reference was previously made. I certainly think we owe him a debt of gratitude for his painstaking care in this connection.

Mr. GEORGE. I wish to emphasize that the Finance Committee has every disposition to proceed with the hearing on these two particular matters in January. Speaking for myself, and not for the committee, I would be disposed to go even further than the House committee went on the question of permanent and total disability. They merely froze the wages and stopped payment during the period of permanent and total disability. We must try to bring the permanent and totally disabled cases under old-age and survivors' insurance at an earlier age than 65, or else we must make a specific provision for adequate benefits under State-aid systems. We must do one or the other.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MOODY. I have noted with a great deal of satisfaction the provision in the bill reported by the distinguished chairman, increasing from $50 to $100 the maximum amount that can be earned by a person who is eligible to receive an annuity. Does not the chairman feel that it would be fair—in view of the fact that these annuities are paid for by the people as they work and their payroll taxes are collected from them—that the eventual objective of Congress should be to remove such a limit?

Mr. GEORGE. In the 1950 act, the Finance Committee, with the final approval of the Senate, removed any limitations upon earnings of a beneficiary who had reached the age of 75. It is true that very few people have any great earning capacity after they become 75, but many professional people, including architects, engineers, lawyers, doctors, and various others, have.

If we were to remove all limitations as to such work, and allowed a beneficiary to earn as much as he could, it would possess elements of equity, but under our system the experiment would be very costly, because a great many payments are made on the basis of earnings after the recipient becomes 65 years of age. Really they are adding to their benefits.

The increase from $50 to $100 a month, which would carry with it an increase of $100 a month, or $1,200 a year, to the self-employed person, will not be very costly. It will cost a small fraction, perhaps one-tenth of 1 percent, of the payroll. It would not be a very costly amendment, but it would seem to be just. It seemed to the committee that the beneficiaries of the old-age and survivors insurance ought to be allowed to earn at least $100 a month.

Mr. MOODY. I wish to congratulate the chairman of the committee on taking what I consider to be a step forward. My question was related to the principle of a system in which a great many people are now paying into the fund weekly or monthly a part of their earnings, with the idea that they are laying aside an annuity they can collect at the age of 65 or some later age. As a matter of fact, unless they retire, they will not be able to collect the annuity they are paying for now. If they earn more than $50 a month or, if the bill goes through as the committee has recommended it, more than $100 a month, they will receive nothing for all the years they have been paying for their annuity. In my judgment, this is wrong and should be changed.

I desired to get the view of the distinguished chairman of the committee as to whether or not, as a question of justice, the committee would not be wise to consider the fact that the beneficiaries, after all, have bought and paid for the old-age insurance.

Mr. GEORGE. That is true. The Senator is quite correct. It is not a gift, because the old-age and survivors fund is now in the neighborhood of $16,000,000,000. It is a self-sustaining operation, and would even support somewhat greater benefits. I do not mean to say that the money is lying idle in the Treasury, because the Treasury has probably given a bond and has become obligated to the fund.

Mr. MOODY. I merely wish to call attention to the fact that since the annuities have been earned and paid for, when the committee considers the subject again, it should consider the possibility of allowing people who have earned their annuities to collect them whether they are working or not.

Mr. GEORGE. The Senator's suggestion is certainly worthy of consideration. I neglected to say that the committee had four or five bills before it, and the distinguished Senator from Michigan himself was the author of one of the bills suggesting that the limitation on monthly earnings be increased to $100.

Mr. MOODY. I thank the Senator. Along with the chairman of the committee, I felt that a step forward now would be worth while. I merely bring up the matter of lifting the earnings limitation entirely for future consideration of the committee.

Mr. GEORGE. I thank the Senator very much.

Mr. President, there are various amendments in the bill which I think would be very helpful. It is not necessary for me to enumerate them, unless some Senator desires to ask about them.

However, I wish to call attention to a provision for the filing of a claim for lump-sum payment in the case of a soldier killed while in active military service outside the United States. In that provision there is a time limitation requiring the application to be made within a certain number of months. The committee has amended the provision so as to provide that the application for lump-sum payment in the case of a member of the Armed Forces killed outside the United States, or who dies outside the United States, may be made within 2 years, or perhaps it is 4 years, after his body is returned to his country, if the family should request return of the body to the United States. In other words, the period in which the lump-sum payments may be made has been extended. We are providing for soldiers now engaged in the Korean war the same credit of $160 a month on their social security that was provided for soldiers in World War II. I think everyone recognizes that as a very just provision.

Mr. President, the committee has acted as promptly as possible on the bill, in order that, if it receives approval of the Senate, and we finally succeed in obtaining a conference report which both Houses will approve, the bill may become effective within the month of September, or at least in October; otherwise it would be almost the end of the year before it could become effective.

AMENDMENT OF TITLE II OF THE SOCIAL SECURITY ACT

The Senate resumed the consideration of the bill (H. R. 7800) to amend title II of the Social Security Act, and for other purposes.

Mr. McFARLAND. Mr. President, I offer the amendment which I send to the desk, and ask unanimous consent that it may be considered immediately, out of order, because I may be called off the floor in a very short time.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from Arizona asks unanimous consent that his amendment may be considered prior to the consideration of the committee amendments. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. McFARLAND. Mr. President, on behalf of myself, the Senator from Georgia [Mr. RUSSELL], the Senator from Colorado [Mr. JOHNSON], the Senator from Alabama [Mr. HILL], the junior Senator from Texas [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], the junior Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. BENTON], the Senator from Nebraska [Mr. BUTLER], the senior Senator from New Mexico [Mr. CHAVEZ], the senior Senator from Texas [Mr. CONNALLY], the senior Senator from Mississippi [Mr. EASTLAND], the Senator from Montana [Mr. ECTON], the senior Senator from Florida [Mr. HOLLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], the senior Senator from North Dakota [Mr. LANGER], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. O'MAHONEY], the junior Senator from Mississippi [Mr. STENNIS], the junior Senator from South Dakota [Mr. CASE], the senior Senator from South Dakota [Mr. MUNDT], the junior Senator from North Dakota [Mr. YOUNG], and the junior Senator from Florida [Mr. SMATHERS], I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new sections:

SEC. 7. (a) Section 3 (a) of the Social Security Act, as amended, is amended to read as follows:

"SEC. 3 (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as

old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

(b) Section 403 (a) of such act, as amended, is amended to read as follows:

"SEC. 403 (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $30 with respect to one such dependent child and $21 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $30—

"(A) four-fifths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $15 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus.

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose."

(c) Section 1003 (a) of such act, as amended, is amended to read as follows:

"SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose."

(d) Section 1403 (a) of such act, as amended, is amended to read as follows:

"SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the permanently and totally disabled, or both, and for no other purpose."

(e) The amendments made by this section shall become effective October 1, 1952.

SEC. 8. (a) If—

(1) during the 1-year period beginning October 1, 1952, or the 1-year period beginning October 1, 1953, the total State expenditures (as defined in subsection (b)) for any State under a State plan approved under title I, IV, X, or XIV of the Social Security Act are less than the total State expenditures for such State under such plan during the base period (as defined in subsection (b)), and

(2) the State expenditure per recipient under such plan for such year is less than the State expenditure per recipient under such plan during the base period, then the amount payable to such State under such title for such year shall be reduced by whichever of the following is the least:

(3) the amount by which the total State expenditures during the base period under such plan exceeds the total State expenditures during such year under such plan;

(4) the amount by which the State expenditure per recipient during the base period under such plan multiplied by the monthly average of the number of individuals who received aid or assistance under such plan during such period exceeds the State expenditure per recipient under such plan for such year multiplied by the monthly average of the number of individuals who received aid or assistance under such plan during such year; or

(5) the amount by which the sum which would be payable to such State for such year under such title but for the provisions of this section exceeds the sum which would be payable to such State for such year under such title if this section had not been enacted.

(b) For purposes of this section, the term "total State expenditures" means, in the case of a State plan approved under title I, IV, X, or XIV of the Social Security Act, the difference between (1) the total expenditures (other than expenditures to meet the cost of administering the State plan) with respect to which amounts are payable to the State under sections 3, 403, 1003, and 1403, respectively, and (2) the amount so payable to the State; the term "State expenditure per recipient" with respect to any year or with respect to the base period, as the case may be, means, in the case of a State plan approved under title I, IV, X, or XIV of the Social Security Act, the total State expenditures during such year or period under such plan divided by the monthly average of the number of individuals who received aid or assistance under such plan during such year or period; the term "base period" means the 1-year period ending September 30, 1952; and the term "State" includes Alaska, Hawaii, and the District of Columbia.

SEC. 9. For a period of 1 year commencing October 1, 1952, notwithstanding provisions of title I of the Social Security Act, as amended (relating to grants to States for old-age assistance), and of appropriations for payments thereunder, in any case in which any State pays old-age assistant to any individual at a rate not more than $5 in excess of the rate of old-age assistance paid to such individual during the month of September 1952, any failure to take into consideration any income and resources of such individual not in excess of $50 per month arising from agricultural labor performed by him as an employee, or from labor otherwise performed by him in connection with the raising or harvesting of agricultural commodities, or income and resources from performance of

service as a nurse as an employee, or in connection with the care of the sick or confined persons as an employee, shall not be the basis of excluding payments made to such individual in computing payments made to States under section 3 of such title, of refusing to approve a State plan under section 2 of such title, or of withholding certification pursuant to section 4 of such title.

Mr. McFARLAND. Mr. President, I can explain in a few moments the amendment which I have offered. It was before the Senate previously. I will make my explanation very brief. First, I wish to commend the distinguished Senator from Georgia [Mr. GEORGE], for reporting the bill to give additional assistance to the people covered by old-age and survivors insurance.

The amendment I have offered similarly takes care of the aged, the blind, the disabled, and the dependent children. It increases by $5 a month the Federal Government's share in caring for the aged, the blind and the disabled, and it increases by $3 a month the contribution of the Federal Government in caring for the dependent children.

The amendment also includes the amendment voted by the Finance Committee, to the effect that any State which fails to pass along these increased funds to the recipients in the four specific programs cannot obtain the benefit of this measure.

The amendment also includes an amendment submitted by the distinguished Senator from South Dakota [Mr. CASE], at the time when the bill was previously under consideration here on the floor. That amendment provides that for a period of 1 year, beginning October 1, 1952, earnings of up to $50 a month of an assistance recipient in agricultural or nursing pursuits shall not be taken into consideration by the States in determining need.

Mr. President, with that statement, I hope the distinguished Senator from Georgia will accept the amendment.

Mr. BRIDGES. Mr. President, will the Senator from Arizona yield for a question?

Mr. McFARLAND. I yield.

Mr. BRIDGES. I understand in a general way the amendment the Senator from Arizona has submitted. The amendment has a fine objective, but does the Senator from Arizona know what the amendment will cost?

Mr. McFARLAND. It will cost approximately $240,000,000 a year.

Mr. BRIDGES. Where will the $240,000,000 a year come from?

Mr. McFARLAND. It will come from the same place from which all other appropriations come—from the same place from which the funds required for salary increases for Government employees come, from the same place from which the funds required for salary increases for those in the armed services come, from the same place from which the funds required for all increases in benefits, other than those to which the beneficiaries contribute come—namely, from the taxpayers, of course.

Mr. BRIDGES. Yes, from the taxpayers of the United States.

Mr. McFARLAND. But I say to my good friend, the Senator from New Hampshire, that I hope he will join me in supporting the amendment, because I know he wishes to see the persons covered by the amendment taken care of. They have not had a general increase in their benefits during the past 4 years. During that time the cost of living has risen about 10 percent. The increase made by this amendment will not meet the increase which has occurred in the cost of living.

Mr. BRIDGES. Mr. President, I know the Senator from Arizona is in a hurry to leave the Chamber, but I wish to have this matter stated clearly.

Mr. McFARLAND. Mr. President, I shall remain here as long as the Senator from New Hampshire wishes me to.

Mr. BRIDGES. Very well.

Today the Federal Government is operating at a deficit, is it not?

Mr. McFARLAND. That is true. I concede that today the Federal Government is operating at a deficit and I concede that we should save every dollar we possibly can save.

On the other hand, Mr. President, we cannot afford to neglect the aged, the blind, the disabled, and the dependent children.

Mr. BRIDGES. How much do the States contribute at this time?

Mr. McFARLAND. That depends upon the State, but the over-all average for public assistance throughout the country is 46 percent from the Federal Government, 43 percent from State funds, and 11 percent from local funds.

Mr. President, I ask unanimous consent that at this point in the RECORD I be permitted to insert statistical data I have obtained from the Federal Security Agency.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

Old-age assistance: Recipients and payments to recipients, by State, February 1952 [1]

[Exclusive of vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1952 in—		February 1951 in—	
				Number	Amount	Number	Amount
Total [3]	2,685,066	$120,215,489	$44.77	−0.3	+0.1	−3.3	+0.9
Alabama	75,921	1,615,024	21.27	−1.2	−.9	−6.7	−3.5
Alaska	1,646	93,206	56.63	−.5	−.6	+1.1	+19.9
Arizona	13,941	686,397	49.24	−.7	−.8	−4.3	−9.4
Arkansas	58,931	1,269,178	21.54	−.6	+.2	−14.5	−21.8
California	273,687	18,172,892	66.40	−.2	−.3	−.1	−1.8
Colorado [2]	52,154	3,689,884	70.75	−.2	−.2	+.6	+6.2
Connecticut	18,330	1,129,158	61.60	−2.0	−2.3	−8.3	−5.8
Delaware	1,620	52,370	32.33	−1.2	−.4	+1.7	+14.6
District of Columbia	2,774	134,308	48.42	−.3	+.3	−2.4	+5.3
Florida	67,869	2,594,990	38.24	−.5	−.3	−2.2	−4.0
Georgia	95,296	2,966,427	31.13	−.1	(4)	−6.6	+21.7
Hawaii	2,246	74,294	33.08	−.5	−2.1	−2.0	−3.2
Idaho	9,394	473,868	50.44	−.7	−.8	−18.0	−11.0
Illinois	113,016	4,840,191	42.83	−.4	−3.6	−4.6	−7.0
Indiana	44,231	1,581,627	35.76	−1.1	−.8	−12.6	−11.9
Iowa	48,420	2,476,713	51.15	−.4	−.1	−1.3	+2.2
Kansas	37,532	1,973,075	52.57	−.1	(4)	−3.8	+3.2
Kentucky	64,412	1,908,059	29.62	−1.1	−1.1	−4.2	+37.9
Louisiana	119,134	5,560,995	46.68	+.1	+.3	+.5	+.4
Maine	14,395	619,159	43.01	−.9	−.8	−6.0	−5.7
Maryland	11,368	462,597	40.69	−.2	(4)	−2.6	+5.8
Massachusetts	100,418	6,936,871	69.08	−1.3	+3.6	−1.6	+9.8
Michigan	93,375	4,522,090	48.43	−.3	+.2	−4.1	+1.4
Minnesota	54,814	2,498,999	45.59	−.2	−.1	−.9	+5.0
Mississippi	57,428	1,205,198	20.99	−.1	+12.0	−5.7	+7.6
Missouri	132,194	5,739,724	43.42	−.1	(4)	−.1	+.3
Montana	11,312	580,720	51.34	−.4	−.4	−4.2	−8.6
Nebraska	22,014	1,014,988	46.11	−.9	−1.1	−4.4	+1.6
Nevada	2,740	149,030	54.39	−.9	−.9	+.4	+5.2
New Hampshire	6,935	305,358	44.03	−.8	−1.5	−6.5	−10.3
New Jersey	22,288	1,197,793	53.74	−.5	+1.0	−6.2	+5.2
New Mexico	10,698	421,406	39.39	(4)	+.2	+2.2	+4.8

[1] For definition of terms see the Social Security Bulletin, January 1951, p. 21. All data subject to revision.
[2] Includes 4,032 recipients under 65 years of age in Colorado and payments to these recipients. Such payments are made without Federal participation.
[3] Decrease of less than 0.05 percent.
[4] Increase of less than 0.05 percent.

Old-age assistance: Recipients and payments to recipients, by State, February 1952 [1]—Continued

[Exclusive of vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1952 in—		February 1951 in—	
				Number	Amount	Number	Amount
New York	115,139	$6,455,282	$56.07	−.4	−1.0	−1.5	+1.4
North Carolina	51,777	1,229,746	23.75	−.4	+.1	−15.8	−9.8
North Dakota	8,961	462,550	51.62	(2)	+2.1	−1.2	+1.2
Ohio	117,265	5,751,064	49.04	−.5	−.6	−3.6	+5.9
Oklahoma	96,593	4,686,984	48.52	−.3	−.4	−2.8	+4.4
Oregon	22,802	1,302,469	57.12	−.3	+.2	−3.2	+6.8
Pennsylvania	74,961	2,929,238	39.08	−.9	−.1	−9.7	−8.8
Puerto Rico	26,898	203,970	7.58	+7.4	+7.0	+58.3	+56.8
Rhode Island	9,565	453,419	47.40	−.6	−.1	−3.9	+1.1
South Carolina	42,615	1,162,551	27.28	−.3	−.2	+1.2	+11.2
South Dakota	11,977	496,246	41.43	−.4	+.8	−2.2	+2.0
Tennessee	60,414	1,866,771	30.90	−.3	−.3	−8.6	−5.6
Texas	219,279	7,323,262	33.40	−.1	+1.5	−2.1	−.1
Utah	9,777	542,512	55.49	−.2	+3.8	−1.2	+20.2
Vermont	7,010	276,368	39.42	+.2	+.4	+.6	+10.4
Virgin Islands [3]	665	7,420					
Virginia	19,060	435,243	22.84	−.5	+.1	−3.2	+1.8
Washington	67,929	4,192,674	61.72	−.3	−.5	−5.5	−6.3
West Virginia	25,903	751,852	29.03	−.7	+13.0	−2.8	+6.9
Wisconsin	51,659	2,501,362	48.42	−.3	+.1	−1.2	+12.7
Wyoming	4,284	237,917	55.54	−.4	−.4	−2.4	−3.9

[1] For definition of terms see the Social Security Bulletin, January 1951, p. 21. All data subject to revision.
[2] Decrease of less than 0.05 percent.
[3] Estimated.

Aid to dependent children: Recipients and payments to recipients, by State, February 1952 [1]

[Exclusive of vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from—			
		Total [2]	Children	Total amount	Average per—		January 1952 in—		February 1951 in—	
					Family	Recipient	Number of families	Amount	Number of families	Amount
Total	594,042	2,050,853	1,531,121	$45,275,761	$76.22	$22.08	+0.1	+0.3	−8.9	−5.4
Total, 52 States [3]	594,011	2,050,742	1,531,041	45,274,247	76.22	22.08	+.1	+.3	−8.9	−5.4
Alabama	18,285	65,018	50,895	639,670	34.98	9.84	+.5	+.7	−3.1	+1.0
Alaska	723	2,291	1,662	52,712	72.91	23.01	+1.4	+2.1	+8.9	+17.5
Arizona	3,492	12,979	9,680	254,749	72.95	19.63	−1.7	−1.6	−18.0	−33.9
Arkansas	13,371	48,889	37,395	513,158	38.38	10.50	+.2	+2.6	−28.1	−33.8
California	55,228	172,377	129,403	6,359,036	115.14	36.89	(4)	−.2	−2.6	+3.4
Colorado	5,189	19,053	14,397	510,791	98.44	26.81	−.2	−.3	−7.3	−.8
Connecticut	4,913	16,032	11,631	525,741	107.01	32.79	−2.5	−3.3	−12.3	−12.1
Delaware	706	2,728	2,090	87,046	80.50	20.91	+1.3	+.8	+2.6	+15.1
District of Columbia	2,043	8,350	6,489	200,205	98.00	23.98	−.3	−.2	−5.1	+1.8
Florida	17,897	57,566	42,792	811,215	45.33	14.09	−4.3	−4.0	−38.1	−43.8
Georgia	21,381	71,090	54,535	1,065,535	49.84	14.99	+1.9	+1.9	+19.0	+27.7
Hawaii	3,247	12,037	9,375	272,318	83.87	22.62	−.2	+.1	−12.1	−17.0
Idaho	2,203	7,678	5,671	246,807	112.03	32.14	+1.0	+1.0	−12.4	−6.5
Illinois	22,967	81,896	60,719	2,560,661	111.49	31.27	+.8	+.8	−2.7	+10.7
Indiana	8,523	28,425	21,004	570,235	66.91	20.06	−1.1	−.9	−22.7	−21.2
Iowa	5,298	18,607	13,849	[5] 530,599	100.15	28.52	+1.8	+2.2	+2.2	+4.7
Kansas	4,312	15,300	11,591	399,802	92.72	26.13	−.4	+.2	−16.5	−5.2
Kentucky	20,633	73,036	53,844	864,700	41.91	11.84	−1.1	−1.0	−13.9	−3.1
Louisiana	21,836	79,597	59,192	1,315,382	60.24	16.53	(6)	+.8	−17.7	−.4
Maine	4,458	15,462	11,203	326,266	73.19	21.10	+.2	+.1	−.5	−2.2
Maryland	5,124	19,767	15,083	434,708	84.84	21.99	+.8	+.6	−19.2	−13.3
Massachusetts	13,162	43,343	31,875	1,535,453	116.66	35.43	+.3	+.6	−2.1	+3.2
Michigan	24,575	80,503	57,335	2,406,472	96.74	29.89	+.7	+1.5	−3.2	+5.9
Minnesota	7,903	26,516	20,180	778,213	98.47	29.35	+1.3	+.4	−.2	+8.4
Mississippi	10,280	38,866	29,885	270,847	26.35	6.97	+1.0	+.9	−4.7	+35.6
Missouri	22,392	75,935	55,886	1,167,805	52.15	15.38	−.9	−.9	−9.8	−9.6
Montana	2,373	8,292	6,146	204,973	86.38	24.72	−.5	−.2	−3.1	−2.7
Nebraska	2,853	9,570	7,028	254,782	89.30	26.62	−.3	−.6	−19.0	−11.7
Nevada	*31*	*111*	*89*	*1,514*	(7)	(7)	(7)	(7)	(7)	(7)
New Hampshire	1,445	4,990	3,648	151,043	104.53	30.27	−1.8	−2.4	−13.7	−14.8
New Jersey	5,149	17,240	13,045	518,289	100.66	30.06	+.5	+1.0	−2.7	+5.6
New Mexico	5,309	18,390	14,117	274,619	51.73	14.93	+.1	+.8	−3.0	−15.9
New York	53,208	179,840	128,263	6,015,794	113.06	33.45	−.2	−.4	−3.9	−.4
North Carolina	16,944	60,910	47,126	793,683	46.84	13.03	+.4	+1.0	+4.8	+10.0
North Dakota	1,653	5,877	4,452	158,121	95.66	26.91	+.2	+3.2	−10.0	−17.8
Ohio [8]	13,574	49,936	37,579	983,820	72.48	19.70	−.4	+.7	−8.3	−15.0
Oklahoma	20,342	68,044	51,288	1,434,338	70.51	21.08	−.6	−.5	−6.2	−6.3
Oregon	3,411	11,450	8,597	357,874	104.92	31.26	+1.2	+1.9	−15.0	−12.2
Pennsylvania	32,921	119,972	89,576	2,900,092	88.09	24.17	−2.3	−.7	−26.1	−27.4
Puerto Rico	17,920	54,560	40,467	164,734	9.19	3.02	+7.9	+7.7	+57.2	+71.6
Rhode Island	3,357	11,272	8,134	324,019	96.52	28.75	(6)	+.8	−3.7	+4.6
South Carolina	6,507	24,269	18,831	310,516	47.72	12.79	+.6	(6)	−3.3	+33.9
South Dakota	2,619	8,491	6,359	183,848	70.20	21.65	+1.0	+2.8	+1.6	+5.8
Tennessee	20,726	74,630	55,955	997,546	48.19	13.37	−.2	+.1	−14.8	−14.0
Texas	16,231	62,954	46,989	801,178	49.36	12.73	(6)	+.6	−15.9	−4.2

[1] For definition of terms see the Social Security Bulletin, January 1951, p. 21. Figures in italics represent program administered without Federal participation. All data subject to revision.
[2] Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.
[3] States with plans approved by the Social Security Administration.
[4] Decrease of less than 0.05 percent.
[5] Excludes cost of medical care, for which payments are made to recipients quarterly.
[6] Increase of less than 0.05 percent.
[7] Average payment not computed on base of less than 50 families; percentage change, on less than 100 families.
[8] In addition to these payments from aid to dependent children funds, supplemental payments of $92,209 from general assistance funds were made to 2,861 families.

Aid to dependent children: Recipients and payments to recipients, by State, February 1952 [1]—Continued

[Exclusive of vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from—			
		Total [2]	Children	Total amount	Average per—		January 1952 in—		February 1951 in—	
					Family	Recipient	Number of families	Amount	Number of families	Amount
Utah	2,953	10,272	7,616	$323,030	$109.39	$31.45	−1.0	+.8	−9.9	+6.8
Vermont	1,019	3,543	2,734	54,284	53.27	15.32	+1.3	+1.1	−1.7	−1.8
Virgin Islands [3]	230	707	624	3,740						
Virginia	7,773	29,007	22,055	406,070	52.24	14.00	+.5	+1.7	−8.7	−4.8
Washington	9,173	30,543	22,196	950,109	103.58	31.11	+1.2	+.9	−18.7	−36.1
West Virginia	16,878	62,099	48,066	1,021,765	60.54	16.45	+.3	+7.6	−7.2	−3.7
Wisconsin	8,434	28,489	20,950	958,412	113.64	33.64	+.9	+2.3	−5.7	+5.2
Wyoming	503	2,054	1,545	57,462	101.17	27.98	+2.9	+3.7	−11.0	−11.2

[1] For definition of terms see the Social Security Bulletin, January 1951, p. 21. Figures in italics represent program administered without Federal participation. All data subject to revision.
[2] Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.
[3] Estimated.

Aid to the blind: Recipients and payments to recipients, by State, February 1952 [1]

[Exclusive of vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1952 in—		February 1951 in—	
				Number	Amount	Number	Amount
Total [2]	97,144	$4,840,382	$49.83	−0.1	+0.7	+1.1	+8.7
Total, 51 States [3]	97,089	4,837,332	49.82	−.1	+.7	+4.1	+11.4
Alabama	1,514	36,283	23.96	−.8	−.8	−2.9	+5.7
Alaska	*17*	*888*	(4)	(4)	(4)		
Arizona	722	39,225	54.33	−1.6	−1.8	−19.4	−25.4
Arkansas	1,883	50,514	26.83	+.2	+1.4	−7.8	−20.2
California [5]	11,522	939,556	81.54	+.1	+.1	+4.0	+3.4
Colorado	351	22,394	63.80	−1.1	−1.5	−5.6	+1.6
Connecticut	306	20,465	66.88	−.3	−1.8	+3.4	+10.7
Delaware	224	10,213	45.59	+1.4	+1.8	+12.6	+15.3
District of Columbia	263	13,543	51.49	0	−.1	+1.9	+8.4
Florida	3,226	131,363	40.72	−1.0	−1.1	−2.8	−7.2
Georgia	2,916	104,797	35.94	+.2	+.2	+2.7	+29.1
Hawaii	114	4,593	40.29	−3.4	−4.1	+.9	+7.3
Idaho	198	10,903	55.07	−2.9	−3.9	−4.8	−1.6
Illinois	4,080	203,774	49.94	(5)	−2.2	−3.9	+.4
Indiana	1,732	67,224	38.81	−.5	−.5	−5.8	−5.3
Iowa	1,293	[6] 76,700	59.32	+.2	+.1	+3.2	+6.4
Kansas	620	34,594	55.80	−1.4	−.4	−6.8	+1.9
Kentucky	2,533	79,506	31.39	+.7	+.5	+2.8	+46.1
Louisiana	1,886	85,278	45.22	+.4	+.9	+.9	+4.0
Maine	596	27,323	45.84	−1.5	−1.1	−9.7	−8.7
Maryland	474	21,557	45.48	−2.9	−3.1	−2.1	+7.3
Massachusetts	1,632	124,851	76.50	+.8	+2.9	+6.7	+19.2
Michigan	1,875	100,589	53.65	+.9	+1.1	+1.1	+5.5
Minnesota	1,165	72,933	62.60	−.8	−1.3	+2.4	+14.9
Mississippi	2,808	72,257	25.73	+.3	+.3	+.2	+9.8
Missouri [7]	2,977	148,850	50.00	+2.0	+2.0	+6.4	+32.9
Montana	528	30,019	56.85	−1.5	−.6	−.4	−5.4
Nebraska	760	47,848	62.96	−.1	(5)	+3.8	+14.0
Nevada	*58*	*2,162*	(4)	(4)	(4)	(4)	(4)
New Hampshire	304	14,937	49.13	+.3	−1.4	−5.0	−7.2
New Jersey	794	47,508	59.83	0	+.6	+2.2	+12.8
New Mexico	489	17,992	36.79	−2.0	−1.4	−6.3	−6.4
New York	4,068	263,436	64.77	+.1	+.5	+1.3	+5.7
North Carolina	4,443	152,275	34.27	−.4	−.1	+2.5	+2.7
North Dakota	111	5,962	53.71	0	−1.6	+1.8	−3.4
Ohio	3,740	183,420	49.04	−.6	−.6	−3.8	+4.1
Oklahoma	2,584	132,500	51.28	0	−.1	−3.0	+4.2
Oregon	385	25,552	66.37	−.8	−.8	−2.5	+1.6
Pennsylvania [7]	15,355	772,215	50.29	−.2	+3.3	−.6	+25.9
Puerto Rico	566	4,160	7.35	+2.7	+4.2	+7.8	+8.2
Rhode Island	187	10,853	58.04	−1.6	+.2	−.5	+5.5
South Carolina	1,596	44,904	28.14	+.2	+.9	+1.3	+5.3
South Dakota	210	8,138	38.75	−.5	+.7	−5.0	−1.6
Tennessee	2,776	105,077	37.85	+.4	+.4	+2.6	+2.7
Texas	6,012	225,668	37.54	−.2	+1.5	+22.3	+20.5
Utah	222	13,258	59.72	0	+2.4	+8.3	+30.4
Vermont	179	7,725	43.16	−.6	−.2	−3.2	+5.6
Virgin Islands [8]	45	475					
Virginia	1,452	45,918	30.98	−.7	−.2	−3.1	+.8
Washington [7]	832	63,249	76.02	−1.1	−1.1	−1.7	−1.8
West Virginia	1,070	36,525	34.14	−.7	+10.2	−.8	+8.6
Wisconsin	1,343	73,177	54.49	+.3	−.1	−3.1	+9.0
Wyoming	99	5,256	53.09	(4)	(4)	−10.8	−14.8

[1] For definition of terms see the Social Security Bulletin, January 1951, p. 21. Figures in italics represent programs administered without Federal participation. All data subject to revision.
[2] Data include recipients of payments made without Federal participation and payments to these recipients in California (556 recipients, $46,179 in payments), in Washington (13 recipients, $677 in payments), in Missouri (1,038 recipients, $51,985 in payments), and in Pennsylvania (6,118 recipients, $314,935 in payments). State plans for aid to the blind in Missouri and Pennsylvania were approved under the Social Security Act amendments of 1950.
[3] States with plans approved by the Social Security Administration. In computing percentages, data for Missouri for February 1951 were excluded because the State did not have an approved plan in that month. (See also footnote 2.)
[4] Average payment not computed on base of less than 50 recipients; percentage change, on less than 100 recipients.
[5] Decrease of less than 0.05 percent.
[6] Excludes cost of medical care, for which payments are made to recipients quarterly.
[7] Estimated.

Aid to the permanently and totally disabled: Recipients and payments to recipients, by State, February 1952 [1]

[Exclusive of vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from January 1952 in—		State	Number of recipients	Payments to recipients		Percentage change from January 1952 in—	
		Total amount	Average	Number	Amount			Total amount	Average	Number	Amount
Total [2]	131,779	$6,097,622	$46.27	+2.6	+2.7	New York	29,088	$1,784,140	$61.34	+1.7	+1.5
Alabama	8,524	190,036	22.29	−.2	+.4	North Carolina	4,354	118,643	27.25	+1.7	+1.9
Colorado	3,621	185,748	51.30	+2.0	+2.2	North Dakota	615	37,592	61.13	+1.0	+7.0
Delaware	129	5,624	43.60	−.8	−1.0	Ohio	4,607	204,928	44.46	+3.0	+3.0
District of Columbia	1,268	68,594	54.10	+.8	+1.3	Oklahoma	*2,046*	*59,760*	*29.21*	*+11.1*	*+11.5*
Hawaii	1,140	53,166	46.64	+.1	+1.5	Oregon	1,727	117,516	68.05	+2.9	+3.1
Idaho	790	41,242	52.21	+.8	+1.1	Pennsylvania	9,498	422,177	44.45	+.8	+2.2
Illinois	2,532	109,569	43.27	+4.9	−.6	Puerto Rico	3,579	32,844	9.18	+10.8	+10.4
Kansas	2,623	133,981	51.08	+.8	+.7	Rhode Island	*198*	*12,810*	*64.70*	+3.7	+5.7
Louisiana	14,515	569,519	39.24	+.8	+1.1	South Carolina	3,925	124,741	31.78	+3.6	+3.6
Maryland	2,583	122,612	47.47	+.4	+.3	South Dakota	160	6,471	40.44	+11.1	+11.3
Massachusetts	*3,846*	*251,373*	*60.16*	*+14.7*	*+16.2*	Utah	1,558	89,064	57.17	−.4	+1.6
Michigan	1,098	66,318	60.40	+3.8	+5.3	Vermont	191	7,892	41.32	−1.0	−1.1
Mississippi	782	15,465	19.78	+5.0	+5.8	Virgin Islands [3]	25	265			
Missouri	10,743	497,151	46.28	+2.0	+1.9	Virginia	2,918	98,107	33.62	+3.9	+4.6
Montana	1,078	59,839	55.51	+2.1	+2.0	Washington	5,358	327,861	61.19	+.4	−.4
New Jersey	1,247	73,896	59.26	+17.3	+20.4	West Virginia	2,039	66,527	32.63	+13.8	+27.2
New Mexico	2,000	78,992	39.50	+1.2	+1.2	Wisconsin	891	57,654	64.71	+2.5	+3.8
						Wyoming	483	25,605	53.01	+.8	+.1

[1] For definition of terms see the Social Security Bulletin, January 1951, p. 21. Figures in italics represent programs under State plans not yet approved by the Social Security Administration. All data subject to revision.
[2] Represents States reporting plans in operation.
[3] Estimated.

Special types of public assistance and general assistance: Expenditures for assistance to recipients, by program and source of funds, fiscal year ended June 30, 1951 [1]

[Including vendor payments for medical care]

Program	Expenditures from—				Program	Expenditures from—			
	Total	Federal funds	State funds	Local funds		Total	Federal funds	State funds	Local funds
	Amount (in thousands)					Percentage distribution by program—Con.			
Total	$2,409,142	$1,122,204	$1,025,326	$261,612	Special types of public assistance—Con.				
Special types of public assistance:					Aid to the blind	2.3	2.2	2.5	1.5
Old-age assistance	1,472,617	794,013	594,960	83,644	Aid to the permanently and totally disabled	1.3	1.3	1.4	1.4
Aid to dependent children	567,685	288,794	219,805	59,086	General assistance	11.7		16.6	42.6
Aid to the blind	54,372	24,453	26,030	3,839		Percentage distribution by source of funds			
Aid to the permanently and totally disabled	32,506	14,944	13,930	3,633					
General assistance	281,961		170,551	111,410	Total	100.0	46.6	42.6	10.9
	Percentage distribution by program				Special types of public assistance:				
					Old-age assistance	100.0	53.9	40.4	5.7
Total	100.0	100.0	100.0	100.0	Aid to dependent children	100.0	50.9	38.7	10.4
Special types of public assistance:					Aid to the blind	100.0	45.0	48.0	7.1
Old-age assistance	61.1	70.8	58.0	32.0	Aid to the permanent and totally disabled	100.0	46.0	42.9	11.2
Aid to dependent children	23.6	25.7	21.4	22.6	General assistance	100.0		60.5	39.5

[1] Expenditures for assistance include all money payments to recipients, vendor payments for medical care and assistance in kind to, and vendor payments on behalf of recipients for goods and services to meet their maintenance needs. Vendor payments for burial are excluded. Amounts cannot be compared with annual data based on monthly series or with amounts of Federal grants to the States. For aid to dependent children and aid to the blind, data include programs administered under State laws without Federal participation.

Mr. McFARLAND. Under the present matching formula, of the first $20, the Federal Government contributes $15 and the States contribute $5. Above that amount, the contributions are made on a 50–50 basis, up to $50.

This amendment would have the Federal Government contribute four-fifths of the first $25, and above that amount, the contributions would be made on a 50–50 basis up to $55.

Mr. BRIDGES. In other words, the additional contribution made by means of this amendment would be made only by the Federal Government, would it not, and the States would not cooperate in any way in connection with the additional contribution? In short, the amendment proposes that the Federal Government provide an additional amount, to be added to the first $15. Is that correct?

Mr. McFARLAND. It has been the experience that when the Federal Government adds $5, the States contribute a corresponding amount, except in the case of the States that are not in a position to do so. Frequently the poorer States do not increase the contributions they make to the same extent that some of the other States do.

This is the third time I have offered an amendment of this sort, and the previous two amendments, in 1946 and 1948, were enacted into law. My State has always matched a Federal Government contribution of $5 by providing an additional $5, and I think that will be done in this case, for certainly the people affected by the amendment need this additional amount, in order to be able to eke out a bare existence.

Mr. BRIDGES. At the present time the Federal Government contributes $15 of the first $20; is that correct?

Mr. McFARLAND. Yes.

Mr. BRIDGES. And the State contributes $5, I believe.

Mr. McFARLAND. That is correct.

Mr. BRIDGES. Above $20, the State and the Federal Government share on a 50–50 basis up to $55, I believe.

Mr. McFARLAND. Up to $50; and this amendment would increase it to $55.

Mr. BRIDGES. Very well, the amendment the Senator from Arizona submits would change that arrangement, so that of the first $25, the Federal Government would contribute $20 and the State would contribute $5; and above the amount of $25, each would contribute the same amount, or would divide the expense on a 50-50 basis, as I understand. Is that correct?

Mr. McFARLAND. Yes; up to a maximum of $55.

Mr. BRIDGES. Can the Senator from Arizona tell us how many States now are contributing, so that we can get some idea of how this plan operates? Two hundred and forty million dollars is a very large amount of money.

As I have said, the objective of the proposal of the Senator from Arizona is an excellent one, and of course we wish to do all we can for the aged people of the United States. On the other hand, we must also consider the practicability of such proposals.

Mr. McFARLAND. I have placed in the RECORD a chart showing what the various States have done in this respect.

Mr. BRIDGES. My point is that at the present time the persons in this category in some States are receiving much less than such persons in other States are receiving, even though the Federal Government is cooperating to the same extent with all the States. Is not that correct?

Mr. McFARLAND. That situation has existed ever since the law was passed. In some of the Southern States, in particular, when the law began to operate on a 50–50 contribution basis, many of the States were not able to reach even the minimum amount. But at this time the contributions are increasing year by year, as the revenues of those States increase. Gradually the respective payments are leveling off, and we are approaching the point where the same amount will be received in all the States. Of course, the States only receive Federal funds in proportion to the amounts they themselves contribute.

Mr. BRIDGES. If we are not to increase the deficit, where would the Senator from Arizona suggest that we obtain the $240,000,000 which would be needed if the amendment were agreed to?

Mr. McFARLAND. Of course, the $240,000,000 could be obtained from one place or another, but we cannot earmark money saved from a cut and say that the amount thus saved will be used for any particular purpose.

I concede that we should save every dollar we possibly can save. I myself would not be in favor of increasing the amount of these payments if these needy people were receiving enough for a livelihood. Today their condition is pathetic. I think we can well afford to make a reduction of $240,000,000 in the appropriations for almost any other Government activity, in order to be able to take care of the aged and the blind, the disabled and the dependent children. In terms of national defense activities or any other activities on the part of the Federal Government, I believe that taking care of the aged, the blind, the disabled, and the dependent children is one of the most important things for a democracy to do. If a democracy does not take care of its needy, it does not set a good example of what a democracy should do for its people.

So I say to my good friend, the distinguished minority leader, that I believe it would be well for us to obtain the necessary amount by making a reduction in almost any other appropriation, if necessary, in order to provide this amount of money for these needy people.

Mr. BRIDGES. First of all, Mr. President, I do not wish the Senator from Arizona to fall into error in any way. I remind him that we do not live in a democracy; we live in a republic. Sometimes the distinguished majority leader, as the leader in the Senate for the Democratic Party, rather confuses those words. I wish to remind him that we live in a republic.

In the second place, I agree completely as to the worthiness and desirability of caring adequately for our elderly people and those in the category he mentions. No other subject has a greater appeal to our hearts. I wish to see those people cared for.

On the other hand, I am disturbed about the way the Federal Government is spending money; I am disturbed about the failure to obtain votes for economy on the floor of the Senate; I am disturbed about the way increased appropriations have been voted, and I am disturbed about the high rate of taxes and the terrifically large deficit.

I wish to have all of us realize very clearly what we are going into when we vote for additional appropriations.

I agree with the Senator from Arizona about the desirability of achieving the goal which he wishes to have us achieve.

Mr. McFARLAND. I thank the distinguished Senator from New Hampshire.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. McFARLAND. I am happy to yield to the Senator from Washington.

Mr. CAIN. I have found the argument of the majority leader to be both persuasive and appealing. He has said that, as a matter of duty, we must take care of our aged. My question is, how can we properly take care of the aged in America through our social-security system, when more than 50 percent of all the men and women in this Nation, over 65 years of age, are benefiting today neither from old-age assistance nor from old-age survivors' insurance? What, I may ask the majority leader, are we intending to do about the 6,000,000 aged Americans who today receive no assistance from any source?

Mr. McFARLAND. I should like to point out to the able junior Senator from Washington that, during the past two years, Congress has enacted legislation which has considerably broadened the scope of the old-age and survivors' insurance program. Of the 6,000,000 persons he mentions, I am sure that many are those who neither want nor need social-security aid. Naturally, it is our desire that the contributory system take care of all our needy aged, but, since there are so many thousands of old people who were not making social security payments during their productive years, we have created the public-assistance program.

Mr. CAIN. By his response, the distinguished Senator from Arizona gives evidence of strong sympathy for the needs of all the aged persons in America. He seems clearly to indicate that he is conscious of the fact that the social-security system we now have is not designed ever to cover all the aged persons within the United States.

Mr. McFARLAND. I presume the Senator is correct. It does not cover them.

Mr. CAIN. And it will not cover them. Is that correct?

Mr. McFARLAND. We shall have to determine that.

Mr. President, may I have a vote on my amendment, as I must leave the floor? We might have a unanimous-consent agreement that any Senator who wants to offer an amendment may do so later on. I should like to leave the floor in response to an emergency telephone call, provided I could have this amendment voted on and adopted; following which, any Senator who desires may offer an amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arizona [Mr. McFARLAND].

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

Mr. McFARLAND. Mr. President, I first ask unanimous consent that any Senator who cares to amend my amendment may do so, after it has been adopted, if it is adopted. I do that in order that Senators may not be precluded from proposing amendments to the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. KNOWLAND. Mr. President, I presume the Senator means that any Senator may offer an amendment to the amendment, without being precluded therefrom.

Mr. McFARLAND. That is correct.

Mr. KNOWLAND. The Senator does not mean that any Senator may amend it.

Mr. LEHMAN. Does the Senator from Arizona mean that any Senator who desires to do so may offer an amendment to the amendment now proposed by the Senator from Arizona?

Mr. McFARLAND. Yes, and it could be acted upon the same as though it were offered now.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Arizona? The Chair hears none, and it is so ordered.

The question is on the amendment of the Senator from Arizona [Mr. McFARLAND]. [Putting the question.] The Chair is in doubt, and will request a division.

On a division, the amendment was agreed to.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from New York.

Mr. LEHMAN. A little later on, I shall propose an amendment to the amendment of the Senator from Arizona [Mr. McFARLAND]. In the meantime, I merely wish to congratulate the distinguished chairman of the committee upon his report, and upon the work that has been done. I think this is a very fine step forward. I have a statement prepared in regard to the report of the committee and the proposed amendments. I do not wish to take up the time of the Senate unnecessarily, and I

therefore ask unanimous consent to have my statement, with supporting papers, printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the statement and supporting papers were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR LEHMAN

I rise in support of H. R. 7800, the Social Security Act amendments of 1952. The provisions of the bill increasing the Federal old-age and survivors insurance benefits are practically the same as the provisions of the bill (S. 1983) that the distinguished junior Senator from Minnesota [Mr. HUMPHREY] and I sponsored a year ago. The benefit increases were badly needed by the beneficiaries last year; the need is even more desperate now.

I am also glad to say that H. R. 7800 embodies also two provisions of the omnibus social-security bill (S. 2705) which I introduced on February 21, 1952, in association with Senators MURRAY, MAGNUSON, and HUMPHREY, and which was introduced simultaneously in the House by Representatives DINGELL, ROOSEVELT, and others. These two provisions, which I am glad to note are included in H. R. 7800, are as follows:

1. Provision to grant employment credit for time spent in the military service of the United States.

2. Provision to liberalize the retirement test.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished senior Senator from Georgia [Mr. GEORGE] for seeing to it that the bill has reached the floor so soon after the passage of the bill by the House.

I strongly favor the provisions in the bill as reported out by the Committee on Finance. These provisions are as follows:

1. It would provide larger benefit payments than present law.

2. The bill would liberalize the amount of earnings from covered work a beneficiary could have and still receive his benefits.

3. Persons serving in the Armed Forces during the present emergency period would get old-age and survivors insurance wage credits.

4. The bill corrects a defect in the blind-assistance provisions of present law.

I am in complete agreement with the bill as reported by our Finance Committee. I am sorry, however, that the committee felt that there was insufficient time to take action on the provision in the House bill for preserving the retirement and survivorship rights of disabled people.

It seems to me that the need for what has been described as a "waiver of premium" is every bit as great under our program of old-age and survivors insurance as it is in private life insurance contracts. I have before me a letter which has come to me only recently and in which the writer complains as follows:

"I am going on 66 years of age. I got the first check for social security in March, and I find it * * * very hard to make it on $20 per month. Twenty per week would be more like it. I am a disabled person through accident in 1945 and I have not had any employment owing to disablement since. I would be pleased if I could get my monthly check raised so I may be able to buy the necessities of living; I need shoes and clothes badly. It seems every time the Nation has a strike, up goes the price of food. I ask you how can I get along on $20 a month. I have to have medicines.

"Please help me all you can and those who are in the same state as myself."

This letter is as timely as it is moving. The writer's benefit is a minimum one because he was disabled before he reached 65 and every day between his disablement and his reaching 65 reduced his retirement benefit to the point where only the minimum is payable. It could have been worse. His entire right to a retirement benefit could have been wiped out by the fact that he was disabled. But that is small consolation.

I have closely followed the debate on the floor of the House and in the newspapers about the merits of this provision and I have studied the reservations expressed in regard to it by the American Medical Association. At best, their opposition must be construed as arising out of a concern lest the administration of this provision by an agency of the Federal Government might in some way constitute an encroachment upon the prerogatives of their profession. I submit that these fears are groundless. There is no medical care involved in a waiver of premium provision. There is no circumstance that could arise where any doctor would be subject to any controls whatsoever.

There are a variety of programs already administered by the Federal Security Agency that involve close relationships with the medical profession. For instance, the Federal-State rehabilitation program, the administration of the Hospital Construction Act, and the administration of Federal grants for medical and allied research through the National Institute of Health. In these programs and in many others the Federal Government has been able to work out reasonable provisions, satisfactory to the representatives of the professions concerned. I urge the Committee on Finance to give early attention to this disability waiver provision so that the large group of people who stand to benefit from it can be spared further disappointment.

H. R. 7800 is a stopgap measure providing only a few of the necessary changes in the old-age and survivors insurance program. Much more than this is needed to provide a truly effective program of social insurance against the economic hazards of our industrial civilization. S. 2705, our omnibus bill, to which I have already referred, contains some further necessary steps toward the achievement of that result. I would like to mention a few of the most desirable provisions of that bill which I hope will become law next year and which must become law. Our omnibus social-security bill (S. 2705) would—

1. Extend the coverage of the insurance program:

2. Raise the wage base for taxes and insurance benefits from $3,600 to $6,000, to bring the program in line with changing wage levels and provide more adequate benefits for a large segment of our working population;

3. Raise insurance benefits for both present and future beneficiaries considerably above the levels of H. R. 7800;

4. Base the average monthly wage for figuring insurance benefits on the best 10 consecutive years of earnings, so that periods of low earnings will not cut down benefits;

5. Provide cash disability insurance benefits for people with long-term disabilities;

6. Provide cash sickness insurance benefits for shorter periods of illness.

I realize that these changes require study, and that they cannot be considered during the next 2 weeks.

However, the changes made by H. R. 7800 require no such prolonged consideration and debate. The pending bill should be enacted speedily, so that those on the benefit rolls can receive the additional income they so sorely need. I trust that in the near future we will be able to consider fully the broader and equally necessary improvements in the insurance program contained in S. 2705 that our Nation deserves and has a right to expect. I shall continue to urge consideration of the broad and comprehensive changes in the social-security program which are embodied in that omnibus bill.

SUMMARY OF PROVISIONS OF LEHMAN SOCIAL SECURITY BILL, S. 2705

A. EXTENSION OF COVERAGE

Coverage is provided under the program for the following groups not protected under existing law (unless otherwise indicated estimates are of employment in March 1952):

1. Farm operators (over 3,000,000) with annual net earnings from self-employment of at least $400.

2. Farm workers (about 500,000 in March 1952, nearly 2,800,000 during a year) who are paid at least $50 in cash by one employer for agricultural services performed in any calendar quarter.

3. Domestic workers (over 100,000) who are paid at least $50 in cash by one employer in a calendar quarter for domestic service in a private home of the employer.

4. Active members of the uniformed services (over 3,500,000) on a compulsory and contributory basis. Free wage credits of $160 a month are given for military or naval service between the end of World War II and the beginning date of permanent coverage.

5. Persons who are paid at least $50 in cash by one employer for service not in the course of the employer's trade or business, performed in any calendar quarter.

6. Employees in the field service of the Post Office Department and certain employees under State and local retirement systems, i. e., employees of higher educational institutions, employees in the State of Wisconsin, and employees of housing authorities (150,000).

7. Fishermen performing service on vessels of 10 net tons or less, (5,000 in March 1952, about 25,000 during a year) and citizens and resident aliens performing services on vessels or aircraft of foreign registry when they perform services for an American employer.

B. INCREASE IN BENEFITS

1. An increase, averaging 35 percent, over present benefit levels, subject to certain maximum provisions for present and future beneficiaries whose benefits are computed on the basis of earnings beginning with 1937.

2. For other future beneficiaries:

(a) The benefit formula will replace 50 percent of the first $120 of average monthly wage plus 15 percent of the next $380 rather than 50 percent of the first $100 and 15 percent of the next $200 as under present law.

(b) For individuals with 10 or more years of coverage, the benefit is based on the average monthly earnings in the highest 10 consecutive years of coverage after 1950 or after 1952, whichever is more favorable, rather than in all years as under present law. Where the individual has fewer than 10 years of coverage, his average monthly earnings will be computed essentially as under present law. Periods of disability are excluded from the computation.

(c) A regularity-of-service factor is applied to the average derived in (b), so that in the long run, a person in the system only some years after 1950 or 1952 will receive less than one with the same average who has been in every year since that time, unless the absence is caused by disability.

3. The minimum benefit for a retired or disabled worker is raised from $20 to $25.

4. The limit on total family benefits is raised from $150 to $200 subject to the proviso that, for surviving families and

families of old-age beneficiaries, they cannot exceed 80 percent of the worker's average monthly wage and for families of disabled workers they cannot exceed 70 percent of that average monthly wage. The lowest point to which either of these percentages can reduce family benefits is raised from $40 to $50.

5. The maximum annual amount of wages and self-employment income taxable under the program and creditable for figuring benefits, is $6,000 rather than the present $3,600. Tips paid to an employee by customers of his employer are counted as wages if they are reported in writing to the employer within 10 days of the end of the quarter in which they were received, if the report is accompanied by a remittance of the employee portion of the tax or if the employer can withhold same from funds in his possession belonging to the employee.

C. LONG-TERM DISABILITY BENEFITS AND REHABILITATION SERVICES

1. Monthly benefits are provided, after a 6-month waiting period for disabled insured workers and their dependents. Benefit amounts would be computed in the same manner as benefits for retired workers and their dependents.

2. To be eligible for disability benefits, the disabled worker—

(a) must have a disability which makes him unemployable and which has lasted for at least 6 months;

(b) must have engaged in covered work in at least half of the time in the last 10 years before onset of his disability and in half of the time in the last 3 years before his disability occurred.

3. Totally disabled children receiving or eligible to receive child's benefits would be eligible to receive such benefits after they attain age 18 provided they continue to be totally disabled.

4. Rehabilitation services are provided for totally disabled workers entitled to old-age or disability insurance benefits or serving a waiting period for disability benefits and for totally disabled children entitled to child's benefits as a disabled child, provided they are potentially employable.

5. Existing rehabilitation facilities of the various States would be used to give rehabilitation services and the cost of the services would be paid from the trust fund.

D. CASH SICKNESS BENEFITS

1. Cash sickness benefits are provided for temporarily incapacitated insured workers other than the self-employed, Federal civilian employees, and members of the Armed Forces. (Federal civilian employees and members of the Armed Forces normally do not suffer loss of income for temporary periods of illness.)

2. Benefit amounts and eligibility are related to earnings in covered occupations.

E. FINANCING THE PROPOSED BILL

1. To finance the benefits in the bill, the tax rates for employees, other than those of the Federal Government, and for their employers are scheduled as follows:

	Percent each
1953 and 1954	2
1955 and 1956	2½
1957 and 1958	3
1959 and 1960	3½
1961 and thereafter	4

2. Because Federal civilian employees and members of the armed services are not eligible for cash sickness benefits, the rate of tax for them and for their employers, is less than the amounts shown in the tax schedule for other employees. Their rates are:

	Percent each
1953 and 1954	1½
1955 and 1956	2
1957 and 1958	2½
1959 and 1960	3
1961 and thereafter	3½

3. The rates for the self-employed (who are also excluded from cash sickness benefits) are one and a half times the rate for Federal employees and members of the Armed Forces:

	Percent each
1953 and 1954	2¼
1955 and 1956	3
1957 and 1958	3–3½
1959 and 1960	4½
1961 and thereafter	5¼

4. Authorization is added for appropriations from general funds for benefits for World War II veterans which are not financed from contributions.

5. During periods when the Armed Forces are large, the President may direct that no contributions be paid by servicemen for service performed in designated areas or in designated pay grades. Under these conditions, the servicemen's contributions would be paid by the Government.

Examples of benefits under benefit formula contained in bill for persons whose benefits are based on wages and self-employment income beginning with either 1951 or 1953.

Average monthly wage	Old-age benefits under present law [1]	Old-age benefits under bill after— 10 years of coverage	20 years of coverage	30 years of coverage	40 years of coverage
$50	$25.00	$27.50	$30.00	$32.50	$35.00
$100	50.00	55.00	60.00	65.00	70.00
$150	57.50	71.00	77.40	83.90	90.30
$200	65.00	79.20	86.40	93.60	100.80
$250	72.50	87.50	95.40	103.40	111.30
$300	80.00	95.70	104.40	113.10	121.80
$350 [2]	80.00	104.00	113.40	122.90	132.30
$400 [2]	80.00	112.20	122.40	132.60	142.80
$450 [2]	80.00	120.50	137.40	142.40	153.30
$500 [2]	80.00	128.70	140.40	152.10	163.80

[1] The amount does not change on account of additional years of covered employment.

[2] The average monthly wage cannot exceed $300 under present law.

Examples of benefits under conversion table in bill, for persons whose benefits are based on all wages and self-employment income beginning with 1947:

Old-age benefit under present law:	Old-age benefit under this bill
$20.00	$25.00
$30.00	39.00
$40.00	52.30
$50.00	71.00
$60.00	84.70
$68.50	94.00

Mr. GEORGE. Mr. President, I ask for the regular order, and that the bill be read for committee amendments.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. Beginning at the top of page 9, it is proposed to strike out:

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;"

(3) Section 213 (a) (2) (B) (iii) of such act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage."

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) 40 quarters of coverage

not counting as an elapsed quarter for purpose of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: "not counting as part of such 13 quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of 22 which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in sec. 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 215 (b) (4) of such act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; ex-

cept that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; period of disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the 1-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

A period of disability shall end on the day on which the disability ceases. No application for a disability determination which is filed more than 3 months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraph (2) (C) and (4) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213 (a) (2) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(e) Title II of the Social Security Act is amended by adding after section 219 the following new section:

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsection (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

The amendment was agreed to:

The next amendment was, on page 15, line 23, to change the section number from "4" to "3"; on page 16, line 2, after the word "thereof", to strike out "$70" and insert "$100"; in line 5, after the word "thereof", to strike out "$70" and insert "$100"; in line 8, after the word "thereof", to strike out "$70" and insert "$100"; in line 11, after the word "thereof", to strike out "$70" and insert "$100"; on page 17, line 5, to change the section number from "5" to "4"; in line 14, after the word "paragraph", to strike out "(5)" and insert "(4)"; on page 19, after line 23, to strike out:

(4) There are hereby authorized to be appropriated to the trust fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

The amendment was agreed to.

The next amendment was on page 20, at the beginning of line 8, to strike out "(5)" and insert "(4)"; on page 21, line 25, after "217 (e)", to strike out "(5)" and insert "(4)"; on page 24, after line 2, to strike out:

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)," and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if

"(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the 2-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire-fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January

1, 1953" and inserting in lieu thereof "January 1, 1955."

Mr. SPARKMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Alabama?

Mr. GEORGE. I shall be glad to yield. Has the Senator from Alabama an amendment to offer?

Mr. SPARKMAN. Mr. President, I think I am entitled to the floor in my own right, with reference to this amendment.

The PRESIDING OFFICER. The Senator from Alabama is entitled to recognition.

Mr. SPARKMAN. However, I hope to be able to ask the distinguished Senator from Georgia certain questions.

Mr. GEORGE. I shall be glad to yield to the Senator for that purpose.

Mr. SPARKMAN. In order to get the matter before the Senate, I propose an amendment, which is a perfecting amendment to the House language, on page 26, line 21, to strike—

Or any elementary or secondary school teacher's position; or

(B) Any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire-fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

Mr. WILEY. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. WILEY. Do I correctly understand the situation to be that at present we are considering whether section 6 shall be stricken?

Mr. SPARKMAN. That is correct; but I have offered a perfecting amendment, namely, to strike certain words in the House language which would allow elementary and secondary school teachers to be covered. Those words are to be found on page 26, lines 21 and 22, and on page 27, line 4 through line 8. If the language of the House provision is stricken out, it would permit elementary and secondary school teachers to be included under social security. If my amendment is agreed to, my hope would be that the Senate would disagree to the Senate amendment which, in effect, would bring in State and local employees, including teachers, but excluding policemen and firemen.

Mr. WILEY. I am sorry there was so much noise in the Chamber that apparently I did not fully understand the distinguished Senator. As the distinguished chairman in charge of the bill intimated his position in relation to this matter, I would suggest a secondary amendment, because I understand the Senator from Georgia wants to strike section 6. On that point I should like to be heard, and I should like to understand the position of the Senator from Georgia.

Mr. GEORGE. I made my position clear, I thought. It is that the Senate Finance Committee recommended striking the whole section, because we expect to make a study of the entire question not later than January, in which we will deal with the problem as a whole. We cannot do it if the bill is passed with section 3 and section 6 in it, because a question of good faith is involved. We have had applications from a large number of persons who want to be heard, and we have assured them that if these sections were retained in the bill we would ask that the bill go back to the committee. I have tried to explain the situation to the Senate and tried to assure the Senate that in January we shall be able to deal with this particular problem in a comprehensive way.

As to the question which troubles the Senator from Wisconsin, the committee would have no objection to the Wisconsin system coming in because prior to the passage of the Social Security Act the Wisconsin law contemplated and anticipated the setting up of an old-age and survivors' insurance system. That can be cared for in January.

I ask Senators to contemplate the situation. Here is a bill which gives great benefits to the aged and other beneficiaries under the old-age and survivors' insurance system. The Senator from Arizona has just amended it by providing for an additional sum to be paid out of the general treasury to the blind, the disabled, and dependent children. We have done many good things in this bill, but we simply find ourselves in the position of working under great pressure. The House did not send us this bill until a very few days ago, so we have done the very best we could to bring the bill before the Senate. We have given assurance to the Senate that if the House did not care to send us another bill containing these two sections, so that we can deal with the entire problem after hearings, we would do so ourselves not later than January.

I can say to the Senator that the committee will not offer any objection to permitting the State of Wisconsin to bring its system under the Federal system, because that has been anticipated. There is a provision in the section which would——

Mr. WILEY. In what section?

Mr. GEORGE. I believe it is in section 6.

Mr. WILEY. I should like to say that I am very happy the Senator from Georgia gives us this assurance, inasmuch as my people back home are very much concerned because heretofore, apparently, there has been some misunderstanding of our position. Wisconsin led in this matter. I want to make my position clear that section 6 should remain, but, after the assurance of such a distinguished statesman as the Senator from Georgia that he will hold hearings in January and that he and his committee feel favorable to the position which we have maintained for some time, I shall not insist upon it.

I again thank the Senator from Alabama and the Senator from Georgia for their courtesy in the matter,

AMENDMENT OF TITLE II OF THE SOCIAL SECURITY ACT

The Senate resumed the consideration of the bill (H. R. 7800) to amend title II of the Social Security Act, and for other purposes.

Mr. SPARKMAN. I do not expect to take long, but I desire Senators present to understand the point I hope to make.

First let me say that I propose the amendment at the present time with a great deal of reluctance, because I have a very high regard for the able chairman of the Committee on Finance, the distinguished Senator from Georgia, and also for every member of his committee. I wish to join with others in paying a compliment to the chairman and members of the Committee on Finance for having done an excellent job in reporting the bill.

Furthermore, I am pleased with the assurances the able chairman has given to us and his expression of sympathetic understanding of what was sought to be done in section 6.

The reason why I felt the amendment should be presented at this time was that the matter is not new with the Senate. I believe in connection with the reporting of H. R. 6000 on March 29, 1950, the matter received some consideration. That bill contained a provision relating to the bringing of State and local employees under the social-security plan. On previous occasions the House has reported a similar plan. Now the House sends to the Senate a bill with the provision included. In other words, both the House and the Senate have already acted on such a measure. The only question is whether the Senate at this time will go along with the House in the pending bill, and include State and local employees.

Mr. President, I am in complete sympathy with what the Senator from Georgia is trying to do. He is trying to have as much of the bill acted on as possible, the provisions which he considers noncontroversial, and which stand a good chance of passage before the adjournment of Congress. Of course, I am in complete sympathy with that proposal.

I should like to have the able Senator from Georgia listen to my statement and correct me if I am wrong; in fact, I wish to ask him a few questions regarding it.

I have felt that the controversy on the question of State and local employees has been narrowed to a very limited field. As originally proposed, I believe it was to include all State and local employees. However, policemen and firemen objected, and many school teachers, though not all of them, objected. Therefore, when the House wrote the proposed legislation this time, it excepted three groups—firemen, policemen, and elementary and secondary school teachers.

I do not know how school teachers everywhere feel about the bill, but I believe that in my State school teachers are almost unanimous in their desire to be covered under social security. As I understand, the school teachers' national organization has not taken a stand on the question, though many in the organization have expressed opposition to being covered. It is also my understanding that the organization, the NEA, will hold a meeting beginning on June 29. I am not sure whether it is to be a convention of the whole organization, or a meeting of the executive committee. At any rate, a body having jurisdiction to make a decision in the matter will hold a meeting starting on June 29, the first of next week. I think it most likely that early in the sessions of that meeting a resolution relating to this matter will be adopted.

Mr. President, I hope that the chairman of the committee will agree to the first amendment I offer, to strike the language only to the extent of at least putting the provision with respect to teachers in conference; and in the event official action is taken which he feels would be sufficient to enable him to agree to including teachers, I would hope that at least the parliamentary situation would be such as to enable us to present the matter. The amendment does nothing except simply to put the matter in conference.

Mr. MILLIKIN. Mr. President, will the Senator yield, so that I may address a question to the distinguished chairman of the committee?

Mr. SPARKMAN. I yield, provided I retain my right to the floor.

Mr. MILLIKIN. Whether rightly or wrongly, but certainly in the belief that we were serving the general interest, the Senate Finance Committee told a large number of people that before any kind of action would be taken, they would be accorded hearings. If we are now to depend upon a resolution which a conference might or might not agree to, we would not be keeping our word with the people to whom it has been given that we would not take action on the section until they had a hearing. Is not that correct?

Mr. GEORGE. That is correct. It is a matter of good faith on the part of the committee. I have frankly stated we would be obliged to grant hearings on section 6 and on section 3, if they were taken out of the bill.

I may say to the Senator from Alabama that by striking section 6, every part of it, including the Wisconsin amendment, will be in conference anyway. The matter will be open in conference.

Mr. SPARKMAN. I may say to the chairman——

Mr. GEORGE. The Senator does not let me finish my statement.

Mr. SPARKMAN. I wish to bring up a point there.

Mr. GEORGE. There is no point there, because the subject will be in conference. Since the House excluded school teachers, the Senate conferees, in the event it becomes necessary to compromise, will be prepared with an amendment.

I frankly say to the Senator, that that is one of the real reasons why I would not want to accept section 6 as the House has framed it, because there is very little sense in excluding school teachers. Some of them are covered by good systems, and do not wish to come under the Federal system. They are highly organized. Other teachers are covered by very poor systems, and would like to come under a Federal system. So the Senator would be protected if the committee felt that, as a matter of harmony, we could accept section 6 without giving the witnesses who were interested an opportunity to be heard.

There are many collateral issues involved, which pertain to organizations other than teachers, firemen, and policemen. There are very many collateral issues, and it is highly important to make a very careful study of section 6. The House acted upon it and put it in the bill, whereas a few months ago it opposed it. At any rate, it is in the bill, and it will be in conference, in such a way that if we agree to it, I, as a member of the conference, certainly would want to accept it only with an amendment. But I could not do it as a matter of honor, as the distinguished Senator from Colorado [Mr. MILLIKIN] has suggested. It is a matter of good faith. I do not know how many witnesses I told that if these two sections were out, before we agreed to take them back, even though the bill passed and the Senate put them back and we were forced into conference, we would certainly give them an opportunity to be heard. As a mere matter of good faith, we cannot accept any compromise with respect to section 6, although there are some things in section 6 to which I would not object, and some thing which I favor. The Wisconsin system is involved in it, and I have assured the Senator from Wisconsin [Mr. WILEY] that in January we shall find some way of taking care of the Wisconsin situation.

I know of the very deep interest of the Senator from Alabama [Mr. SPARKMAN] in this subject. I assure him that we can do something in January. I do not think the House has exclusive jurisdiction over the Social Security Act. If a bill does not propose to raise taxes we have original jurisdiction along with the

House. In good faith we shall be glad to consider the question in January. I am anxious to examine the whole of section 6. Personally I agree with the Senator from Alabama that teachers should have the optional right, without being compelled to do so, to come under the Federal Social Security System, even though there are retirement systems in their respective States. I do not want to force any of the associations to come under the act, but I should be glad to see a great many teachers who do not have the advantage of anything like an adequate retirement system have the optional right to come in under the Federal system. That is what the Senator from Alabama really wants.

I again assure the Senator that there are a great many collateral issues and questions involved, when the States and the municipalities within the States, and school districts within counties, are holding elections and providing for formulating a decision as to whether they want to come under the act. There are many collateral isues on which we are obliged to give people an opportunity to be heard. Not all of them relate to teachers, by any means, or to associations.

I wish the Senator would allow us to complete action on the bill, because of the great benefits it provides. It is a great step forward. We have amended the formula, for example. On the first $100 earned by the wage earner he now will receive credit of 55 percent, whereas under the old law he received only 50 percent. That is only one illustration. There are many other beneficial provisions in the bill. I hope that we can complete action on it and go to conference with the House, in the hope of reaching an agreement.

Mr. SPARKMAN. Mr. President, let me assure the distinguished Chairman of the committee that I would not be a party to any action which would hold up completion of this proposed legislation, because I know its importance. I know that the provision for which I am arguing is only one of many important provisions which I feel ought to be acted upon.

I say again that the able Senator from Georgia and his committee are all entitled to our gratitude for the speed with which they worked in getting this legislation to the calendar in order that we might complete action on it at this session of the Congress.

Mr. President, I agree with the statement the Senator from Georgia has made with reference to this type of legislation. My understanding is that there is nothing in section 6 which requires anyone to come under it. It is optional. There is one thought which I should like to bring out, and I should like to have the comment of the Senator from Georgia on it.

This proposed legislation itself is not self-enforcing. In other words, it is permissive so far as the States are concerned. It is in the nature of an enabling act. The States themselves must take action before State employees come under the act. The thought occurs to me that many States will have to take action in their State legislatures before they come under the act. Most of our State legislatures will be in session next January, I believe.

Mr. GEORGE. Mr. President, let me say to the Senator that, anticipating exactly that situation, a bill has already passed both the House and Senate and has gone to the President, who, I am sure, will sign it. That bill gives to the States an additional year in which to make their arrangements with the social security officials to take care of that very situation.

Mr. SPARKMAN. I recall that bill; but would it take care of the provisions in section 6 if section 6 should later be enacted into law?

Mr. GEORGE. Oh, yes.

Mr. SPARKMAN. In other words, that would cover any provsion already in the law, or any provision which might be enacted into law?

Mr. GEORGE. Oh, yes.

Mr. SPARKMAN. Mr. President, I feel that this is highly desirable legislation. As I said previously, both the House and Senate have expressed themselves as to the desirability of this type of legislation. We have had assurance from the able chairman of the committee that his committee will start hearings in January, or certainly very early in the next session of Congress, looking toward perfecting this type of legislation.

He has also told us in a very clear way, I think, of the pledge that he, representing the committee, has made to various witnesses that they would be given an opportunity to be heard on this question. Of course, I would not want to be put in the position of trying to force a situation in which anyone might feel that that pledge had been violated.

I wish very much that we could have this proposed legislation enacted at this time. It is not going to hurt anything to wait 6 months. I feel that we have just about as clear an assurance as we can have that action will be taken, and will be taken speedily, upon the convening of the new Congress. I am certainly willing to abide by the assurances which have been given to us by the able chairman of the committee. Because of such assurances, I will not press my amendment.

Mr. GEORGE. Mr. President, I sincerely thank the Senator from Alabama. I am sure that his great interest has controlled him in this matter. He has shown a very fine spirit.

The PRESIDING OFFICER. Does the Senator from Alabama withdraw his amendment?

Mr. SPARKMAN. I withdraw my amendment.

Mr. SPARKMAN subsequently said: Mr. President, today I made certain remarks regarding an amendment to House bill 7800. Some time ago I introduced Senate bill 2957, which had for its purpose the very thing that the amendment which I suggested today proposes. I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks on that bill today, a letter from the clerk of the Senate Finance Committee, transmitting a copy of a letter written by John L. Thurston, Acting Administrator of the Federal Security Agency, to the Senator from Georgia [Mr. GEORGE], chairman of the Finance Committee, under date of June 16, 1952, regarding Senate bill 2957, the substance of which, as I stated, was the same as the substance of the amendment which I proposed today.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
June 17, 1952.

The Honorable JOHN J. SPARKMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR SPARKMAN: I am enclosing for your information copy of a report from the Federal Security Agency relative to your bill, S. 2957, to amend the Social Security Act so as to prescribe circumstances under which the Federal old age and survivors' insurance system may be extended to State and local employees who are covered by retirement systems.

Sincerely yours,

ELIZABETH SPRINGER,
Clerk.

FEDERAL SECURITY AGENCY,
Washington, June 16, 1952.

Hon. WALTER F. GEORGE,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in response to your request of April 4, 1952, for a report on S. 2957, a bill "to amend the Social Security Act so as to prescribe circumstances under which the Federal old-age and survivors insurance system may be extended to State and local employees who are covered by retirement systems."

The objective of S. 2957 is to permit old-age and survivors insurance coverage of State and local Government employees who are in positions covered by State or local retirement systems without the necessity of abolishing these systems. The Federal Security Agency believes that this objective is highly desirable. Under present law, as the committee will recall, an employee in a position which is covered by a retirement system on the date when the coverage group to which he belongs is brought into the old-age and survivors' insurance program cannot be covered by that program. This provision was included at the request of representatives of State and local retirement systems in order to protect those systems, but it has actually had the opposite effect since the only way such employees can be covered by old-age and survivors insurance is by abolishing the systems. Several systems have in fact been abolished because of this provision. In one case a new system has been established, after the date of old-age and survivors insurance coverage, to supplement the protection provided by old-age and survivors insurance. Old-age and survivors insurance coverage of retirement systems is therefore not an impossibility under present law, but the process of abolishing a system and establishing a new system where one is desired is a complicated, difficult, expensive procedure, the result of which may be uncertain and which may cause considerable uneasiness and anxiety among the employees affected.

Under S. 2957 this procedure would be unnecessary; members of retirement systems could be brought into old-age and survivors insurance and any necessary adjustments could be made in the systems in a much more simple and direct way than is

possible when the system must be abolished and a new one set up. Moreover the bill contains provisions to safeguard the interest of those employees who prefer not to have old-age and survivors insurance protection and a supplementary system, but rather to remain in their present status. Under these provisions, members of a retirement system could be brought under old-age and survivors insurance only if (1) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of the retirement system with old-age and survivors insurance (we believe this would apply only to the Wisconsin system, or (2) if the Governor of the State certifies that a majority of the members of the system voted in favor of coverage in a written referendum and that certain conditions, designed to assure an expression of the true opinion of the group, were met regarding the referendum.

The bill would also allow two additional years for enacting enabling legislation and making the necessary arrangements for covering retirement system members without depriving the members of the opportunity of making coverage retroactive to January 1, 1951. This provision is necessary to enable these members to obtain full protection under old-age and survivors insurance.

We have one suggestion regarding the detailed provisions of the bill. Under the bill all of the members of a retirement system would constitute a single coverage group even though employed by different political subdivisions. Since the law requires that all members of a coverage group be covered if any are covered, this would mean that, in general, all members of a retirement system would have to be covered if any were to be covered.

As mentioned in our report on S. 2650, such a provision would create serious administrative and legal problems for the State where the members of a retirement system are employees of a number of political subdivisions. Unless all of the political subdivisions were willing to cover those among their employees who are under the retirement system, the State would have to impose its will on the political subdivisions in order to secure coverage, obtain necessary reports and collect contributions. In some cases the State might not have the authority to require uniform action of the political subdivisons. In any case, the State would have to maintain controls to assure that all members of the system were covered.

We recommend that the language of the bill be amended so that those members of a retirement system who are employed by a single governmental unit could, at the option of the State, constitute a separate group for purposes of the referendum and subsequent coverage. This alternative would involve fewer problems for the States, and although it would permit partial coverage of a retirement system, it would not result in weakening the system, since the system could be adjusted to take the partial coverage into account. Moreover, the fact that the separate treatment was made optional with the State would mean that, where feasible, the retirement system could be treated as a single group for purposes of coverage.

We strongly urge that the bill, modified as suggested above, be enacted by the Congress. We shall be glad to furnish advice or assistance in drafting any changes the committee desires to make in the bill.

We are advised as follows by the Bureau of the Budget:

"The President has stated, on numerous occasions, the objective of making old-age and survivors insurance a basic protection for all employed groups, with special pension plans supplementing this basic protection. The proposal to permit all employees of State and local governments to obtain old-age and survivors' insurance coverage, whether or not they are covered under an existing pension system, is a move toward this objective. Its enactment would therefore be in accord with the program of the President."

Sincerely yours,

JOHN L. THURSTON,
Acting Administrator.

Mr. WILEY. Mr. President, I have prepared a statement showing why I favor the retention of section 6. As I have said, Wisconsin is very much interested in having such a statute. If this were to become law it would not be necessary to have the amendment which I have prepared, and which I shall submit, but shall not press because of the wonderful assurance which has been given by the Senator from Georgia. However, I ask that the statement which I have prepared, showing why I favor the retention of section 6, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I submit the following statement on behalf of the amendment offered by the junior Senator from Alabama [Mr. SPARKMAN] and in favor of retaining section 6.

The purpose of the amendment is to remove the present bar to coverage of certain employees under State and local retirement systems.

PRIVATE WORKERS GET SUPPLEMENTARY COVERAGE BUT NOT PUBLIC WORKERS

When we passed the 1950 amendment to the Social Security Act, we unfortunately prohibited coverage under the Federal system to State and local retirement systems.

As a result, several of those State and local retirement systems are being liquidated, according to report No. 1944 of the House Ways and Means Committee, p. 8. This situation, Mr. President, seems to be very unfair. Over 10,000,000 workers in private industry are covered under 14,000 private retirement plans. In addition, they are entitled to supplementary Federal coverage. Why should not public workers be similarly entitled to supplementary Federal coverage?

PRESENT PLANS PROVIDE ONLY PITTANCE

I have in my hand a telegram received from Mr. Arnold Zander, president of the American Federation of State and County and Municipal Employees.

Mr. Zander points out that, if section 6 is not added back on the bill, the retirement rights of some 2,500,000 employees will be jeopardized.

I see no justification for harming these faithful public workers. A full one-fourth of all of these State and local public workers are now drawing only $22 per month or less retirement pay, Mr. Zander points out.

How one can keep body and soul together on $5.50 per week is beyond me. Why should the Federal Government deny these workers opportunity to receive Federal coverage and a few additional dollars per month? All that section 6 does is to provide for a referendum under which workers could come under Federal coverage, if they so choose. That is a fair, democratic procedure.

GROUPS OPPOSING COVERAGE ARE NOT INCLUDED

Section 6 specifically excludes policemen, firemen, and elementary and secondary school teachers, who apparently do not want to come under supplementary Federal coverage.

This is their American right. I do not quarrel with them in the slightest. Coming from a family of teachers, myself, I know the problems of teachers, and I am deeply sympathetic with them.

However, I do not believe that any group which may not—for its own reasons—want to be included under the Federal social-security system should deny that right to others.

As a matter of fact, I cannot understand how any group can justifiably take the position that because it does not want Federal coverage, it will raise so much of a question as to prevent other groups which do want coverage from being allowed the right to exercise their voluntary option.

I have no quarrel with any group of State or municipal workers who do not want to be included. But I do not think that any group should interfere with the right of other groups to come under the Federal system.

I say that with frankness, candor, and with nothing but friendship for any group involved.

SECTION 6'S SO-CALLED CONTROVERSY HAS BEEN MINIMIZED

I note that the senior Senator from Georgia [Mr. GEORGE] states that:

(a) Section 6 of H. R. 7800 could not be considered in his committee in view of the fact it was controversial, and

(b) that he felt that rather than lose the entire bill, because of the relatively short time remaining in this session, it would be preferable to drop section 6, but would be considered fully in January 1953 by the committee.

I can appreciate the desire to make sure that some version of social security legislation passes. I, too, want the over-all bill with aid to the aged, the blind, dependent children, etc., passed.

I know from long experience that compromises must now and then be made, and controversies must relatively be avoided in the closing hours of the session.

Nevertheless, I cannot help but feel that in the case of a voluntary, optional matter where no single group is going to be forced to do anything it doesn't want to do, that in the case of such a situation, section 6 could well have been retained.

It seems to me that the controversy has been sucessfully reduced to the absolute minimum, and that with a relatively short review, the various groups could have been heard and a more affirmative decision taken on retaining section 6. Why should 2,500,000 public workers who do want Federal coverage be left out in the cold?

WISCONSIN TAKEN CARE OF IN SECTION 6

I want to point out that section 6 provides the answer to the needs of Wisconsin public workers (by pages 24 and 25, lines 19-25 and 1-3), of H. R. 7800 (House version). These lines provide that for workers under coverage under a State retirement system on January 1, 1951, and in which there is agreement between Federal and State governments for coverage, no referendum for coverage is necessary.

This provision is uniquely applicable to the State of Wisconsin, because we, alone, provided for Federal-State integration not just in 1950, but as far back as 1943 in our basic law.

IF SECTION 6 PASSES, SEPARATE WISCONSIN PROVISION NOT NECESSARY

I earnestly trust that the Senate will accept section 6 as a whole. If, however, it does not do so, it will be necessary for me to offer the Wisconsin provision as a separate amendment to the bill.

I will do so in order to strengthen our position and to increase the likelihood of the Wisconsin provision being included in the ultimate conference committee version.

WISCONSIN FEARS CONFERENCE COMMITTEE WILL REJECT HOUSE'S VERSION PROVIDING FOR SECTION 6

The people under the Wisconsin system are concerned that if section 6 is not now restored, the Senate conferees will not accept the House version, containing section 6.

My people are concerned that, for the same reason that the Senate Finance Committee dropped section 6, namely, a fear of controversy—that for that same reason—the Senate conferees will not accept section 6 in conference.

Now, let me state that I have the highest personal regard for the distinguished chairman of the Senate Finance Committee, Mr. GEORGE, and for the ranking members who will accompany him to the conference committee. I know of no Members of this body more earnest, more conscientious, more hard working than these men.

But I have a responsibility to my own people—a responsibility to try to increase the possibility of their being assured justice. I feel that this can be done by restoring to the Senate version—

(a) Section 6 as a whole, or

(b) The Wisconsin provision separately.

And so, I want to discharge my responsibility to my people.

I include herewith, therefore, Mr. Zander's telegram to be printed in the body of the RECORD at this point.

I earnestly entreat my colleagues to vote for section 6 and in that way guarantee that the final version of H. R. 7800 will contain it, in view of the fact that it is already contained in the House version.

MADISON, WIS., *June 23, 1952.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

There are approximately 3,600,000 State, county, and municipal employees; 900,000 of these are elementary and secondary school teachers, and 200,000 are police officers and firemen. The action of the Senate Finance Committee in striking section 6 from H. R. 7800 deprives the remaining 2,500,000 employees of their rights as citizens with the consent of their employing officers to acquire benefits of OASI to supplement local systems or to use in place of local systems. According to survey made by this union within 2 years 25 percent of all retirants in these State and local systems were drawing $22 per month or less and more than half of all persons on retirement from these State and local systems were drawing less than $50 per month. In behalf of these 2,500,000 State and local employees we plead with you and other United States Senators to reincorporate section 6.

ARNOLD S. ZANDER,
International President,
GORDON W. CHAPMAN,
International Secretary-Treasurer,
American Federation of State, County, and Municipal Employees.

Mr. WILEY. Mr. President, in order to make the RECORD complete I desire to submit my amendment at this time for printing in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

In lieu of the matter proposed to be stricken cut by the committee amendment beginning on page 24, line 3, insert the following:

"COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

"SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out 'Exclusion of' in the heading, by inserting '(1)' after '(d)', and by adding at the end thereof the following new paragraphs:

"'(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (excluding positions specified in paragraph (3)) if there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title.

"'(3) Nothing in the preceding paragraph of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"'(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"'(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies, or departments.'

For the purpose of this paragraph, any individual in the education system of the State of any political subdivision thereof supervising elementary or secondary instruction in such system or in any elementary or secondard school therein shall be deemed to be an elementary or secondary school teacher."

Mr. WILEY. On the assumption that section 6 will go out in conference, Wisconsin takes the position that my amendment then would be necessary. I offer it for the RECORD in order that next January we may be in a position to present the question to the committee of which the Senator from Georgia [Mr. GEORGE] is chairman.

Mr. President, I also offer at this time a statement which I have prepared. It explains the amendment and gives the reasons therefor.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

I am offering now an amendment to H. R. 7800, the purpose of which is to validate the bringing in under the Federal old-age and survivors insurance system of those Wisconsin employees who were covered under the State retirement fund prior to the passage of the Social Security Act of 1951.

This is a unique amendment, uniquely affecting but one State—my own.

It does not include Wisconsin policemen, firemen, or elementary or secondary teachers.

The amendment merely authorizes a State which had the foresight to plan for integration of the Federal and State systems to achieve such integration.

Last Saturday, on page 7772 of the RECORD, I presented the case for this particular amendment.

I pointed out how way back on June 19, 1950, I had offered the amendment on the Senate floor but unfortunately the amendment was rejected.

I stated that Wisconsin, in preparing its basic retirement law in 1943, had with foresight and genuine interest in the workers, arranged for them to be covered under the Federal system, once the Federal Government permitted such coverage. Now 8 years later, at last the Federal Government may be getting around to permitting coverage, but instead of the State of Wisconsin being rewarded for its foresight, it is penalized, and instead of its workers being helped, they, too, are penalized.

WHY WORK FOR STATE OR LOCALITIES?

The situation is that the State of Wisconsin cannot keep workers in State institutions and on the State and local payrolls, for example, hospital workers, university teachers, orphan asylum people, county clerks, treasurers, etc., because if they were to go out to work in private industry, they could often come under a private retirement plan plus getting Federal coverage.

Under these circumstances, there is little reason why a man approaching his later years would want to work for the State and localities other than for purposes of civic service, whereas he could be far better looked after, by working in private industry and getting a more equitable old-age coverage—a combination of two plans, not just one.

What we are in effect doing, therefore, by the status quo is discouraging public workers from working for the State and localities.

This is obviously a short-sighted and wholly unfair arrangement; and it is quite clear that this discriminatory provision in the law should be changed.

That is what I am attempting to do now.

The amendment is fair and helpful. It hurts no one, helps literally thousands of workers, sets no adverse precedent.

Among the favorable messages which I have received on this issue is a message from the distinguished president of the University of Wisconsin, Dr. E. B. Fred.

I send his and other messages to the desk now and ask unanimous consent that they be printed in the body of the CONGRESSIONAL RECORD at this point.

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point three telegrams, and a resolution adopted by the Common Council of the City of Eau Claire, Wis.

There being no objection, the telegrams and resolution were ordered to be printed in the RECORD, as follows:

MADISON, WIS., *June 23, 1952.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

UW is on record in favor of social-security coverage for college and university employees. Understand Senate Finance Committee has deleted provision for voluntary coverage from H. R. 7800. Hope sincerely that Senate will restore this provision in the bill.

E. B. FRED,
President, University of Wisconsin.

SHEBOYGAN, WIS., *June 23, 1952.*

Hon. ALEXANDER WILEY,
United States Senator,
Washington, D. C.:

The Wisconsin Clerk of Circuit Courts Association, at its annual convention, today respectfully ask that you support section 6 of H. R. 7800 so as to permit integration of the Wisconsin State and municipal retirement plan with Federal social security. If it is impossible to secure passage of section 6, we ask for support of Byrnes and Raines integration bills.

G. ADOLPH STRANGBERG,
President of the Clerk of Circuit Courts Association.
EUGENE A. HICKEY,
Vice President.
VERA C. TERRY,
Secretary-Treasurer.

SHEBOYGAN, WIS., *June 23, 1952.*

ALEXANDER WILEY,
United States Senator,
Washington, D. C.:

The county treasurers association passed the following resolution this a. m.:

"The Wisconsin County Treasurers Association, at its annual convention, today respectfully ask that you support section 6 of H. R. 7800 so as to permit integration of the Wisconsin State and municipal retire-

ment plan with Federal social security. If it is impossible to secure passage of section 6, we ask for support of Byrnes and Raines integration bills."

V. M. KELLY.
ARLETTA ORTENDAHL.
W. C. SMITH.

Be it resolved by the Common Council of the City of Eau Claire, That whereas the Legislature of the State of Wisconsin in adopting sections 66.903 (2) (F) and 66.99 (3) created an enabling act to permit the inclusion of city employees under the old age and survivor's insurance benefit provisions of the Federal Social Security Act, the same to be effective when Congress makes such inclusion available, and

Whereas the benefits under the Wisconsin retirement system appear presently to be wholly inadequate and that sufficient liberalization thereof would impose prohibitive burdens to the contributing employees and municipalities, and that such inclusion would be of much greater benefit to employees without presently increasing the municipal contribution; and

Whereas it appears that pending legislation in Congress, to wit: H. R. 6816 and 6817, provides for the aforesaid inclusion: It is therefore and hereby

Resolved, That said inclusion be adopted when available and that if said legislation is enacted, that the State retirement board be authorized to transfer such necessary funds to make full coverage and inclusion effective as early as possible, it is further

Ordered, That certified copies hereof be forwarded to the Wisconsin Senators and Congressmen with the request that they exert every effort to effectuate the passage of said legislation at the present session of Congress.

Mr. GEORGE. I thank the Senator from Wisconsin for his very generous attitude.

Mr. HUMPHREY. Mr. President, first I wish to commend the Committee on Finance and the distinguished chairman upon bringing the bill (H. R. 7800) to the attention of the Senate and for its action.

The chairman of the committee knows that I have been the sponsor and cosponsor of several bills which have been referred to his committee on the subject of social-security benefits. I was very happy to note that the bill, as it comes from the Committee on Finance, contains three provisions which I have sponsored before the committee.

Mr. GEORGE. We were very glad to have the assistance of the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a statement which I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

A CONSTRUCTIVE PROGRAM FOR IMPROVING SOCIAL SECURITY

Today, just 2 years after the last major amendments were made in the old-age and survivors insurance program, the Senate is considering adjustment in that program to meet the needs of 1952. I find it very gratifying that after 15 years of operation of the old-age and survivors insurance program, there is a growing realization of the importance of that program to the American people and the importance of keeping the program in tune with our changing times. I am glad to see that realization reflected in the very important and essential changes which this social security bill, H. R. 7800, will make in the insurance program—the increases in benefits to take account of rising prices and wages, the increase in the amount of earnings permitted without loss of benefits, and the provision of social security wage credits for the men and women who are serving in our Armed Forces in this time of national emergency.

All three of these changes in the insurance program are ones which I have proposed in various bills now pending before the Senate. The benefit increases in the committee bill are very similar to those which would be provided by S. 3079 which I introduced on April 28, 1952. As a matter of fact, I intoduced a bill increasing insurance benefits along these lines nearly a year ago—S. 1983. In discussing my proposal for a benefit increase last year I pointed out.

"The increased insurance payments could be made immediately without changing the contributions or the actuarial status of the system as calculated when the 1950 amendments were enacted. This is due to the fact that increased wages have resulted in an increase in the income to the trust fund that will be more than adequate in the long run to pay the increased benefits."

This is now a generally recognized fact. These benefit increases do not require any change in the contribution schedule of the insurance program and do not change the actuarial status of the fund.

I would like to quote further from my remarks to the Senate at that time:

"Mr. President, I appeal in this Chamber for equity. Thousands of persons have been given cost-of-living increases in wages. I think everyone will agree that this is fair. Surely, then, it is fair on the part of the Government to increase insurance payments. No person or body but the Congress of the United States can increase them. * * *

"These people must eat every day. They must pay the rent. They have to take care of their doctor's bills. They cannot sit around waiting until committees of Congress have gone into the matter when, as a matter of fact, the proposal is a sound one, and money is available to effectuate it. * * *

"Mr. President, there is a great, inarticulate body, a great silent mass among the American people, of more than four million recipients of old-age and survivors insurance, who have no lobbyists here, who have no business agents here to represent them. They have no five-percenters representing them here. The only ones they have to represent them are their respective Senators and Representatives in Congress."

Those statements are still true and I want to emphasize them. If anything there is even a greater need for these benefits increases now than when I urged them a year ago.

The financial plight of our older people today is nothing less than tragic. There are in the United States more than 13,000,000 men and women past 65 years of age. Less than a third of them are able to find even part-time employment. As for the rest: a fortunate minority have savings and dividend income; some, also fortunate, still own their own homes and can rent rooms; some are partially supported by their adult children and other relatives. Most older men and women, however, must look to social security insurance or public old-age assistance as their chief source of dependable income.

Yet, in the face of the highest cost of living in our Nation's history, benefits under social security insurance average only about $43 a month. Not counting luxuries, not counting doctor and hospital bills, not counting even shoes and clothing, can anyone say that $43 a month is enough to live on? Of course it isn't and something must be done at once to increase these benefits. Surely our Government can increase the insurance payments. This is but to ask simple justice.

THE WORK CLAUSE

I am also pleased to see that the committee bill provides for raising the work clause to $100. I proposed this change in the program in S. 3121 which I introduced on May 5, 1952.

PROTECTION FOR SERVICEMEN

In S. 2705, introduced by my distinguished colleague from New York [Mr. LEHMAN] in which I joined with Senator MURRAY and Senator MAGNUSON, we provided for protection of the servicemen and women now in Korea. It is a matter of great pride to me that this bill now before you incorporates these changes which I have been advocating.

PRESERVATION OF THE INSURANCE RIGHTS OF THE DISABLED

I cannot let this occasion go by, though, without expressing my disappointment at the deletion by the Finance Committee of two additional provisions of H. R. 7800 which were approved by the House, the provision for a waiver of premium for permanently and totally disabled workers and the granting to additional State and local employees the opportunity to come under the old-age and survivors insurance program. I recognize that the Finance Committee does not oppose these provisions and deleted them only because they felt their consideration might delay the much-needed benefit increases and other important program improvements provided by other sections of the bill. I am completely in accord with the objective of speed. It seems to me absolutely essential that these benefit increases be provided for now and without delay. However, I do not believe that prolonged consideration of these additional provisions are really required. They are simple and straightforward propositions which merit serious consideration.

The objections which were raised against the disability provisions in the House were exposed as groundless, either arising from a misinterpretation of the bill's provisions or from a deliberate distortion of the facts. As was pointed out on the floor of the House, the freezing of rights for the disabled is no more—no less—than the waiver of premium Congress has provided for veterans under National Service Life Insurance. The authority provided is the same as in civil service laws, Federal workmen's compensation laws, and the railroad retirement law. The cry of "socialized medicine" raised against the provision has been recognized as a false and fraudulent argument in most of the Nation's press. Typical of the editorials of recent weeks is one which appeared in the Baltimore Sun of June 18. I quote:

"SEEING THE POINT

"A month ago the House shied away from passing a bill increasing the monthly payments to old-age and survivor beneficiaries under the social security system because the cry 'socialized medicine' was raised. It was a fine—that is, a glaring—example of catchphrase thinking. Yesterday the House took up the same legislation again, with only a minor change or two, and approved it. * * *

"There is no reason to regard this as socialized medicine or even a move in the direction of socialized medicine. If the principle of protecting totally disabled beneficiaries is sound, then there clearly must be some means of deciding in a given instance what degree of disability exists. And under a social security system the Government, which controls the payments to beneficiaries, obviously must be responsible for making the decision.

"That is all there is to it. And yesterday Congress managed to see the point. Every now and then that does happen."

I regret the omission of the provision preserving the rights of the disabled. Nevertheless, the Senate cannot and should not delay enacting the vitally necessary changes that the Finance Committee has recommended to us. I urge that the Senate pass H. R. 7800 without delay.

COVERAGE OF STATE UNIVERSITIES AND COLLEGES

I would like to see this bill give the opportunity to more State and local employees to come under old-age and survivors insurance. In S. 3122, which I introduced on May 5, the opportunity for coverage under old-age and survivors insurance is opened up to college and university employees. Up until now these employees have been excluded from the social-security system because they are covered by State or local retirement systems. This is an inadequate reason. Their colleagues in private colleges and universities now generally have both old-age and survivors insurance protection and supplementary protection under a private system. This is also the plan followed for the employees of nearly 15,000 industrial concerns. Practically all the biggest corporations in America now have pension systems designed to supplement the old-age and survivors insurance system. Yet we continue to discriminate against persons employed in State universities and normal schools. To them, we say, if you are under a retirement system—no matter how inadequate, and many of them are inadequate—you cannot come under old-age and survivors insurance.

I introduced S. 3122 at the request of these State and local university and college people. They want to come under the social-security program. They want to have this basic protection. Under the present situation when they change to a private university or college, they will have social-security coverage but their insurance benefits will be adversely affected by their lack of coverage during the time they taught at the State university.

The fact that State and local employees are barred from social-security coverage is not only a bad thing for the teachers but for the universities and colleges as employers. It puts them at a disadvantage in competing with private universities for the best teaching brains in the country. It also puts them at a disadvantage from a financial standpoint in trying to provide a good retirement plan for their employees. Thousands of industrial employers and nonprofit employers have found it cheaper and better to provide for their employees through a combination of old-age and survivors insurance and a supplementary system rather than through a separate system alone. Both employers and employees in the field of State and local higher education want to come under old-age and survivors insurance. They have every right to it. I believe we should let them have this opportunity.

I hope in this area, too, that either we can amend this bill to provide what S. 3122 provides for, or, in any case, I hope the Senate conferees will accept the House position on this point.

INCREASED PAYMENTS FOR THE NEEDY AGED RECEIVING STATE ASSISTANCE

I have also favored an increase in the Federal share of payments to the States for public assistance. I was a sponsor of the amendment proposed by Senator McFARLAND on July 18, 1951, to increase old-age assistance by $5 a month. I introduced a separate bill, S. 3120, on this matter on May 5, 1952. I am again joining Senator McFARLAND in offering this as an amendment to H. R. 7800.

I believe, however, it is important that improvements be made in our insurance system so that in the long run the need for assistance to the needy will greatly diminish. I look forward to the day when all of our aged will be receiving insurance benefits as a matter of right. But until the Congress improves the insurance program to make this goal possible, I am going to continue to urge increasing the public assistance payments to those who are needy.

A CONSTRUCTIVE PROGRAM FOR IMPROVING OLD-AGE INSURANCE

I recognize as do other Senators that it is not possible to consider today all the various amendments which would make the basic improvements in old-age and survivors' insurance which are needed. We must pass H. R. 7800 promptly. But important as H. R. 7800 is, we must keep in mind that it falls far short of what is needed to make our insurance program fully effective.

I feel it is important to point out this fact because I do not want any Member of this body to think that H. R. 7800 does a really complete job. What H. R. 7800 does—and it is, of course, essential that this be done—is to keep the program as revised in 1950 in adjustment with changes which have occurred since that time. That is all that H. R. 7800 does. It does not make any of the basic improvements in the program which are clearly needed and which ought to be made as soon as possible.

I have talked with the distinguished Senator from Georgia, who heads the Finance Committee, and he has assured me that the more fundamental improvements in the program will receive consideration next year.

What are these basic improvements? Well, first of all, there are many more people who ought to be brought into the insurance program. The program now covers about 80 percent of the people who work in paid civilian jobs. An additional 7 or 8 percent are covered by other public retirement systems. A little over 10 percent do not yet have any form of organized insurance protection. Among this 10 percent are self-employed farm operators and those farm and household workers who, though regular workers in every usual sense of the work, do not work for a single employer long enough to meet the strict requirements for coverage that were written into the 1950 amendments. There is no question that these people need the protection of the insurance program. They ought to be given that protection promptly.

Second, further improvements are needed in the benefit provisions of the insurance program. It is not enough merely to adjust benefit levels to increases in wages and prices after such increases have occurred. The benefit structure itself ought to be made responsive to increases in wages and prices. One provision which would help to accomplish this objective is a provision for computing the average earnings on which benefits are based over the worker's best 10 years of earnings, instead of over his entire working lifetime as is now required. The present method of computing average earnings, though reasonably satisfactory now because of the 1950 amendments, is simply not realistic for the long run. Benefit amounts awarded in the future will be diminished by periods of unemployment, by low wages earned early in the worker's life, and by sickness. Many other public retirement programs base benefits on the best 5 or 10 years of earnings, and a similar provision should be adopted for old-age and survivors insurance.

The benefit formula itself should also be revised. Ever since 1939 the formula has provided for paying in benefits a larger proportion of what might be thought of as low earnings than of high earnings. Thus prior to the 1950 amendments the formula was 40 percent of the first $50 of average earnings plus 10 percent of the remainder; at present the formula is 50 percent of the first $100 of average earnings plus 15 percent of the remainder. As wages go up, of course, the amount that constitutes low earnings also goes up. The level of earnings represented by $50 a month in 1939, and by $100 a month in 1950, might be represented by, say, $115 or $120 today. The benefit formula of the program must be adjusted to take these changes into account.

Even more important, the maximum amount of annual wages creditable toward benefits needs to be raised above the present level of $3,600. The $3,600 level is simply not high enough so that most workers can have all of their earnings credited toward benefits. The $3,600 figure should be raised, and raised substantially.

Another change I would suggest in the benefit provisions is one to correct an inequity brought about by the 1950 amendments. Those amendments eliminated from the benefit formula the so-called increment for years of service. As a result, a man now aged 60 will get the same benefit amount after contributing for only 5 years as a man now aged 40 who has the same average earnings and who will contribute for 25 years. This simply does not seem fair to the younger workers, and it is not fair to those workers. Some recognition should be given to length of participation in the system. An increment should be restored.

If these four benefit changes are made—basing benefits on the best 10 years of the worker's lifetime, an increase in the benefit formula, an increase in the maximum wage base, and restoration of the increment—the old-age and survivors insurance program will become the best program in the world providing security against wage losses caused by the old age or death of the family breadwinner. We can do no less.

HOSPITALIZATION

I have introduced one other bill which would greatly improve the old-age and survivors insurance system. This bill, S. 3001, which I introduced jointly with Senator MURRAY would provide prepaid hospitalization up to 60 days a year for everyone receiving old-age insurance who is in need of hospital care. The problem of sickness is serious for the aged. Again and again it wipes out a lifetime's savings overnight. Voluntary nonprofit plans and commercial insurance companies, almost without exception, do not cover people 65 years of age and over. This bill would help not only the aged but the communities in which they live. It would help the hospitals which now often provide hospitalization free of charge or for partial-pay services. It is my hope this bill will be accepted by the Congress as a partial solution to a very critical social problem—sickness in old age.

CONCLUSION

I want to conclude, Mr. President, by urging the immediate passage of H. R. 7800 and then early consideration of further and even more basic improvements in the old-age and survivors insurance program.

The great mass of people of this country have indicated that they want the right to earn their security, to pay their own way and to have the dignity and independence in old age which goes with an earned right. It is heartening indeed at this time in our struggle with totalitarian philosophies to find Americans united in their determination to end poverty at home—by giving each man the opportunity, in the American way, through our Federal insurance program, to earn his own security.

This is the way the American people want it, and this is the answer to communistic charges that the democracies cannot protect their people against want.

Mr. HUMPHREY. Mr. President, I again thank the chairman of the committee for giving me the time to make my statement. I again commend him.

The PRESIDING OFFICER. The question is on agreeing en bloc, to the committee amendments on pages 20, 21, and 24.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The CHIEF CLERK. On page 28, line 2, it is proposed to change the section number from "7" to "5".

The PRESIDING OFFICER. Without objection the amendment is agreed to.

Mr. GEORGE. Mr. President, it may be necessary to ask for a change in the title of the bill, but I understand that would have to be done after the bill has been passed.

The PRESIDING OFFICER. There are several committee amendments remaining to be acted upon.

Mr. MORSE obtained the floor.

Mr. GEORGE. Mr. President, will the Senator from Oregon yield to me for a minute? May we have the remaining committee amendments stated?

Mr. MORSE. I yield for that purpose.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The CHIEF CLERK. On page 30, line 4, after "(4)", it is proposed to strike out "(A)."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 31, at the beginning of line 19, it is proposed to strike out "$70" and insert "$100."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. In line 21, after the word "than", it is proposed to strike out "$70" and insert "$100."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. At the top of page 32 it is proposed to insert:

(e) In case the benefit of any individual for any month after August 1952 is computed under section 2 (c) (2) (A) of this act through use of a benefit (after the application of secs. 203 and 215 (g) of the Social Security Act as in effect prior to the enactment of this act) for August 1952 which could have been derived from either of two (and not more than two) primary insurance amounts, and such primary insurance amounts differ from each other by not more than $0.10, then the benefit of such individual for such month of August 1952 shall, for the purposes of the last sentence of such section 2 (c) (2) (A), be deemed to have been derived from the larger of such two primary insurance amounts.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 32, line 14, it is proposed to change the section number from "8" to "6."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 32, line 21, after the word "may", it is proposed to insert "until June 30, 1954, and thereafter shall."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

That completes the committee amendments.

Mr. GEORGE. Mr. President, the Senator from New York has an amendment which he wishes to offer to the amendment previously offered by the Senator from Arizona and agreed to by the Senate.

The PRESIDING OFFICER. The Senator from Oregon [Mr. MORSE] has been recognized and has the floor. Does the Senator from Oregon yield; and if so, to whom?

Mr. LEHMAN. Mr. President, I offer an amendment.

Mr. McFARLAND. Mr. President, will the Senator from Oregon yield? I have no objection to the Senator's amendment being adopted. The Senator from Georgia [Mr. GEORGE] has stated that he is willing to take it to conference. Perhaps we can dispose of the bill today.

Mr. LEHMAN. Mr. President, may I explain the amendment?

Mr. MORSE. I yield to the Senator from New York, provided I do not lose my right to the floor. Because there may be an attempt made to pass the bill this evening, I wish to state that I will not yield for that purpose, for the reason that the Senator from Washington [Mr. CAIN] has advised me that he intends to discuss the bill at some length. I do not know how long he will take, but he told me he wishes to discuss it at some length. I do not know whether the Senator from Washington intends to offer any amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a moment?

Mr. MORSE. I yield.

Mr. SALTONSTALL. Mr. President, I should like to state to the Senator from Oregon that I have sent for the Senator from Washington, who I understand wants to speak on the bill before it is passed.

Mr. MORSE. That is the point I wish to make. I assured the Senator from Washington that I shall, as a matter of courtesy, protect his right to discuss the bill before it is passed. That is why I proposed to make my speech on another subject at this time. I shall make my speech as soon as we dispose of the amendment of the Senator from New York, if I may have unanimous consent to yield for that purpose without losing the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon [Mr. MORSE] that he may yield to the Senator from New York without losing the floor? The Chair hears none, and it is so ordered.

Mr. LEHMAN. Mr. President, I send to the desk certain amendments which really constitute one amendment to H. R. 7800, I have shown the amendment to the Senator from Georgia, and he has no objection to taking it to conference.

I have a statement which I have prepared, dealing with the amendment, but I shall not take the time of the Senate to read the statement. I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

My amendment is a very simple one. Its apparent complexity is due to the fact that our social security laws are complex. All I propose is to amend the pending bill to provide for Puerto Rico and the Virgin Islands a somewhat more equitable formula for Federal grants for public assistance than is now the case. My proposal would somewhat increase Federal payments to Puerto Rico and the Virgin Islands, but would not even begin to place these Territories on a par with the States. In actual effect, my amendment would increase Federal grants to Puerto Rico by a maximum of about $1,800,000 and to the Virgin Islands, by about $70,000. This is a small amount, indeed, compared to the $250,000,000 which is proposed to be paid to the States under the terms of the McFarland amendment.

In 1950, when the last social security amendments were adopted, a formula was written into the law whereby Puerto Rico and the Virgin Islands were authorized to be given Federal payments of 50 percent of any expenditures for public-assistance payments in the categories of old-age assistance, aid to dependent children, and aid to the blind. The Federal Government was authorized to match, dollar for dollar, Puerto Rico's own expenditures for these purposes. However, a ceiling was written into our law so that Puerto Rico could not receive in any event more than $4,250,000 and the Virgin Islands $160,000 for all those categories of public assistance.

Puerto Rico has a population of over 2,000,000 in an area whose agricultural economy does not support this number of people. Unemployment is severe. The government and the people have been making Herculean efforts in recent years to expand their economy and to diversify it to give more employment and to raise the standard of living. Those efforts have been called operation bootstrap, and they have resulted in very significant progress.

But as a result of the basic economic situation, the Puerto Rican Government is severely limited in its ability to raise money for public assistance payments. The appropriation for public assistance is running at the level of $3,200,000 annually. There is little or no possibility that this amount can be substantially increased at the present time.

Thus, under the present matching formula, we can give Puerto Rico a maximum of $3,200,000 annually for its public assistance programs, despite the fact that the authorized ceiling now in our Federal law is $4,250,000. The Congress authorized grants up to $4,250,000 to Puerto Rico, but we are giving Puerto Rico only about $3,200,000. For the Virgin Islands, the authorized ceiling is $160,000. But this Territory is receiving only $70,000 annually.

The average monthly public assistance payment to an aged person in Puerto Rico at the present time is $7.53 a month, as against the authorized ceiling of $30 a month.

Think of it, today in Puerto Rico the total payment for an aged person is $7.53 a month. The same average is paid to the needy blind. The average payments for dependent children are actually $9.09 a month.

The number of cases receiving old-age assistance as of recent date was 32,400. The number of cases of aid to dependent children was 22,600. The number of cases of aid to the blind was 656.

But there are 45,000 pending applications for public assistance. There are 13,000 applicants for old-age assistance, 18,000 applicants for aid to dependent children, 700 applicants for aid to the blind, and 14,000 permanently and totally disabled cases. Few of these cases can receive any assistance unless the amendment now offered shall be accepted.

The cost of living in Puerto Rico is actually very little less than it is in continental United States. For an aged person to be forced to live on $7.53 a month, or an average of 25 cents a day, is a shocking situation. I cannot understand how these unfortunate fellow citizens of ours can exist at such a level.

Nor can we shut our eyes to the 45,000 cases of need which receive no payment at all. These are individuals—aged and infirm persons, permanently disabled persons, blind people, and dependent children—who are hungry and needy, who get no help at all from the government. There just is not money enough to help them.

How can we, as fellow Americans, as Members of the United States Senate, close our eyes to these conditions? How can we turn our backs on them? How can we say that we have discharged our obligation to these fellow citizens when we have provided a formula which in practice does not even make available the money which Congress has authorized?

The figures I have cited are official figures. They were supplied me by officials of the Social Security Administration who have just returned from Puerto Rico and the Virgin Islands where they compiled these statistics. The Puerto Rican government does not have the resources to enable it to increase its total expenditures for public assistance at the present time. Great progress has been made in the past year, but the backlog of need is so great that additional funds are needed if even the present program is to be maintained. The Puerto Rican government wants to increase payments to individual cases, but it desires even more to increase the case load, to do something for the many cases who now receive no payments at all.

There is a Federal law which requires that there be no discrimination as between applicants for public assistance. Yet in Puerto Rico there is, in effect, an unfortunate discrimination based solely on the fact that there are no funds available to take care of all the cases.

The pending amendment would increase the authorized ceiling on the Federal payment to Puerto Rico from $4,250,000 to $5,000,000. This is certainly a modest increase and still leaves the territory at a great disadvantage as compared to the States. In fact, the increase in the ceiling which I propose would not, in any sense, allow Puerto Rico to receive in Federal funds all the money which the change in the formula for the Federal contribution from one-half to two-thirds should bring to the territory. But this amendment certainly will allow more funds to be used to help these unfortunates, these underprivileged, these uncared-for individuals who are our fellow citizens and the citizens of tomorrow.

My amendment changes the basis for the formula to one roughly paralleling that for the several States, but it is one which is still much less liberal. The maximum payment for the aged and the blind authorized in my amendment remains the same as in present law—$30, instead of $50 as in other parts of the country, or $55 as proposed by the Senator from Arizona. My proposed change is in the Federal contribution which would be increased to two-thirds of the first $26 and one-half of the remaining $4 up $30. This is roughly the formula that was in effect in the States in 1946.

But this is, as I said, a theoretical formula. There is no prospect that Puerto Rico can increase its payments to anything like $26, even though that would not be an excessive amount to meet the cost of living in Puerto Rico. Today, as I said, these payments average $7.53 monthly.

I hope that with the funds which would become available under this amendment, Puerto Rico would be able to increase the size of the payments and also to take care of more of the individuals who need to be taken care of.

For aid to dependent children, my amendment provides that the Federal Government will pay two-thirds of the first $16 average per person and one-half of the balance up to $18 average. The maximum payment, which is unchanged from present law, is $18 for the first dependent child, $18 for one adult in each family, and $12 for each additional child. But this again is a purely theoretical maximum. There is no prospect for even approaching it. The change in the formula for the Federal contribution, from one-half to two-thirds, is the real heart of my amendment.

I point out that at the present time the only payments that come from both the Federal Government and Puerto Rico are in the aggregate less than $9 a month. Certainly no child or no mother caring for a child can subsist on that amount.

What I have said about Puerto Rico also applies with respect to the Virgin Islands. The payments actually being made in the Virgin Islands are slightly higher than in Puerto Rico, but they are still far below the limits set in the pending amendment. The number of pending applications is less in the Virgin Islands than in Puerto Rico, and most of the money made available under my amendment for the Virgin Islands, namely, a total of $70,000, would be used to increase the payments to somewhere nearer the level of need.

This figure is based on the fact that $70,000 is approximately the level of present appropriations by the Virgin Islands for public assistance. The present Federal contribution is in the same amount. If my amendment is approved, the Federal contribution to the Virgin Islands would be about $140,000, still below the authorized ceiling of $160,000.

I earnestly hope that this amendment will be accepted by the chairman of the committee and by the Senate, because, in my opinion, the facts are so plain that I cannot believe the Senate, in making provision for the aged and the blind, and for dependent children, in continental United States, will overlook the even greater need of our fellow Americans in Puerto Rico and the Virgin Islands.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be read.

The Chief Clerk read the amendment, as follows:

On page 2 to strike out beginning in line 19, down to and including the word "and" in line 24, and insert:

"and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance, under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30—

"(A) two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $26 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and."

On page 4, line 9, after the word "and", to strike out down to and including the word "and" in line 18, and insert:

"(2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children, and not counting so much of the expenditures with any month with respect to a relative with whom any dependent child is living as exceeds $18—

"(A) two-thirds of such expenditures, not counting so much of such expenditure for respect to any month as exceeds the product of $16 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"(B) one-half of the amount by which such expenditure exceeds the maximum which may be counted under clause (A); and."

On page 5, strike out lines 1 and 2 down to and including the word "and" and insert:

(c) Clause (2) of subsection (a) of section 1003 of such act, as amended, is amended to read as follows:

"(2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30—

"(A) two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $26 multiplied by the total number of such individuals who received aid to the blind for such months, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and."

On page 7, to strike out all down to and including the word and, and insert:

"(2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30—

"(A) two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $26 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and."

On page 7, strike out lines 23 and 24, and insert:

(e) The amendments made by this section shall become effective October 1, 1952.

SEC. —. (a) Section 1108 of the Social Security Act, as amended, is amended by

striking out "$4,250,000" and inserting in lieu thereof "$5,000,000."

(b) The amendment made by this section shall become effective October 1, 1952.

Mr. GEORGE. Mr. President, I have agreed to take the amendment to conference. In substance, if not strictly technically, it is an amendment to the amendment offered by the Senator from Arizona [Mr. MCFARLAND]. The Senator from Arizona has no objection, and I have no objection. I shall be glad to take the amendment to conference.

Mr. LEHMAN. I should say very briefly that the amendment includes in a modified form the people of Puerto Rico and the Virgin Islands in the provisions of the bill.

Mr. GEORGE. We have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. MORSE. Mr. President, I am sure the Senator from Georgia has been advised by the majority leader that I sought to wait to make my speech until after we had disposed of the pending bill, which the Senator from Georgia has presented on the floor this afternoon. I had hoped that that could be done. However, in view of the parliamentary situation which has developed, when I was advised that the Senator from Washington [Mr. CAIN] wishes to speak at some length on the bill before it is passed, I shall now proceed to discuss another subject matter, and the Senator from Washington will then be able to discuss the points which he wishes to make with regard to the pending bill.

AMENDMENT OF TITLE II OF THE SOCIAL SECURITY ACT

The Senate resumed the consideration of the bill (H. R. 7800) to amend title II of the Social Security Act, and for other purposes.

Mr. CAIN. Mr. President, may I make the request that the statement which I wish to offer on the question of social security be printed in the RECORD immediately prior to the taking of the vote?

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement submitted by Mr. CAIN is as follows:

For the Senate Finance Committee and particularly for its Chairman, Mr. GEORGE, and for its ranking minority member, Mr. MILLIKIN, I have a profound admiration and respect.

I do not like to take exception to any legislative recommendation which the Committee offers to the Senate. I generally find myself in support of recommendations which the Committee makes from time to time.

I must, however, offer some criticisms of H. R. 7800. These criticisms represent my conviction that no lasting good can result from amending our Nation's social security system which was established in 1935. In my judgment, this system ought to be eliminated as having been unjust and discriminatory in its treatment of the aged population in the United States. I believe that now is the time to consider and take action on a social security system which will provide and give equal consideration to all, rather than to some, of the aged in our Nation.

More than 2 years ago, on May 24, 1950, I submitted Senate Concurrent Resolution 92 calling for the appointment of an independent commission to investigate the Social Security System and report to the Congress recommendations and particulars for a soundly financed, universal coverage, pay-as-you-go system of old-age benefits.

I was moved to present this resolution for numerous reasons.

In my experience our present system was inordinately complex, many people were unjustly treated. The propaganda activities of the Federal Social Security Agency were more than suspect. The trust fund had been raided by the administration and the money used for other things. Numerous competent actuaries had concluded that the system would wind up in bankruptcy. The tendency of the Social Security bureaucrats to strive ceaselessly to expand their authority had roused the liveliest fears that they would eventually get control of our whole economic and cultural life.

I could not, for my life, see why American ingenuity could not devise some honest, straightforward, and equitable system to deal with this problem.

To my mind a universal coverage, pay-as-you-go system was the obvious answer.

In part, at least, my proposal was scarcely new and startling. Sixteen years ago the platform of the Republican Party declared, among other things, that "we approve a pay-as-you-go policy, which requires of each generation the support of the aged and the determination of what is just and adequate."

How to set up such a system was another question and that was the reason for my resolution calling for the appointment of an independent commission to make recommendations to Congress.

My resolution failed to pass, but it was instrumental in the presentation of Senate Resolution 300 which was agreed to a month later on June 20, 1950. This resolution gave the Senate Finance Committee full power "to make a full and complete study and investigation of social security programs" including study of "a pay-as-you-go universal coverage system and the problems of transition to such a system" (CONGRESSIONAL RECORD, vol. 96, pt. 7, p. 8634).

It was my great hope that from this restudy we might receive some simple and clear proposal upon which the Congress could go to work. Many other people had such hopes also: bewildered beneficiaries, irate persons whose benefits for some mysterious reason had been suspended, insurance people, private pension administrators, not to forget harassed and bedeviled legislators.

From time to time I asked for particulars about the restudy. What success had been attained in getting independent experts? How soon could we have the plans? And so forth. But no new action or progress was forthcoming.

A year went by and we had before us a bill (H. R. 2416) dealing with the exclusion from gross income of income from the discharge of indebtedness. Hitched to this bill was an amendment providing for the increase of public assistance grants. On July 18, 1951, I took the floor to discuss this amendment. Over and over again the Congress had been jockeyed by the social security people on Old Age Assistance versus Old Age Survivors Insurance. We must expand the OASI benefits to cut down on the zooming costs of Assistance. We must jack the Assistance payments because of rises in the cost of living. Never would Ewing or Altmeyer or any of the other social-security bureaucrats come clean on where they were going.

In discussion of this amendment a year ago I said (CONGRESSIONAL RECORD, vol. 97, pt. 6, p. 8364) "the original legislation of 1935 was a horrible mass of contradictions and that further expansion only made confusion worse confounded." I said that I believed that our present law was a cruel cheat that shut great numbers of old people out and would continue to do so. I called again for the recommendations supposedly forthcoming as a result of the restudy and urged as earnestly as I could that no time be lost in pressing the social security investigation.

I ended my discussion last year by repeating once more what I had said long before in 1950 at the conclusion of the debate on H. R. 6000, a brief set of remarks which I have repeated so often since that they have come to be a sort of theme song, shouted—I regret to say—into the teeth of the wind. I said:

"My position is this: If we are to have a social-security system at all, let us have one that freemen can accept with self-respect. Let us accept and act upon this bald truth:

"That our old people, who have done their life's work and have quit, must be helped by those of us who still work. In due time, our children must look after us. Not in the old way of the old folks on the farm, but in the same spirit adapted to the institutions of our day—through taxation. Let us have done with this nonsense of a contributory system, this playing house and calling it insurance.

"I accept wholeheartedly this proposition of having us who work help the old folks who have quit. I stand ready to pay as high a tax as my fellow citizens are willing to pay to put such an honest social security into operation.

"I refused to support H. R. 6000—not to evade a responsibility but rather to accept one.

"No kid stenographer in her first job in Tacoma will ever be able to accuse me of being an accessory to her defraudation when her retirement age finally comes. No down-and-out logger on the skidroad at the foot of Yesler Way in Seattle will be able to accuse me of forgetting his plight. No part-time apple picker in the Yakima and Wenatchee Valleys will be able to say that I did not recognize and seek to admit and save his rights.

"I say once more: If we are to look after some of our old people, we must look after them all; and, if we do this, let us find a way to do the whole job up year by year, starting every January 1 with a clean slate. If our Nation's economy gets pinched, the old folks will be pinched also. If we prosper, the aged will share in the Nation's prosperity. This is as it ought to be.

"But let us have done with the jobbery that for 15 years we have had the crust to call social security" (CONGRESSIONAL RECORD, vol, 97, pt. 6, p. 8365).

Some weeks ago the Senate granted me a leave of absence for some surgery. I had looked forward to 10 days of easy-going convalescence. No such luck. I did not wish to evade a responsibility undertaken so long ago. I quit my convalescent leave and have come back in order to urge the Senate once more to act before we are so deeply entangled in the present system that we can never escape.

The core of the problem remains exactly what it was. We have an unworkable system, riddled with injustices, backed up by a phony trust fund and on its way to bankruptcy.

The chief provision of the bill increases the benefit rate by $5 a month or by 12½ percent, whichever is the larger. This is usually referred to as the $5 raise.

It is commonly said that the beneficiaries need the $5. Of course they need the $5. But they are not the only ones who need it.

The April 1952, issue of the Social Security Bulletin tells us (p. 27) that there are about 2,600,000 persons receiving old-age assistance. Next, the April 1952 report of the trust fund (p. 12) tells us that we have about 3,500,000 persons 65 and over who are beneficiaries of OASI. (This latter figure is reached by subtracting from the number of OASI beneficiaries the dependent children and widows under 65 now drawing benefits.)

If we add these 2 figures we get a total 6,100,000 persons who are getting money under these 2 programs. But the very same trust fund report also tells us (p. 8) that as of June 30, 1951, there were 12,700,000 persons 65 and over in the country.

In other words, more than half of the old people are left outside.

Are we to suppose that these 6,600,000 left outside, couldn't use $5 a month? They could use $5 as well as other aged.

The 6,600,000 left outside would have in it the people 65 and over who are getting railroad retirement and civil-service retirement pensions but the total of these 2 groups would be less than 500,000 still leaving 6,000,000 outside.

What about the aged people in my own State of Washington? Are all of them covered by social security and will all of them benefit from the passage of H. R. 7800?

According to the closest estimates available to me, there are in the State of Washington about 225,000 men and women 65 and over. Some of these men and women are presently drawing either old-age and survivors insurance or getting old-age assistance. They are drawing these benefits and getting this assistance in varying amounts and according to a set of calculations that will drive you crazy. But they are getting something.

But, according to the nearest figures I can get, there are 102,900 men and women 65 and over in the State of Washington who receive nothing. That is almost half of the total number of old people in the State. Some are still working, some have looked after themselves and don't need to worry. There wil be many others in this indistinct crowd of 102,900 for whom circumstances are anything but pleasing. But the only thing we know for sure is that they are outside the system. I am speaking to and for this great half of the crowd. What are we going to do about them?

Most earnestly I urge the Senate to do something about the forgotten old people in Washington State and the 6,000,000 aged persons who live forgotten throughout the Nation.

We could act promptly and constructively if we only would.

It had been my intention to move to recommit H. R. 7800 in this language:

"I move that H. R. 7800 be recommitted to the Committee on Finance with instructions to report the bill back to the Senate, so amended as to provide for a pay-as-you-go, universal coverage social-security system which will pay a flat benefit to every person in the United States who is 65 years of age or over, and that the Committee on Finance report this amended bill at the earliest possible moment."

I believe in this motion, and hope to see such a motion prevail in the near future. I shall not so move today because of the pressure being exercised to adjourn by Saturday, July 5. But should I be so fortunate as to be reelected in November to a second term in the Senate of the United States, I shall seek an opportunity to work, I trust, with many others, for the approval of a social-security system which recognizes that all of our aged are entitled to the same consideration.

I am not an expert and I certainly do not propose to debate the mathematics of the present social-security labyrinth.

I contend, however, that the following points represent only common sense and, if I may say so, common honesty:

1. A universal coverage, flat benefit, pay-as-you-go system is a simple concept and can be simply administered.

2. The individual recipient must apply for the benefit and his application may be validated in any local agency which the governor of the State may specify.

3. The payment of the benefit checks could be handled by a single Treasury bureau and the transaction should be a relatively simple matter.

4. Such a system sweeps away at a stroke the weirdly complicated and expensive administration we have now. The Social Security Administration presently employs twelve or thirteen thousand persons. Two years ago we were paying a million dollars a year in business-machine rental to tabulate, I suppose, nearly a hundred million wage records.

5. Not only would administration be much simpler under the new system; such a reformation as I have described would deal a body blow, a death blow, to the political and economic ambitions of the bosses of the existent system. Their power lies in the contrived complexities of the system and their control over the cabalistic mysteries which few persons can understand.

6. It may be contended that by such sweeping expansion of the number of benefit recipients that a giant political pressure group would be created. We have got such a group already, and I submit that if there were but one single benefit everyone in the country would be conscious of it and, I would judge, be far more conscious of the total cost than they are today.

7. Such a new system as I have described would be paid for at the year's end. We pay as we go out of the general revenue. We are free of debt. Competent actuaries have warned that the impenetrable tangle of deferred benefits that we have today will lead to bankruptcy of the system. How can these security agency figure jugglers undertake promises due 40 years hence when they can't predict with certainty our economic future, our birth and death rate, and a dozen other factors?

8. Would the annual cash outlay be big? Yes, it would, but we would know what we were doing and where we were going. We don't now.

9. The saving in both money and time in the community in general would be incalculable. I cannot tell the number of clerks, statisticians, and accountants who today are employed in the sterile, profitless, and unproductive labor of keeping social-security records in business offices throughout the land, but the number must mount far, far into the thousands. Imagine the feeling of relief when this burden is lifted.

10. Of course there is the problem of that trust fund. According to the most recent report of the trustees (April 1952) the fund has assets of upward of $14,000,000,000. But we all know that almost all of those assets are Government paper and there's no point in discussing the grief of double taxation again. Millions of people not yet drawing benefits have paid in taxes. They feel they have an equity. Some way must be devised to pay back their equity, pro rata or some way. This may be a troublesome job but it would be better to do it and extract this particular bone that chokes the public throat. We have got to pay something as a penalty for having made a terribly wrong beginning.

These points would constitute the foundation from which a respected and respectable social-security system could be hammered out and established. It would be a system which we could understand and trust. The cost of this system could be accurately determined. We must someday adopt such a social security system if we do really believe in fairness to our aged and if we believe in financial integrity. What must be done sometime we ought to do in our time. I can think of no greater contribution we could make to the future than to replace a system which few people understand and fewer people trust with a system which would always be as honest, good, and reliable as the nation which supports it.

Mr. MURRAY subsequently said: Mr. President, earlier in the day I had intended to make some remarks on the social security measure, but while I was temporarily absent from the Chamber final action was taken on that bill. I now ask permission to make those remarks, and to have them printed in the RECORD prior to final action on that measure.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair understands that the request is that the remarks appear at a prior point in the RECORD, together with a statement indicating that the remarks were made subsequently.

Mr. MURRAY. That is correct.

Mr. President, H. R. 7800, the bill we have before us today, would make some vitally needed changes in the old-age and survivors insurance program, affecting the present and future security of millions of American citizens.

The bill would—

First. Increase the insurance benefits;

Second. Liberalize the retirement test;

Third. Provide wage credits under the insurance system for members of the Armed Forces during the present emergency period; and

Fourth. Make several changes to correct inequities and to improve administration.

I deeply regret that the Finance Committee saw fit to drop two very important provisions contained in the House version of the bill.

One of these is the provision which would permit certain State and local government employees to obtain old-age and survivors insurance coverage without giving up the protection of their present retirement systems. The provision in the present law which excludes all members of retirement systems from old-age and survivors insurance coverage has prevented many groups who want old-age and survivors insurance coverage from obtaining it. Moreover, it has resulted in the dissolution of retirement systems by a number of groups which wanted coverage and took the only way open to obtain it. The provision which the House adopted to correct this situation would continue the exclusion of the groups that still want to be excluded, elementary and secondary school teachers and policemen and firemen, but would give other retirement system members the chance to decide for themselves through a referendum, whether they want old-age and survivors insurance coverage. I believe that was a good provision and I wish it had been retained.

I also regret the dropping of the provision which would preserve the full retirement and survivors' rights of workers who are permanently and totally disabled before they reach age 65. This so-called waiver of premium provision which was thoroughly debated and overwhelmingly adopted by the House of Representatives would prevent many thousands of workers from losing all rights to benefits when they become disabled. It would prevent additional hundreds of thousands of workers from having their retirement benefits reduced $5, $10, or even $40 a month by excluding periods of permanent total disability from their benefit computations.

It is true that an atmosphere of controversy was created by those in control of the American Medical Association concerning the waiver of premium provision for permanent and total disability. But their opposition to this proposal is misguided. The House which was at first stampeded by the AMA opposition reconsidered the question and voted for this proposal by the overwhelming vote of 361 to 22. This would not have happened had there been anything to the AMA's position. As Mr. KEAN, Republican member of the Ways and Means Committee from New Jersey, pointed out in the House debate, the American Medical Association just does not represent the ordinary doctor on this issue. He said that he had talked to doctor after doctor about this proposal and they all agreed with him that the provision in the bill was a good thing and they all disagreed with the AMA. As a matter of fact, all six doctors who are Members of the House voted against the American Medical Association on this issue.

Anyone can see that there is no truth to the AMA's charge that this provision is socialized medicine. This is a waiver of premium provision just like the Congress provided in the National Service Life Insurance program. Because a handful of political doctors in the American Medical Association hierarchy want to make it appear to be something it is not is no reason to consider this proposal a controversial one. It is not controversial among intelligent men as soon as it is understood.

Twice within 2 years the lower House has sent us a bill containing a conservative, judicious, reasonable provision intended to answer the pleas of the unfortunate disabled whose rights are impaired or lost under the present system. In 1950 the House sent us a provision in H. R. 6000 that would have permitted payment of a man's social-security benefit before 65 if he became permanently and totally disabled. In addition, the 1950 provision preserved the rights of such a person to his old-age benefit and the rights of his widow and dependents to survivor benefits.

The Senate Finance Committee has also received recommendations favoring such a program from an advisory council composed of outstanding citizens appointed when the distinguished junior Senator from Colorado [Mr. MILLIKIN] was chairman of the Finance Committee. This council, headed by the late Edward Stettinius, Jr., and with Sumner Slichter, the famous economist, as associate chairman, represented labor, business, and government, and expert and professional opinion. They, too, recommended a cash benefit program for the permanently and totally disabled after a thorough study of all sides of the question.

Proposals for disability insurance were also considered at length by the Senate Committee on Finance during the 1950 hearings. Because of this long consideration of the general subject of disability it does not seem necessary to me to delay longer in putting into effect this much more limited proposal of a waiver of premium.

Mr. President, there will be bitter disillusionment among the thousands of seriously disabled persons who had hoped and prayed that the provision preserving their insurance rights would be included in this bill. These tragic and helpless persons—some blind, many with cancer, many bedridden, and many more confined to their homes with incurable chronic ailments—these unfortunate sufferers ask us just one question. Why must they lose rights they have earned under the old-age and survivors insurance program? Why?

I venture to say that every single Member of this body is agreed that the misfortune of disability should not count against these persons when we come to figure their social-security benefits. But still we are going to continue cutting their insurance benefits in half. And for some, we will wipe out their rights entirely.

They ask us just one question, "Why?" Why in all fairness and decency will we not let them submit their doctor's certificate to the Bureau of Old-Age and Survivors Insurance so that the fact of their disability can be established for the record?

We have provided this right under veterans' insurance. Why not under OASI? We have provided much fuller rights to railroad workers and to civil-service workers under their retirement programs. Why not under OASI?

I will tell the Senate the answer we shall have to give our constituents this summer when they ask "Why?" The political hierarchy of the AMA says waiver of premium does not belong in an insurance program. Believe it or not, that is what they telegraphed to every Member of the House of Representatives on May 17. I quote:

American Medical Association objects to disability provisions for following reasons:
1. It does not belong in insurance bill.

Please note, the political AMA does not say that it is medically impossible or medically impractical to establish the

fact of disability for purposes of waiver of premium. The political AMA says that in its political judgment this provision does not belong in an insurance bill. The truth is that thousands of doctors are conducting disability examinations all over the country, every day, for hundreds of life insurance companies and for scores of public and private retirement systems. Waiver of premium is a standard, everyday type of insurance provision. It does not involve any medical care. It does not involve any control over doctors. It is essential to any good insurance or retirement program. Waiver of premium is all—absolutely all—the House of Representatives provided for in H. R. 7800. I hope the Senate conferees will accept the House provision on this point because I believe the members of this chamber will not be satisfied to let the record testify to the fact that we have become confused about an issue so simple. I do not think that we want the record to show that we have been bowled over by a barrage of false charges laid down to suit the political motivations of the AMA hierarchy.

Mr. President, over 62,000,000 people are insured today under old-age and survivors insurance. The value of this protection for every insured person is potentially at stake.

Mr. President, this Congress has repeatedly strengthened and improved the Nation's social insurance system because we believe that program is a bulwark of individual initiative and of our American way of life. Less than 2 years ago we brought 10,000,000 more people under the system so that today about 80 percent of the persons who work for a living are helping to contribute to their own future security through payroll and self-employment contributions.

When a man contributes to this program for years and years, it is in the hope and expectation that it will help to sustain his independence in old age and the independence and security of his loved ones. He either owns his own home, or hopes to. His savings may be modest, but he intends to manage somehow, God willing. He does not look forward to the prospect of local relief or public assistance when he becomes too old to work.

Now let us see what happens to this man's social security if he is unfortunate enough to suffer a severe stroke, or become blind, or otherwise so seriously disabled before 65 that he cannot continue in his job. We say to him: Use up your savings and, if need be, sell or mortgage your home. Your plight, the AMA would have us say, is not properly the subject of social insurance.

"All right," the man says, "it is going to be tough, but I will try to get along until I am 65. I do not think I will be able to hold out, but I will try. Just do not take my social security away from me. And do not make my family suffer because of my bad luck."

How can we face this man and tell him that we have been advised by the AMA not to even protect this man's status for old-age and survivors insurance benefits? If we are concerned about the mounting costs of public assistance, how can we tell this man that the dependency of his family is not a matter of our concern?

Mr. President, we have established a program of Federal old-age and survivors insurance and have demonstrated our concern for the adequacy of these benefits. The waiver of premium proposal addresses itself purely and simply to the adequacy of existing benefit rights. I submit, Mr. President, that the provision is an appropriate and necessary measure to correct a shameful deficiency in the present method of computing benefits. The provision belongs in an insurance bill. It belongs in this bill.

The American Medical Association opposes the disability provision in an insurance bill because they say it is "socialized medicine." Representative DOUGHTON, chairman of the House Committee on Ways and Means, categorically denies this allegation. Representative KEAN, a Republican member of the Committee on Ways and Means, vigorously denies it.

The Senator from Georgia [Mr. GEORGE], the Chairman of the Finance Committee, when asked during the debate on the 1950 amendments whether disability insurance involved socialized medicine said he did "not think that is a valid objection" to the proposal (CONGRESSIONAL RECORD, vol. 96, pt. 7, p. 8094).

Now what is the AMA position on disability insurance and examining individuals who are permanently and totally disabled.

The American Medical Association has been officially on record for some 10 years as supporting the viewpoint that it is the responsibility of a Government agency to certify the fact of disability. This is in contrast to the statement of its board of trustees, which recently adopted a contrary position when it opposed H. R. 7800. The House of Delegates of the American Medical Association—the governing body of the organization—on September 17, 1938—as reported in the Journal of the American Medical Association of September 24, 1938, page 1216—adopted the following recommendation of the Reference Committee on Consideration of the National Health Program:

> Under recommendation V on insurance against loss of wages during sickness: In essence, the recommendation deals with compensation of loss of wages during sickness. Your committee unreservedly endorses this principle, as it has distinct influence toward recovery and tends to reduce permanent disability. It is, however, in the interest of good medical care that the attending physician be relieved of the duty of certification of illness and of recovery, which function should be performed by a qualified medical employee of the disbursing agency.

The following statement was published in the Journal of the American Medical Association, issue of December 11, 1945, page 953:

> COMPENSATION FOR LOSS OF EARNINGS DUE TO SICKNESS
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> The first proposal in the President's program and in Senator Wagner's measure is compensation for loss of earnings due to sickness. The American Medical Association through its house of delegates has consistently favored such insurance.

As recently as October 1947 the house of delegates adopted the position, with respect to chronic illness, that:

> Social security measures to maintain income such as disability insurance, old-age insurance, and public assistance are likewise of vital importance. (Journal AMA, October 11 and October 18, 1947, p. 436.)

These official statements of the house of delegates have never been rescinded, nor has the house of delegates taken any action inconsistent with them.

Why then does the AMA continue to fight against helping the disabled?

I have been interested in the social security program from its inception. Over the years I have introduced many bills to greatly expand and improve our Federal social security system. I am for this bill because it is a step in the right direction. Actually, much more is needed to make the old-age and survivors' insurance program the real bulwark of economic security this Nation has a right to expect it to be. I hope we will not wait long to take much greater strides toward this better program.

Mr. President, the 2 years that have elapsed since passage of the 1950 amendments to the Social Security Act have brought renewed support across the Nation and in this Congress for the contributory principles of social security. I have heard no serious complaints about the coverage extension and other improvements voted by us at that time. On the contrary, everywhere I go doctors, lawyers, dentists, farmers, and others ask me why they have been left out of this system.

It is heartening to find labor, business and the public in all walks of life supporting the principles of contributory social security. We have here a method—an American method—that fosters individual initiative and that helps people to help themselves. This method deserves our support and our closer attention. It is a bulwark to our way of life.

The people of this country want the right to earn their social security. They want the independence in old age that comes from having helped to pay for their benefits, the dignity that comes from an earned right. Old-age and survivors insurance is a means of preventing dependency integral to our system of wages and self-employment earnings. As each man works he earns not only wages. He also earns rights to social security. Because the benefits are variable and wage related, security becomes a reward for work. This is a conservative, constructive approach to the problems of dependent old age. It avoids the stigmas and the economic and political dangers of a system of hand-outs or of indiscriminate pensions.

The first social security bill I introduced with Senator Wagner and Representative DINGELL was in 1943. We reintroduced our proposals in 1945, 1947, and 1948.

When we first introduced our bill the opposition called it the American Beveridge plan. This was the first step in an attempt to defeat the proposal. It

was given a foreign name so as to make it seem that we were just copying a foreign proposal. But since our plan was an American plan, this attempt to stop interest in our proposal was not successful.

When we introduced our original bill, and on each successive occasion when we introduced a new bill in a new Congress, we expressed the hope that the bill would provide a basis for constructive thinking and legislation in a field where it was sorely needed. During 1943 and 1944 our proposals were the target of a most widespread campaign of opposition, almost unprecedented in volume and in character. I have often witnessed the use of false and misleading propaganda for political purposes and the use of extravagant charges in order to defeat legislation, but I never knew an opposition quite so unprincipled as the campaign which was conducted against the legislation which we introduced.

We recognized, however, that every important proposal to advance the public welfare has always met opposition at first from groups who care only about their own selfish interests. Usually they are satisfied with the status quo, and are opposed to any change whatsoever. Free public education, child-labor legislation, bank-deposit insurance, universal suffrage, the Federal income tax, and other measures to safeguard the general welfare of the public were all bitterly opposed when they were first suggested. The opposition which we faced when we first introduced our social-security bill never shook our faith in the need for social security or in the fundamental soundness of our proposals. I believe that we have been vindicated. The 1950 social-security bill contained many things which we advocated several years ago.

Practically all Members of the Senate in 1950 supported the provisions for improvement of the Federal old-age and survivors insurance program, for the extension of its coverage and liberalization of its benefits. I am delighted that the minority members of the Senate Finance Committee supported the 1950 bill. But I should like to recall to the attention of the Senate that in 1935, when the question of old-age insurance first came before the Senate, a Republican-sponsored amendment offered by Senator Hastings, of Delaware, sought to eliminate the old-age insurance program from the bill. His amendment was defeated, 15 to 63.

When the social-security bill was reported out of the Ways and Means Committee of the House of Representatives in 1935, seven of the Republican members of the committee signed a minority report in which they opposed the establishment of the old-age insurance system. Speaking of the insurance program they said as follows:

> These titles impose a crushing burden upon industry and upon labor.
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> They establish a bureaucracy in the field of insurance in competition with private business.
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> They destroy old-age retirement systems set up by private industries, which in most instances provide more liberal benefits than are contemplated under title II. (Conference committee report on H. R. 7260, 74th Cong., 1st sess., Rept. No. 615, pp. 43–44.)

Not a single one of these fears expressed by the Republican opposition has come to pass. The philosophy of fear is frequently used to try to defeat progressive legislation, but after the legislation has been put into effect and has been made workable by a Democratic administration the Republicans come around and support it as if they were the original friends of the program who had gotten it enacted into law.

I do not want my remarks to indicate criticism of anyone. I am just trying to bring out the facts. Every time we on the Democratic side have advanced progressive social legislation it has been repeatedly criticized, in the beginning by conservative groups and representatives of the Republican Party, but later on the Republicans see the light and begin to defend what we have done and to take credit for trying to do the job bigger and better than we have.

Of course, I recognize that this is an inevitable human tendency. I believe those of us who are in favor of social legislation must recognize the fact that we are going to get a lot of criticism when we first advance proposals, but that as time goes on we shall get more and more support, and, finally, after our proposals are enacted, those who first opposed them will begin to see their merit.

One of the very fine provisions in the 1950 amendments was the one which for the first time includes small-business men under the insurance program. In 1943 I was chairman of a special committee to study problems of American small business. In conjunction with former Senator Capper, our committee published a study called Small Business Wants Old-Age Security.

That was the first time there had been any real study of the problem of covering small-business men under the Federal OASI program. I am very proud of that study. I am proud of the fact that the committee of which I was chairman recognized the problem and indicated, 7 years in advance, how social-security protection could be extended to persons in business for themselves.

One reason why I have long been in favor of national social legislation such as old-age and survivors insurance is that it helps small business. Contrary to the false statements, that are sometimes made, that national social legislation hurts small business, I am convinced that workmen's compensation, accident and health insurance, old-age insurance, and unemployment insurance help small business to retain its employees against the competition from big business, and also help small business by maintaining purchasing power for families, so that they can buy merchandise at their local grocery, drug store, and hardware store, can pay for tickets to their local movie, and can pay their doctor and hospital bills.

In the bill which former Senator Wagner and I introduced on June 30, 1943, we included a provision for the coverage of all self-employed businessmen, and that provision was repeated in every insurance bill that we introduced thereafter. We did not get very much support in 1943, 1945, or 1947 from any of the Republican Members of the Congress for our proposal, but I am deeply gratified that now the Members of the minority have come around to seeing that we had a sound idea.

In the bill we introduced in 1943, we included a provision for giving wage credits to individuals while they were in military service. We repeated this provision in our succeeding bills. Although the Congress did not see fit, for 7 years, to go along with this provision until 1950, when it included wage credits for persons who served in the military service during World War II we are all agreed today to an extension of it to present-day servicemen.

I have consistently supported social security and full-employment legislation, because I believe that such legislation will help us to preserve our free enterprise system. I believe that if we are to have a dynamic economy people must have an opportunity to work at rates of pay that will sustain a rising standard of living, and that there must be common protection against the causes of insecurity which face people who work for a living.

The program of full employment and social security under a free enterprise system, which I have advocated during these past years is not going to come in the United States of its own accord. If we want that kind of program and want to put it in operation we must plan for it, we must work for it, and we must fight for it, against the opposition of those who are constantly trying to defeat our proposals.

I believe that we are going to go forward to improve our wages, increase our employment, and raise our standard of living. As we do this, we can provide social security for our people without impairing incentives or placing too great a burden upon the productive members of our society. If we are to act as a humanitarian, intelligent, democratic Nation, we must make adequate provision for those in our country who become sick, disabled, aged, or unemployed, or who die prematurely. We must continue to improve our social security program.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to increase the amount of earnings permitted without loss of benefits, and for other purposes."

82D CONGRESS
2D SESSION

H. R. 7800

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1952

Ordered to be printed with the amendments of the Senate numbered

AN ACT

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1952".

INCREASE IN BENEFIT AMOUNTS

Benefits Computed by Conversion Table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the

conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such Act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the

amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such Act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the Benefit Formula; Revised Minimum and Maximum Amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950

are quarters of coverage shall be 55 per centum of the first $100 of his average monthly wage, plus 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average Monthly Wage	II Primary Insurance Amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45", respectively.

Effective Dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social

Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ per centum of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of

$0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments

made by this Act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving Provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such Act for August 1952;

(B) two or more other persons were entitled (without the application of such section 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under this title, would (but for the

provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this Act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this Act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this Act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

(1) PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of

such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage".

(2) Section 215 (b) (4) of such Act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; Period of Disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less

in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

A period of disability shall end on the day on which the disability ceases. No application for a disability determin-

ation which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraphs (2)(C) and (4)(B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213(a)(2)) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(c) Title II of the Social Security Act is amended by adding after section 219 the following new section:

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsection (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. (2)4 *3.* (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of

subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "(3)~~70~~ *$100*".

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "(4)~~$70~~ *$100*".

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "(5)~~$70~~ *$100*".

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "(6)~~$70~~ *$100*".

(e) The amendments made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have

the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II Veterans) is amended by striking out "WORLD WAR II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (7) ~~(5)~~ *(4)*), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a

lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such

veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

(8)~~"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which in-~~

~~clude service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.~~

~~(9)~~ "~~(5)~~ *(4)* For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217".

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act.

(2) In the case of any veteran (as defined in section

217 (e) ~~(10)~~ ~~(5)~~ *(4)* of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within two years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such Act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight

States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or

on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

(11) ~~COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS~~

~~SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:~~

~~"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—~~

~~"(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or~~

~~"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:~~

~~"(i) A referendum by secret written ballot was~~

held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the two-year period which ends on the date of execution of the agreement or modification which ex-

tends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies, or departments.

~~For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.~~

~~"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."~~

~~(b) Subsection (f) of section 218 of the Social Security Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955".~~

TECHNICAL PROVISIONS

SEC. ~~(12)7~~ *5.* (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recom-

pute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month

in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) [(13)] ~~(A)~~) for computation of such amount, except that (A) the self-employment income closing date shall be the day following

the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such Act, but only if it would

result in a higher primary insurance amount for such individual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952".

(2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than (14) ~~$70~~ *$100*, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than (15) ~~$70~~ *$100*;".

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)".

(16) *(e) In case the benefit of any individual for any month after August 1952 is computed under section 2 (c) (2) (A) of this Act through use of a benefit (after the application of sections 203 and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952 which could have been derived from either of two (and not more than two) primary insurance amounts, and such primary insurance amounts differ from each other by not more*

than $0.10, then the benefit of such individual for such month of August 1952 shall, for the purposes of the last sentence of such section 2 (c) (2) (A), be deemed to have been derived from the larger of such two primary insurance amounts.

EARNED INCOME OF BLIND RECIPIENTS

SEC. (17)8 *6*. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may (18)*until June 30, 1954, and thereafter shall* provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

(19)*SEC. 7. (a) Section 3 (a) of the Social Security Act, as amended, is amended to read as follows:*

"SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has

an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance, under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30—

"(A) two-thirds of such expenditures, not counting

so much of any expenditure with respect to any month as exceeds the product of $26 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

(b) Section 403 (a) of such Act, as amended, is amended to read as follows:

"SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expendi-

ture with respect to any dependent child for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $30 with respect to one such dependent child and $21 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $30—

"(A) four-fifths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $15 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of

the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $18—

"(A) two-thirds of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $16 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose."

(c) Section 1003 (a) of such Act, as amended, is amended to read as follows:

"SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1,

1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30—

"(A) two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $26 multiplied by the total

number of such individuals who received aid to the blind for such months, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose."

(d) Section 1403 (a) of such Act, as amended, is amended to read as follows:

"SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter, as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30—

"(A) two-thirds of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $26 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as

found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the permanently and totally disabled, or both, and for no other purpose."

(e) The amendments made by this section shall become effective October 1, 1952.

(20) *SEC. 8. (a) Section 1108 of the Social Security Act, as amended, is amended by striking out "$4,250,000" and inserting in lieu thereof "$5,000,000".*

(b) The amendment made by this section shall become effective October 1, 1952.

(21) *SEC. 9. (a) If—*

(1) during the one-year period beginning October 1, 1952, or the one-year period beginning October 1, 1953, the total State expenditures (as defined in subsection (b)) for any State under a State plan approved under title I, IV, X, or XIV of the Social Security Act are less than the total State expenditures for such State under such plan during the base period (as defined in subsection (b)), and

(2) The State expenditure per recipient under such plan for such year is less than the State expenditure per recipient under such plan during the base period, then the amount payable to such State under such title for

such year shall be reduced by whichever of the following is the least:

(3) the amount by which the total State expenditures during the base period under such plan exceeds the total State expenditures during such year under such plan:

(4) the amount by which the State expenditure per recipient during the base period under such plan multiplied by the monthly average of the number of individuals who received aid or assistance under such plan during such period exceeds the State expenditure per recipient under such plan for such year multiplied by the monthly average of the number of individuals who received aid or assistance under such plan during such year; or

(5) the amount by which the sum which would be payable to such State for such year under such title but for the provisions of this section exceeds the sum which would be payable to such State for such year under such title if this section had not been enacted.

(b) For purposes of this section, the term "total State expenditures" means, in the case of a State plan approved under title I, IV, X, or XIV of the Social Security Act, the difference between (1) the total expenditures (other than expenditures to meet the cost of administering the State

plan) with respect to which amounts are payable to the State under sections 3, 403, 1003, and 1403, respectively, and (2) the amount so payable to the State; the term "State expenditure per recipient" with respect to any year or with respect to the base period, as the case may be, means, in the case of a State plan approved under title I, IV, X, or XIV of the Social Security Act, the total State expenditures during such year or period under such plan divided by the monthly average of the number of individuals who received aid or assistance under such plan during such year or period; the term "base period" means the one-year period ending September 30, 1952; and the term "State" includes Alaska, Hawaii, and the District of Columbia.

(22) *SEC. 10. For a period of one year commencing October 1, 1952, notwithstanding provisions of title I of the Social Security Act, as amended (relating to grants to States for old-age assistance), and of appropriations for payments thereunder, in any case in which any State pays old-age assistance to any individual at a rate not more than $5 in excess of the rate of old-age assistance paid to such individual during the month of September 1952, any failure to take into consideration any income and resources of such individual not in excess of $50 per month arising from agricultural labor performed by him as an employee, or from labor otherwise performed by him in connection with the raising or harvest-*

ing of agricultural commodities, or income and resources from performance of service as a nurse as an employee, or in connection with the care of the sick or confined persons as an employee, shall not be the basis of excluding payments made to such individual in computing payments made to States under section 3 of such title, of refusing to approve a State plan under section 2 of such title, or of withholding certification pursuant to section 4 of such title.

Amend the title so as to read: "An Act to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to increase the amount of earnings permitted without loss of benefits, and for other purposes."

Passed the House of Representatives June 17, 1952.

Attest: RALPH R. ROBERTS,

Clerk.

Passed the Senate with amendments June 26 (legislative day, June 21), 1952.

Attest: LESLIE L. BIFFLE,

Secretary.

82D CONGRESS
2D SESSION

H. R. 7800

AN ACT

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1952

Ordered to be printed with the amendments of the Senate numbered

MESSAGE FROM THE SENATE

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 7800. An act to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

AMENDING TITLE II OF THE SOCIAL SECURITY ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, with Senate amendments, disagree to the Senate amendments, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Mr. DOUGHTON, Mr. DINGELL, Mr. MILLS, Mr. REED of New York, and Mr. JENKINS.

SOCIAL SECURITY ACT AMENDMENTS OF 1952

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GEORGE, Mr. CONNALLY, Mr. JOHNSON of Colorado, Mr. BUTLER of Nebraska, and Mr. MARTIN conferees on the part of the Senate.

82D CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2491

SOCIAL SECURITY ACT AMENDMENTS OF 1952

JULY 5, 1952.—Ordered to be printed

Mr. DOUGHTON, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 7800]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 13, 20, 21, and 22, and from its amendment to the title.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 8, 9, 10, 11, and 16, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

Strike out the matter proposed to be stricken by the Senate amendment and in lieu of such matter insert the following:

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage.

In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

> *"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".*

(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

> *"(B) forty quarters of coverage,*

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage".

(2) Section 215 (b) (4) of such Act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

> *"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;*
>
> *"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;*
>
> *"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."*

(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall

be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; Period of Disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

A period of disability shall end on the day on which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph, and no such application which is filed prior to July 1, 1953, shall be accepted.

"(3) The requirements referred to in paragraphs (2) (C) and (4) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination after June 1953, and before January 1955, with respect to a disability which began before July 1953, and continued without interruption

until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(e) Title II of the Social Security Act is amended by adding after section 219 the following new section:

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions.

"DISABILITY DETERMINATIONS TO BE MADE BY STATE AGENCIES

"SEC. 221. (a) In the case of any individual, the determination of whether or not he is under a disability as defined in section 216 (i) (1) and of the day such disability began, and the determination of the day on which such disability ceases, shall be made by a State agency pursuant to an agreement entered into under subsection (b).

"(b) The Administrator shall enter into an agreement with each State which is willing to make such an agreement under which the State agency administering or supervising the administration of the State plan approved under title XIV, the State agency or agencies administering the State plan approved under the Vocational Rehabilitation Act, or the State agency administering the workmen's compensation law of such State, as may be designated in the agreement, will make the determinations referred to in subsection (a) with respect to individuals in such State.

"(c) Notwithstanding the provisions of subsection (a), the Administrator may, after reasonable notice and opportunity for a hearing to an individual who has been determined by a State agency pursuant to an agreement under this section to be under a disability, determine that such individual is not under a disability or that such disability began on a day later than that determined by such agency. Such a determination by the Administrator shall be the determination used for purposes of section 216 (i) in lieu of that made by such State agency.

"(d) Each State which has an agreement with the Administrator under this section in shall be entitled to receive from the Trust Fund, in advance or by way of reimbursement, as may be mutually agreed upon, the cost to the State of carrying out the agreement under this section. The Administrator shall from time to time certify such amount as is necessary for this purpose to the Managing Trustee and the Managing Tristee, prior to audit or settlement by the General Accounting Office, shall make payment from the Trust Fund at the time or times fixed by the Administrator, in accordance with such certification.

"(a) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money which is so paid which is not used for such purposes shall be returned to the Treasury for deposit in the Trust Fund."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsections (a), (b), (c), and (d)

of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after June 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

(g) Notwithstanding the preceding provisions of this section and the amendments made thereby, such provisions and amendments shall cease to be in effect at the close of June 30, 1953, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this Act had not been enacted.

And the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *$75*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *$75*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *$75*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *$75*; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *6*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *$75*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *$75*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *7*; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

Insert the matter proposed to be inserted by the Senate amendment and on page 32, line 5, of the House engrossed bill strike out "Title" and insert in lieu thereof *Effective as of July 1, 1952, title*; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 8. (a) Section 3 (a) of the Social Security Act is amended to read as follows:

"SEC. 3 (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount

shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

(b) Section 403 (a) of such Act, is amended to read as follows:

"SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $30 with respect to one such dependent child and $21 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $30—

"(A) four-fifths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $15 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan, not counting so much of such of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose."

(c) Section 1003 (a) of such Act is amended to read as follows:

"SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to one-half of

the total of the sums expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose."

(d) Section 1403 (a) of such Act is amended to read as follows:

"SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the permanently and totally disabled, or both, and for no other purpose."

(e) The amendments made by this section shall be effective for the period beginning October 1, 1952, and ending with the close of September 30, 1954, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this Act had not been enacted.

And the Senate agree to the same.

R. L. DOUGHTON,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS JENKINS,
Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
EDWIN C. JOHNSON,
HUGH BUTLER,
EDWARD MARTIN,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment strikes out section 3 of the House bill, which provided that the insured status of certain individuals under title II of the Social Security Act, and their average monthly wage for the purposes of that title, would not be adversely affected while they were permanently and totally disabled. The effect of the action agreed upon by the conferees is to accept the House provision but to provide (1) that no applications may be accepted under the House provision prior to July 1, 1953; (2) that the House provision shall cease to be effective at the close of June 30, 1953; and (3) that determinations with respect to whether or not an individual is permanently and totally disabled and the duration of any such disability shall be made by appropriate State agencies rather than by the Administrator.

The action recommended by the conferees will permit appropriate steps to be taken for the working out of tentative agreements with the States for possible administration of these provisions. It is the intent of the conferees that hearings will be held on this entire matter early in 1953 and at that time the congressional committees will go into the administrative and other provisions. It is intended to obtain the views at that time of interested groups on the methods of obtaining evidence of disability, under what circumstances and by whom determinations should be made, and whether or not these provisions or any modification thereof should be enacted into permanent law.

Amendment No. 2: This is a technical amendment changing the section number of section 4 of the House bill. The Senate recedes.

Amendments Nos. 3, 4, 5, and 6: The House bill increased from $50 to $70 a month the amount of earnings from employment or self-employment which may be received in or charged to a month without subjecting the beneficiary to a deduction from his benefits. The Senate amendments increase this amount to $100. The effect of the action recommended by the conferees is to increase this amount from the $50 in existing law to $75.

Amendments Nos. 7, 8, 9, and 10: The House bill provided wage credits of $160 a month for individuals while serving in the Armed Forces after July 24, 1947, and before 1954, and in addition authorized appropriations to the trust fund of the sums necessary to meet the additional costs resulting from such wage credits. The effect of the Senate amendments is to retain the wage credit provision of the House

bill but to provide that the additional costs will be borne by the trust fund. The House recedes.

Amendments Nos. 11, 12, and 17: Section 6 of the House bill provided that the insurance system contained in title II of the Social Security Act would, upon the request of the State, be extended to employees covered by certain State or local retirement systems if one of two conditions was met: (1) State or local law in effect on January 1, 1951, provided for coordination of the State or local retirement system with the Federal system, or (2) two-thirds of the employees covered by such retirement system voted in favor of Federal coverage. The Senate amendments strike out these provisions. The House recedes. The conferees by this action intend in no way to imply that they do not favor the inclusion of similar provisions in the law; it is the intent of the conferees that the entire matter of the extension of Federal coverage to employees already covered by State and local retirement systems will be explored thoroughly early in 1953, when the disability provisions are to be reexamined.

Amendment No. 13: This is a technical amendment changing a cross-reference contained in the House bill. The Senate recedes.

Amendments Nos. 14 and 15: The House bill raised from $50 to $70 a month the work clause applicable to individuals receiving survivor benefits under the Railroad Retirement Act. The Senate amendments raise this monthly limitation to $100. The effect of the action recommended by the conferees is to increase this monthly limitation to $75.

Amendment No. 16: This Senate amendment relates to the computation of the increase in benefits under the bill for certain individuals who are entitled to benefits for August 1952 and whose benefits could have been derived from either of two primary insurance amounts which differ from each other by not more than 10 cents. The House recedes.

Amendment No. 18: The House bill provided that earned income of a blind individual which is disregarded in determining under title X of the Social Security Act the need of that individual for aid to the blind may also be disregarded in determining the need of any other individual for old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled. The effect of the action recommended by the conferees is to retain the House provision but to make it effective July 1, 1952, and to make it mandatory upon the States after June 30, 1954.

Amendment No. 19: There was no comparable provision in the House bill. The Senate amendment changes the formulas for computing the Federal share of State public assistance programs.

Under existing law the Federal share in the case of old-age assistance, aid to the blind, and aid to the permanently and totally disabled, is three-fourths of the first $20 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $50. Under the Senate amendment the Federal share is four-fifths of the first $25 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $55. The effect of the action agreed upon in conference is to accept the provisions of the Senate amendment on this point, but to limit the period to which such provisions apply to the 2-year period beginning October 1, 1952.

Under existing law the Federal share in the case of aid to dependent children is three-fourths of the first $12 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $27 for the adult caring for a dependent child, $27 for the first child, and $18 for each additional child in a family. Under the Senate amendment the Federal share is four-fifths of the first $15 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $30 for the adult, $30 for the first child, and $21 for each additional child in a family. The effect of the action agreed upon in conference is to accept the provisions of the Senate amendment on this point, but to limit the period to which such provisions apply to the 2-year period beginning October 1, 1952.

The Senate amendment also contains changes in the formulas for computing the Federal share of public assistance for Puerto Rico and the Virgin Islands. The effect of the action agreed upon in conference is to retain, for Puerto Rico and the Virgin Islands, the formulas contained in existing law.

Amendment No. 20: Under existing law the total amount certified by the Administrator under titles I, IV, X, and XIV for payment to Puerto Rico with respect to any fiscal year may not exceed $4,250,000. The Senate amendment increases this maximum amount to $5,000,000. The Senate recedes.

Amendment No. 21: This amendment contains a temporary provision relating to the amount of State and local funds which must be expended in order for a State to be eligible for the full amount of the increase in Federal funds for public assistance provided by the bill. The Senate recedes.

Amendment No. 22: This amendment provides that for the 1-year period beginning October 1, 1952, a State may exclude from consideration any income and resources not over $50 a month obtained by a recipient of old-age assistance for performing agricultural or nursing services. The Senate recedes.

Amendment to the title: The Senate recedes.

R. L. DOUGHTON,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS JENKINS,
Managers on the Part of the House.

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permanently and totally disabled individuals, and to increase the amounts of earnings permitted without loss of benefits, and for other purposes."

FURTHER MESSAGE FROM THE SENATE

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the amendments to the bill (H. R. 7800) entitled "An act to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of

AMENDING TITLE II OF THE SOCIAL SECURITY ACT

Mr. MILLS submitted the following conference report and statement on the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2491)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 13, 20, 21, and 22, and from its amendment to the title.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 8, 9, 10, 11, and 16, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken by the Senate amendment and in lieu of such matter insert the following:

"PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

"SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"'(A) The term "quarter of coverage" means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability other than the initial quarter of such period.'

"(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

"'(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;'.

"(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out 'shall be a quarter of coverage' and inserting in lieu thereof 'shall (subject to clause (i)) be a quarter of coverage'.

"(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"'(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage.'

"(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ', not counting as part of such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage.'

"(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after 'excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage' the following: 'and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage'.

"(2) Section 215 (b) (4) of such Act is amended to read as follows:

"'(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"'(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"'(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"'(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability.'

"(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"'(5) In the case of any individual to whom paragraph (1), (2), or (4) of this sub-

section is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted.'

"(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"'Disability; Period of Disability

"'(i) (1) The term "disability" means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term "blindness" means central visual acuity of 5/200 or less in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under disability unless he furnishes such proof of the existence thereof as may be required.

"'(2) The term "period of disability" means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"'(A) the day the disability began;

"'(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"'(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

"'A period of disability shall end on the day on which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph, and no such application which is filed prior to July 1, 1953, shall be accepted.

"'(3) The requirements referred to in paragraphs (2) (C) and (4) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"'(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

"'(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter;

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"'(4) If an individual files an application for a disability determination after June 1953, and before January 1955, with respect to a disability which began before July 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"'(A) the day such disability began; or

"'(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3).'

"(e) Title II of the Social Security Act is amended by adding after section 219 the following new section:

"'DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"'SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions.'

"'DISABILITY DETERMINATIONS TO BE MADE BY STATE AGENCIES

"'SEC. 221. (a) In the case of any individual, the determination of whether or not he is under a disability (as defined in section 216 (i) (1)) and of the day such disability began, and the determination of the day on which such disability ceases, shall be made by a State agency pursuant to an agreement entered into under subsection (b).

"'(b) The Administrator shall enter into an agreement with each State which is willing to make such an agreement under which the State agency administering or supervising the administration of the State plan approved under title XIV, the State agency or agencies administering the State plan approved under the Vocational Rehabilitation Act, or the State agency administering the workmen's compensation law of such State, as may be designated in the agreement, will make the determinations referred to in subsection (a) with respect to individuals in such State.

"'(c) Notwithstanding the provisions of subsection (a), the Administrator may, after reasonable notice and opportunity for a hearing to an individual who has been determined by a State agency pursuant to an agreement under this section to be under a disability, determine that such individual is not under a disability or that such disability began on a day later than that determined by such agency. Such a determination by the Administrator shall be the determination used for purposes of section 216 (i) in lieu of that made by such State agency.

"'(d) Each State which has an agreement with the Administrator under this section shall be entitled to receive from the trust fund, in advance or by way of reimbursement, as may be mutually agreed upon, the cost to the State of carrying out the agreement under this section. The Administrator shall from time to time certify such amount as is necessary for this purpose to the Managing Trustee and the Managing Trustee, prior to audit or settlement by the General Accounting Office, shall make payment from the Trust Fund at the time or times fixed by the Administrator, in accordance with such certification.

"'(e) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money which is so paid which is not used for such purposes shall be returned to the Treasury for deposit in the Trust Fund.'

"(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsections (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after June 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

"(g) Notwithstanding the preceding provisions of this section and the amendments made thereby, such provisions and amendments shall cease to be in effect at the close of June 30, 1953, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this act had not been enacted."

And the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following "$75"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$75"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$75"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$75"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "6"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$75"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$75"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "7"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Insert the matter proposed to be inserted by the Senate amendment and on page 32, line 5, of the House engrossed bill strike out "Title" and insert in lieu thereof "Effective as of July 1, 1952, title"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 8. (a) Section 3 (a) of the Social Security Act is amended to read as follows:

"'SEC. 3 (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter beginning with the quarter commencing October 1, 1952, (1) in the case of any State

other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"'(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.'

"(b) Section 403 (a) of such Act is amended to read as follows:

"'SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $30 with respect to one such dependent child and $21 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $30—

"'(A) four-fifths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $15 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose.'

"(c) Section 1003 (a) of such act is amended to read as follows:

"'SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"'(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose.'

"(d) Section 1403 (a) of such act is amended to read as follows:

"'SEC 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"'(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

"'(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the permanently and totally disabled, or both, and for no other purpose.'

"(e) The amendments made by this section shall be effective for the period beginning October 1, 1952, and ending with the close of September 30, 1954, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this Act had not been enacted."

And the Senate agree to the same.

R. L. DOUGHTON,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS T. JENKINS,
Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
EDWIN C. JOHNSON,
HUGH BUTLER,
EDWARD MARTIN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment strikes out section 3 of the House bill, which provided that the insured status of certain individuals under title II of the Social Security Act, and their average monthly wage for the purposes of that title, would not be adversely affected while they were permanently and totally disabled. The effect of the action agreed upon by the conferees is to accept the House provision but to provide (1) that no applications may be accepted under the House provision prior to July 1, 1953, (2) that the House provision shall cease to be effective at the close of June 30, 1953, and (3) that determinations with respect to whether or no an individual is permanently and totally disabled and the duration of any such disability shall be made by appropriate State agencies rather than by the Administrator.

The action recommended by the conferees will permit appropriate steps to be taken for the working out of tentative agreements with the States for possible administration of these provisions. It is the intent of the conferees that hearings will be held on this entire matter early in 1953 and at that time the congressional committees will go into the administrative and other provisions. It is intended to obtain the views at that time of interested groups on the methods of obtaining evidence of disability, under what circumstances and by whom determinations should be made, and whether or not these provisions or any modification thereof should be enacted into permanent law.

Amendment No. 2: This is a technical amendment changing the section number of section 4 of the House bill. The Senate recedes.

Amendments Nos. 3, 4, 5, and 6: The House bill increased from $50 to $70 a month the amount of earnings from employment or self-employment which may be received in or charged to a month without subjecting the beneficiary to a deduction from his benefits. The Senate amendments increase this amount to $100. The effect of the action recommended by the conferees is to increase this amount from the $50 in existing law to $75.

Amendments Nos. 7, 8, 9, and 10: The House bill provided wage credits of $160 a month for individuals while serving in the Armed Forces after July 24, 1947, and before 1954, and in addition authorized appropriations to the trust fund of the sums necessary to meet the additional costs resulting from such wage credits. The effect of the Senate amendments is to retain the wage credit provision of the House bill but to provide that the additional costs will be borne by the trust fund. The House recedes.

Amendments Nos. 11, 12, and 17: Section 6 of the House bill provided that the insurance system contained in title II of the Social Security Act would, upon the request of the State, be extended to employees covered by certain State or local retirement systems if one of two conditions was met: (1) State or local law in effect on January 1, 1951, provided for coordination of the State or local retirement system with the Federal system, or (2) two-thirds of the employees covered by such retirement system voted in favor of Federal coverage. The Senate amendments strike out these provisions. The House recedes. The conferees by this action intend in no way to imply that they do not favor the inclusion of similar provisions in the law; it is the intent of the conferees that the entire matter of the extension of Federal coverage to employees already covered by State and local retirement systems will be explored thoroughly early in 1953, when the disability provisions are to be reexamined.

Amendment No. 13: This is a technical amendment changing a cross-reference contained in the House bill. The Senate recedes.

Amendments Nos. 14 and 15: The House bill raised from $50 to $70 a month the work clause applicable to individuals receiving survivor benefits under the Railroad Retirement Act. The Senate amendments raise this monthly limitation to $100. The effect of the action recommended by the conferees is to increase this monthly limitation to $75.

Amendment No. 16: This Senate amendment relates to the computation of the increase in benefits under the bill for certain individuals who are entitled to benefits for August 1952 and whose benefits could have been derived from either of two primary insurance amounts which differ from each other by not more than ten cents. The House recedes.

Amendment No. 18: The House bill provided that earned income of a blind individual which is disregarded in determining under title X of the Social Security Act the need of that individual for aid to the blind may also be disregarded in determining the need of any other individual for old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled. The effect of the action recommended by the conferees is to retain the House provision but to make it effective July 1, 1952, and to make it mandatory upon the States after June 30, 1954.

Amendment No. 19: There was no comparable provision in the House bill. The Senate amendment changes the formulas for computing the Federal share of State public assistance programs.

Under existing law the Federal share in the case of old-age assistance, aid to the blind, and aid to the permanently and totally disabled, is three-fourths of the first $20 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $50. Under the Senate amendment the Federal share is four-fifths of the first $25 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $55. The effect of the action agreed upon in conference is to accept the provisions of the Senate amendment on this point, but to limit the period to which such provisions apply to the 2-year period beginning October 1, 1952.

Under existing law the Federal share in the case of aid to dependent children is three-fourths of the first $12 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $27 for the adult caring for a dependent child, $27 for the first child, and $18 for each additional child in a family. Under the Senate amendment the Federal share is four-fifths of the first $15 of a State's average monthly payment per recipient, plus one-half of the remainder within individual maximums of $30 for the adult, $30 for the first child, and $21 for each additional child in a family. The effect of the action agreed upon in conference is to accept the provisions of the Senate amendment on this point, but to limit the period to which such provisions apply to the 2-year period beginning October 1, 1952.

The Senate amendment also contains changes in the formulas for computing the Federal share of public assistance for Puerto Rico and the Virgin Islands. The effect of the action agreed upon in conference is to retain, for Puerto Rico and the Virgin Islands, the formulas contained in existing law.

Amendment No. 20: Under existing law the total amount certified by the Administrator under titles I, IV, X, and XIV for payment to Puerto Rico with respect to any fiscal year may not exceed $4,250,000. The Senate amendment increases this maximum amount to $5,000,000. The Senate recedes.

Amendment No. 21: This amendment contains a temporary provision relating to the amount of State and local funds which must be expended in order for a State to be eligible for the full amount of the increase in Federal funds for public assistance provided by the bill. The Senate recedes.

Amendment No. 22: This amendment provides that for the 1-year period beginning October 1, 1952, a State may exclude from consideration any income and resources not over $50 a month obtained by a recipient of old-age assistance for performing agricultural or nursing services. The Senate recedes.

Amendment to the title: The Senate recedes.

R. L. DOUGHTON,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS JENKINS,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, the conferees have brought back the social-security bill, H. R. 7800, in a much improved form. Many of the objectionable features are now removed and its provisions have been liberalized with respect to rights granted social-security beneficiaries.

The gentleman from New York [Mr. REED] will explain the bill and I wish to associate my views with his.

In view of its present form, I am happy now to be able to support it.

Mr. MILLS. Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, the conference report on H. R. 7800 should be adopted because it eliminates the objectionable socialized medicine feature of the bill a sit passed the House; because the amount of money which a person can earn without losing his benefits has been increased over the House bill; and, finally, because in addition to the higher benefits provided for under the insurance program, the conference report increases public assistance funds for the aged, dependent children, and others on the assistance rolls.

The principal objection to H. R. 7800 as it passed the House was the new permanent and total disability program established by the bill. This entering wedge into the field of socialized medicine was eliminated by the other body and is for all practical purposes eliminated in the conference report. As a face-saving gesture the House permanent and total disability provision is retained in name in the conference report, but it is completely inoperative. The conference report provides that no claims for permanent and total disability can be made until after June 30, 1953, and provides also that the whole section will automatically expire on July 1, 1953, unless affirmative action by the Congress to re-enact this provision is adopted. Moreover, an amendment to the permanent and total disability provision in the House bill was adopted which places the examination of disabled individuals in the hands of State agencies. In substance the whole permanent and total disability provision which was vigorously opposed by those of us who are interested in preserving the integrity of the medical profession in this country and who are opposed to the extension of Federal authority over the medical profession has been effectively eliminated. It is in the conference report in name only, and it is for this reason that I signed the conference report and now support its adoption.

The second principal objection to the House version of H. R. 7800 was that many Members favored increasing the so-called work clause. The bill which I introduced increased the work clause from $50 to $100 and the conference report sets the limit at $75. In my opinion this amount is not nearly high enough, and the Republican conferees urged that the $100 figure agreed to by the other body should be adopted. In this we were defeated, and for this unfair limitation on the amount a person may earn without losing his benefits, the blame rests with the Democratic conferees.

A significant change from the House bill contained in the conference report is the change in the Federal share of payments to the aged, the blind, and the permanently and totally disabled. Under present law for old-age assistance, aid to the blind and aid to the permanently and totally disabled the Federal share is now three-fourths of the first $20 of a State's average monthly payment per recipient plus one-half of the remainder within individual maximum of $50. The conference report provides that the Federal share will be be four-fifths of the first $15 of a State's average monthly payment per recipient plus one-half of the remainder within individual maximums of $55. In the case of aid to dependent children the Federal share is now three-fourths of the first $12 of a State's average monthly payment per recipient plus one-half of the remainder within individual maximums of $27 for the adult, $27 for the first child, and $18 for each additional child in a family. The conference report provides that the Federal share will be four-fifths of the first $15 of a State's average payment per recipient plus one-half of the remainder within individual maximums of $30 for the adult, $30 for the first child and $21 for each additional child in a family.

The elimination of the operation of permanent and total disability, the increase in the work clause from $70 to $75, and the increased Federal funds for the public assistance—these are the major changes in the House bill made by the conference report.

Mr. Speaker, the conference report is a great triumph to the Republican Members of this body who stood up against the Oscar Ewing propaganda machine. It is a victory for those who are opposed to socialized medicine, for those who are opposed to expanding bureaucracy, and for those who are opposed to further encroachment by the Federal Government into fields of Government service which should properly remain with the States. It is unfortunate, indeed, that my bill, H. R. 7922, was not adopted in the beginning by this body. If it had been, we would have avoided the necessity for long conferences with the other body because in substance the provisions of H. R. 7922 have been embodied in the conference report.

In closing, Mr. Speaker, I want to say that I and the other House conferees are keenly disappointed that we were not able to make an adjustment in the conference report relating to the coverage of State and local employees in States where the State or local retirement system contemplated the coordination of the local retirement system with the Federal Old-Age and Survivors Insurance System. Our colleague on the committee Mr. BYRNES from Wisconsin, did everything within his power on behalf of the State and local employees under the retirement system of Wisconsin to have this provision of the House bill adopted. I can only say that the people of this great State are fortunate indeed in having Mr. BYRNES as their representative and that it is through no fault or lack of diligent effort on his part that this conference report does not contain the amendment permitting coordination of the Wisconsin retirement system with the Federal Old-Age and Survivors Insurance program.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a statement by the gentleman from Pennsylvania [Mr. SIMPSON] in support of this bill.

The SPEAKER pro tempore (Mr. BOGGS of Louisiana). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I am supporting this conference report on H. R. 7800 for the following reasons:

It increases the benefit payments under the old-age and survivors' insurance program by $5 or 12½ percent, whichever is larger;

It provides for a liberalization of the amount which a person may earn without losing his benefits from $50 a month to $75 a month;

It provides wage credits of $160 per month for members of the Armed Forces serving since the close of World War II through 1953. Under the conference report these credits will be paid out of the trust fund rather than be financed by the general revenues as provided in the House bill.

It increases the funds available to the States for payments to the needy aged, blind, dependent children, and permanently and totally disabled individuals.

And, finally, I am supporting this conference report because in effect it eliminates the total and permanent disability provision contained in the House bill which would have laid the foundation for socialized medicine in this country. Although the wording of the permanent and total disability provision of the House bill with an amendment providing for examinations by State agencies remains in the conference report, the whole provision is made completely inoperative. No claims may be made, no examinations held, and the whole provision will automatically expire July 1, 1953, unless the Congress takes some affirmative action before that time.

The adoption by the House of the conference report is a major victory for those of us who challenged the wisdom of granting sweeping authority to Oscar Ewing and the Federal Security Agency to control and regiment the medical profession of this country.

Mr. REED of New York. Mr. Speaker, I also ask unanimous consent that the gentleman from Ohio [Mr. JENKINS] may extend his remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENKINS. Mr. Speaker, the bill, H. R. 7800, has had the most unusual history of any piece of legislation passed during my somewhat long service in Congress. Let us review its progress.

In the first place it was generally understood from the beginning of the second session of the Eighty-second Congress that no major legislation dealing with the tax laws or the social-security law would be considered. This course was followed by the Ways and Means Committee until well on into the last part of this, the last session of Congress. Then one day, without any notice to the Republican members of the committee or to the public generally, Mr. DOUGHTON introduced H. R. 7800. Then steps were taken immediately to crowd it through the committee without any public hearings. The Republican members practically unanimously demanded public hearings but their demand was denied. "What is the hurry?" we demanded. Our demand availed us nothing.

It was evident that the bill was a political bill and that the administration had ordered its passage. The Social Security Department, through its ever present Wilbur Cohen and his assistants came before the committee in executive session and the bill was soon reported out by the committee without the members thereof having had sufficient time to study it thoroughly.

The principal and only purpose of the bill was to increase the grant to those drawing social security and to give a foothold to socialized medicine. It was purely an election scheme. They were going to influence the social-security recipients by giving them a $5 per month increase.

In a day or two after the committee had taken this action and as soon as I could I gave the bill a careful study. I immediately found that it contained two sections that were absolutely unacceptable. One of these, section 3, was a section that without doubt would be a long step toward socialized medicine. The other, section 6, was the section that encroached on the retirement systems of school teachers and State and municipal employees.

When we made these discoveries we immediately started up an organized opposition that finally developed into the defeat of these two sections. I did my part of this without having received any communications from any medical society or from any of the many State employees or teachers' organizations. Most of the Republican members of the Ways and Means Committee joined me in opposition to the proposed legislation.

It will be remembered that the Democratic members of the committee induced the Speaker of the House to permit this bill, H. R. 7800, to be brought up on a motion to suspend the rules. Under this unusual procedure the motion must carry by a two-thirds majority and only 20 minutes debate on each side would be permitted.

The whole country was stirred up by this procedure. The impression went out that this $5 increase would also be paid to the old-age pensioners and to the blind. Those of us who were opposed to the measure were not opposed to paying this $5 increase to those on social security who would receive it but we felt that this $5 increase should also apply to the aged and to the blind. Apparently our position was misconstrued for we were not opposed to the $5 provision but were opposed to socialized medicine and to an invasion of the State employees system and an invasion of the teachers retirement system.

We were able to prevent the passage of the bill by a two-thirds majority under the motion to suspend the rules. Thus we had won a very signal victory. The Ways and Means Committee is proud of the fact that it is seldom defeated on the floor of the House. It was soundly defeated in this contest because it was attempting to advance the cause of socialized medicine and to invade the pension systems of the State and municipal employees of the country and of the teachers' retirement system. Some of these systems have many millions of dollars in their treasuries which these social-security chiefs in Washington would like to take over. It was defeated also because the membership of the House is overwhelmingly opposed to socialized medicine.

The administration was not to be denied, so the socialized medicine crowd in the Social Security Department brought out another bill. They claimed that this bill had been completely stripped of all socialized-medicine language. When this bill came on for consideration it came on under the regular rules of the House which require only a majority vote to pass it. But it provided for additional time for debate. The membership of the House had, in the meantime, been flooded by communications from the aged and the blind who thought that they were included in the bill. Under this pressure, the amended bill was passed by a large vote. Only 22 voted against it. I was one of these 22. We knew that the aged and the blind had not been included.

I was guided in my course by the knowledge that the bill had not been cleared from all socialized-medicine language and that it did not give one single additional penny to the old-age recipients or to the blind. I am proud to have been one of the 22, for now our position has been vindicated. We were right from the beginning.

When the bill went to the Senate that body accepted our view. They found one whole section of socialized-medicine language and struck it out. This was section 3. They also found that the bill did infringe upon the rights of the State employees and the teachers and struck out all of that language, which was section 6. The Senate also realizing that the old-age pensioners and the blind had been denied any increase, inserted in the bill such language as was necessary to increase the blind pensions and the old-age pension by $5 per month.

Therefore when the Senate bill came before the conference committee, consisting of four Senators and five Members of Congress of which I was one, we agreed upon the Senate bill quite completely. And that is in effect the bill that finally came before the House for consideration.

If this bill passes the Congress as the conference committee has recommended, it will be a great victory for us Republicans and those who assisted us in preventing the passage of a purely political bill just before the coming election and prevented the country from taking its first long step into socialized medicine.

I am proud of my part in this victory, for we have helped the blind and the old-age pensioners by giving them a small increase and we have increased their right to earn more from outside employment by permitting them to earn as much as $75 per month and in it we have stopped socialized medicine.

Therefore, Mr. Speaker, I say that this bill has taken a most unusual course but finally it is in shape that it can be supported by all who are opposed to socialized medicine and who are willing to raise the social-security payments by $5 per month and are willing to raise the payments of the old-age pensioners and the blind by $5 per month.

I am in favor of the bill and am proud to have had an active part in removing from it these two objectionable features.

Mr. MILLS. Mr. Speaker, I yield 13 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, it is most unfortunate that the gentleman from New York chose to interject into the consideration of these matters which were in conference an imputation of politics, and to refer with such enthusiasm to his bill, H. R. 7922. I want to point out to you that the composite bill, H. R. 7922, introduced by Mr. REED came many, many numbers after H. R. 7800, the composite bill by Mr. DOUGHTON. Prior to the committee consideration of the composite bill, H. R. 7800, there were any number of social security bills which were introduced before the gentleman from New York got this very heavy thought and before he became so concerned with the unfortunate old-age pensioners and those covered by OASI. You know you can never get away from your own record. It is like your shadow. It follows you on forever. In the light of facts do not be overly impressed by Mr. REED'S concern. If you go back to the record when we built the great social security law in 1935 you will find that the gentleman from New York opposed this great social legislation.

There is no socialized medicine in this bill. The Senate conferees agreed with the position of the House in modified form, and everybody was pretty well convinced that the provision was appropriate, but seemingly two members of the House conferees insisted on speaking as a partisan minority.

The bill, as I said, introduced through the efforts of the membership of the Committee on Ways and Means. bearing the name of our distinguished chairman [Mr. DOUGHTON], embodies some very valuable amendments which will do much to make easier the way of the old-age pensioners and those under OASI. But certain things, because they were controversial as far as the Senate managers were concerned, had to be dropped in the interest of passing this needed legislation in the Eighty-second Congress. The House conferees endeavored to abide by the mandate issued by this body when the legislation, H. R. 7800, passed by a vote of 361 to 22. Bear in mind that H. R. 7800 passed this House under suspension of the rules. We chose that it come back here under suspension. We wanted to jam it down their throats, and we did, and they swallowed it. It gagged them, but they had to take it, 18 to 1. We were not satisfied with the previous vote which was a majority. We did not bring it here under a closed rule. We brought it here under suspension. We were going to have it passed as is, or nothing, and we whipped the reactionaries outside of this Chamber, who insulted your intelligence and mine, who said that to give protection to a man who had paid into OASI, which is an insurance plan, by providing a waiver of premiums, was socialism. The House proved by its 18–to–1 approval that it was not.

I want to emphasize what I have said time and time again, that there is not to my knowledge a single insurance company worthy of the name in the United States of America that does not give a policyholder exactly what you have here in this bill; namely, a waiver of premium in case of disability and a guaranty that he shall receive what he contracted for when the time arrives.

Let it be known that the Members on the part of the minority, did not favor the waiver of premium, and they were anxious and ready from the start to desert the position that the House had taken. That is not anything to brag about when you go into a conference. After you have had your battle here and you go into conference you are supposed to stand by the House. You are supposed to try to carry out the wishes of the House. What did the House minority conferees do? They undertook to follow the reactionaries, some of the character assassins in the AMA. I am not speaking of the rank and file of doctors. I am talking about the reactionaries, the president who just retired, the one who just came in and the one who not so long ago was kicked out of control. That is what I am talking about. They have never sustained their position. There were a thousand editorials, not only in Democratic but in Republican newspapers that pointed out the fact that this was the biggest mistake the so-called Grand Old Party ever made in this House. They changed their position wisely and properly and honestly. Still the ranking member on the minority comes here and tells you that this is still socialized medicine.

According to that, Senator GEORGE is an advocate and adherent of socialized medicine; so is ED JOHNSON, and so are all the rest of us; and I tell you the most practical thing that I ever did was in presuming to forestall such socialized medicine and any system that approximates it. I advocated health insurance.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. EBERHARTER. I think what the membership is most interested in is what will be the actual, practical result of the provision adopted by the conference with respect to the permanent and total disability provisions? No Member on the floor knew what was in the conference report until about 5 minutes ago; and as I look at it I cannot see that there is any provision in there which retains the feature of a waiver of premium for those who become permanently and totally disabled. If it does, if there is a provision that waives the premium

for those who are permanently and totally disabled, then I am in thorough accord with the conference agreement. But if it contains no protection whatsoever for those permanently and totally disabled, I think it is a surrender to the American Medical Association.

Mr. DINGELL. Let me assure my friend——

Mr. EBERHARTER. You tell us, then, specifically, where it grants waiver of premiums for those permanently and totally disabled.

Mr. DINGELL. It will not take effect unless we act affirmatively after the 1st of January. But it does do this, and it was a most difficult thing which we had to consider in conference, I may say to my friend from Pennsylvania, who is most anxious and always has been most helpful in matters pertaining to the welfare of those covered by the OASI, old-age pensioners, and other people coming under social security. I will say this, at the risk of bringing back nothing from conference, we saved many valuable contributions to these good people who are dependent upon a lift of this kind. But I am not bragging about what we were able to do, mind you. We had the opposition of four out of five Senators, to begin with. We did not have our own minority conferees with us, despite the decisive vote in the House. It was only through the efforts of our good friends Mr. DOUGHTON and Mr. MILLS, as well as myself, who fought to the very last, that we did establish the principle that is going to be in the law when the President signs it—a recognition of the waiver of the premium principle. By January 1, I may say to my good friend from Pennsylvania, the public demand for the continuation of the waiver of premium that will reach the ears of those who are today serving in the House and who will be reelected, and those who are elected for the first time to the new Congress, is going to be so great and so powerful that it is going to drive the reactionaries and the opposition out of this Chamber.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield further?

Mr. DINGELL. I yield.

Mr. EBERHARTER. Then the only thing this bill does, in the gentleman's opinion, is to recognize that we should have a waiver of premium for the permanent and totally disabled, but it will have no effect whatsoever unless the next Congress passes an affirmative act to that effect.

Mr. DINGELL. That is right.

Mr. EBERHARTER. So that we cannot put ourselves in the position of saying to the people of this country that the permanent and total disability provisions are in this measure; is that correct?

Mr. DINGELL. That is right, but we did get the camel's nose under the tent.

ON THE FREEZING OF PERIODS OF DISABILITY UNDER THE OLD-AGE AND SURVIVORS' INSURANCE LAW

Mr. Speaker, because I did not want to detract from any credit due another, I have modestly refrained heretofore from pointing out that it was I and not the gentleman from New Jersey [Mr. KEAN] who first introduced a social-security bill providing for a freeze of periods of disability.

My bill, H. R. 6750, which goes much further than any of the bills pending before the Committee on Ways and Means in revising and liberalizing the social-security laws, was introduced on February 21, 1952. Mr. KEAN's bill, H. R. 7549, was introduced on April 23, 1952.

I am for improvements in the social-security laws and will support them regardless of who authors the legislation. I just wanted to set the record straight, however, in that I introduced my bill ahead of any others that have been introduced on this subject. I include a comparison of the differences in the several bills indicating the greater liberality of my bill, H. R. 6750—and I further refer you to the study headed "Major differences in H. R. 7800 as passed by the House and as passed by the Senate" with a column showing what finally was agreed to in conference:

JULY 2, 1951.

MEMORANDUM

To: Mr. DINGELL.

From: Leo H. Irwin.

Subject: Comparison of H. R. 6750, H. R. 7549 and H. R. 7800; all pertaining to social security.

Pursuant to your request a comparative analysis is made herein of the major provisions of three principal Social Security bills introduced in this second session of the Eighty-second Congress; viz: H. R. 6750, H. R. 7549, and H. R. 7800. The comparison will be made under the major topics of (1) coverage, (2) benefits, (3) disability and rehabilitation, (4) financing, (5) public assistance, and (6) technical amendments.

	H. R. 6750	H. R. 7549	H. R. 7800
I. Coverage:			
A. Estimated number of persons affected by expanded coverage.	11,000,000	Not given	Not given.
B. Coverage of the self-employed.	Certain designated self-employed persons are covered.	All self-employed persons are covered	No change.
C. State and local employees.	Permits States to enter into agreements for retroactive coverage by Jan. 1, 1954. Also allows coverage if integration statute in effect as of Jan. 1, 1950.	No change	Permits States to enter into agreements for retroactive coverage by Jan. 1, 1955. Allows coverage if integration statute in effect as of Jan. 1, 1951. Permits coverage of State and local employees who are also covered by retirement system.
D. Wage credits for military personnel.	All military service after World War II is covered by a $160 per month wage credit. Makes permanent provision with respect to future service.	No change	$160 per month wage credit for military service between end of World War II and Jan. 1, 1954.
E. Miscellaneous coverage	Includes among other groups—farm workers, domestics, and employees of higher educational institutions.	Includes among other groups—farm owners and workers and domestics.	No change.
F. Coverage criteria	Eliminates the "regularity" test and retains a minimum ($50) for quarterly earnings.	Substantially similar to H. R. 6750	No change.
II. Benefits:			
A. Maximum earnings subject to coverage.	$6,000	No change ($3,600)	No change ($3,600).
B. Benefit formula	50 percent of first $120, 15 percent of next $380 plus 1 percent increment for each year of coverage. Best 10 consecutive years of covered earnings are used. The conversion table is adjusted upward.	50 percent of first $115, 15 percent of next $185. Best 10 consecutive years of covered earnings are used. Conversion table is revised upward.	55 percent of first $100, 15 percent of next $200. Conversion table is revised upward.
C. Benefit limits	Average increase is 35 percent. Minimum primary insurance benefit is $25. Maximum will depend on years of coverage. Family benefits minimum is $50. Maximum $200.	Benefit payments would be increased about 10 percent. Minimum primary insurance benefit is $22. Maximum $85. Family benefits minimum is $44. Maximum $165.	Average increase is in excess of $6. Benefits of those now on the rolls would be increased by $5 or 12½ percent, whichever is greater. Minimum primary insurance benefit is $25. Maximum $85. Family benefits minimum is $45, maximum $168.75.
D. Work clause	$75 with a corresponding adjustment for the self-employed.	No change	$70 with a corresponding adjustment for the self-employed.
III. Disability and rehabilitation:			
A. Disability and sickness benefits.	Provides disability benefits for disabled insured workers. Sickness benefits are provided for temporarily incapacitated insured workers.	do	No change.
B. Rehabilitation services	Rehabilitation services are provided for insured disabled individuals and disabled children entitled to child's benefits.	Rehabilitation services are provided for insured disabled individuals.	Do.
C. Waiver of premium provision.	Preserves the insurance and benefit status of disabled workers by freezing period of disability.	Preserves benefit status of disabled workers by freezing period of disability.	Preserves insurance and benefit status of disabled workers by freezing period of disability.

	H. R. 6750	H. R. 7549	H. R. 7800
IV. Financing	The tax rate would be 2 percent for employers and for employees in 1952–53. This would be progressively increased until by 1961 and thereafter the tax rate would be 4 percent. A different rate schedule would apply for Federal employees and the self-employed. The wage base would be increased to $6,000.	No change	No change.
V. Public assistance	No change	do	Provides that the $50 of earned income allowed blind in determining their need may be disregarded in determining need of others.
VI. Technical amendments			Provides 4 technical changes in the insurance program correcting inequities and simplifying administration. Makes corresponding changes to liberalize benefits under Railroad Retirement Act.

Major differences in H. R. 7800 as passed by the House and as passed by the Senate

OLD-AGE AND SURVIVORS INSURANCE

Item	Present law	As passed by House	As passed by Senate	As agreed to in conference
A. Retirement test	Earnings of $50 per month in covered employment; $600 per year for self-employed.	Earnings of $70 per month in covered employment; $840 per year for self-employed.	Earnings of $100 per month in covered employment; $1,200 per year for self-employed.	Earnings of $75 per month in covered employment; $900 per year for self-employed.
B. Wage credits for veterans	Wage credits of $160 per month provided for service up to and including July 24, 1947.	Wage credits granted for the period beginning July 25, 1947, through Dec. 31, 1953. Cost of wage credits financed by general revenues.	Same as House-passed bill except cost of wage credits financed out of Trust Fund.	Accepted Senate provision.
C. Preservation of insurance rights of permanently and totally disabled.	No provision.	Maintains the insured status and benefit amount of qualified workers who are totally disabled for not less than 6 consecutive calendar quarters and the impairment is expected to be permanent.	Same as present law.	Provision of House bill retained but agreed to a termination date of June 30, 1953, that no application under the provision can be filed prior to July 1, 1953, and that the provision should be administered at the State level.
D. Coverage of State and local employees who are under a retirement system.	Coverage under OASI of State and local employees who are under a retirement system is barred.	Extends the option of State governments to enter into agreements with the Federal Government so as to cover State and local employees who are under a retirement system, but not policemen, firemen, and elementary and secondary school teachers. Option operative only if the members of the State or local retirement system elect coverage by 2/3 majority of those voting. Special provision permitting a State to cover employees in positions under a retirement system without a vote of the employees if State or local law provided for coordination of the retirement system with OASI as of Jan. 1, 1951.	Same as present law.	Deleted.

PUBLIC ASSISTANCE

A. Earnings of aid-to-the-blind recipients.	States must disregard earnings of aid-to-the-blind recipients up to $50 per month in determining his eligibility for or the amount of aid to the blind.	Provision in present law is retained, but in addition the State may disregard earnings of aid-to-the-blind recipients up to $50 per month in determining need for State-Federal assistance of other members of his family.	Same as House-passed bill except that after June 30, 1954, provision for exemption of earnings of aid-to-the-blind recipient in determining need of other members of family is mandatory upon the State.	Accepted Senate provision with an amendment making the provision effective July 1, 1952.
B. Federal share of assistance (other than Puerto Rico and Virgin Islands.)				
1. Old-age assistance, aid to the blind, and aid to permanently and totally disabled.	Federal share is ¾ of the first $20 of a State's average monthly payment per recipient plus ½ of the remainder within individual maximums of $50.	Same as present law.	Federal share is ⅔ of the first $25 of a State's average monthly payment per recipient plus ½ of the remainder within individual maximums of $55.	Accepted Senate provision with an amendment providing for a termination date of Sept. 30, 1954.
2. Aid to dependent children.	Federal share is ¾ of the first $12 of a State's average monthly payment per recipient plus ½ of the remainder within individual maximums of $27 for the adult, $27 for the first child, and $18 for each additional child in a family.	Same as present law.	Federal share is ⅔ of the first $15 of a State's average payment per recipient plus ½ of the remainder within individual maximums of $30 for the adult, $30 for the first child and $21 for each additional child in a family.	See above.
C. Federal share of assistance for Puerto Rico and Virgin Islands:				
1. Old age assistance, aid to the blind, and aid to the permanently and totally disabled.	Federal share is limited to 50 percent of expenditures. Maximum on individual payments of $30 per month. (For ceiling on total Federal payments for public assistance, see 3, below.)	Same as present law.	Federal share is ⅔ of the first $26 of the average monthly payment per recipient plus ½ of the remainder within individual maximums of $30.	Deleted.
2. Aid to dependent children.	Federal share is limited to 50 percent of expenditures. Maximum on individual payments of $18 for the first child and $12 for each additional child in a family.	Same as present law.	Federal share is ⅔ of the first $16 of the average monthly payment per recipient (including the adult in the family) plus ½ of the remainder within individual maximums of $18 for the adult, $18 for the first child, and $12 for each additional child in a family.	Deleted.
3. Limitation on Federal share of public assistance expenditures.	Federal share is limited to $4,250,000 per year for Puerto Rico and $160,000 per year for the Virgin Islands.	Same as present law.	Federal share is increased to $5,000,000 per year for Puerto Rico; for Virgin Islands same as present law.	Deleted.

Major differences in H. R. 7800 as passed by the House and as passed by the Senate—Continued

PUBLIC ASSISTANCE—continued

Item	Present law	As passed by House	As passed by Senate	As agreed to in conference
D. Eligibility of States for increased Federal contributions.	No provision.	No provision.	States are required to pass on to recipients the increase in Federal funds received by them under the bill.	Deleted.
E. Exclusion of earnings from agricultural or nursing services.	No provision.	No provision.	For the period Oct. 1, 1952, through Sept. 30, 1953, a State may exclude from consideration any income and resources not in excess of $50 per month obtained by a recipient of old-age assistance for performing agricultural or nursing services. Provision is applicable only to old-age assistance recipients who are on the rolls in September 1952 and who do not receive more than $5 in excess of the rate paid them in September 1952.	Deleted.

And now, Mr. Speaker, let me comment upon the acceptance by the conferees of the disability waiver and explain what it means. I am very glad that the Congress is about to take a first step in the direction of helping workers who become disabled for gainful work. It is a positive action the principle has been established. The present legislation providing for the preservation of old-age and survivors rights of insured persons expires on June 30, 1953, while applications for a disability freeze cannot be filed until July 1 of that year. Obviously this is merely a stopgap which makes actual operation contingent upon the extension of this legislation next January, after hearings can be held. However, I have no doubt in my mind that the Congress will confirm and extend this eminently just and meritorious measure next year.

In this connection, I believe we ought to acknowledge the untiring efforts of certain members of the Committee on Ways and Means, notably our honored chairman, the gentleman from North Carolina [Mr. DOUGHTON], to see this important provision through along with the rest of the bill. Unperturbed by the false accusations raised against this provision, they have defended it on its merits mindful of the hundreds of thousands of people who were to benefit from it. More than anybody else, the much-honored gentleman from North Carolina may take credit for preserving the bill unshorn of the disability waiver of premium provision.

However, to accomplish this even on the present temporary basis, it was necessary to agree in conference to a modification of the original proposal that may give rise to problems that could have been avoided. I am referring to the provision for disability determination by the States. Needless to say, the Federal Government being charged with the administration of the old-age and survivors insurance program and being responsible for the integrity of the trust fund must retain ultimate administrative responsibility for this new part of the program. It will have to lay down the over-all policies governing the determination of permanent total disability as one of the conditions of eligibility for a freeze of benefit rights. It will have to exercise controls to assure conformity to these over-all policies and a reasonable degree of uniformity throughout the Nation lest some applicants be treated inequitably. Most important, the Bureau of Old-Age and Survivors Insurance having to defend a fine reputation for clean and efficient administration must see to it that this part of its program will be kept just as free from political patronage and other outside influences as has been true of our old-age and survivors insurance program up till now. Straight Federal administration would have made it easier to accomplish these ends.

For me personally, this day marks a turning point in my long fight for insurance protection under our old-age and survivors-insurance program for our blind, bedridden, and crippled workers. It has been a fight which started in 1943 when, with Senators MURRAY and Wagner, I introduced a bill which would have provided monthly cash benefits for workers who are prematurely retired on account of total disability. I reintroduced my bill in 1945 and again in 1947 and 1948. Not until 1949 was there a measure of success. In that year the House passed H. R. 6000, containing provisions for monthly disability benefits for prematurely and totally disabled insured workers. Although the disability provisions were deleted from H. R. 6000 by the conference committee, the favorable vote in 1949 by the House was a heartening experience. This year again I introduced a comprehensive social security bill, H. R. 6750, which would have provided, among many other needed improvements in the social-security program, benefits for totally disabled workers and their dependents. Time did not permit consideration of my bill. However, I am pleased that the disability provisions of H. R. 7800, limited though they are, were favorably considered by this body. These provisions, which assure a disabled worker that his survivors or at age 65 he himself will obtain social-security benefits undiminished by the years intervening after this disablement, will rectify one of the most glaring injustices in our Social Security Act. Of course this bill will not do anything for the disabled person and his dependents until he reaches age 65 or dies. We cannot long postpone facing the need for cash benefits replacing at least in part the earnings loss of workers who are totally disabled. But the fact that more remains to be done should not detract from our satisfaction at having at last made a beginning.

To me, one of the most encouraging things about this legislation is that it represents a recognition by the Members of the Congress that social security is an integral part of American life and, as such, is a dynamic thing which must keep pace with changing needs. We no longer regard our social security program merely as a defense in times of depression. We recognize that income maintenance following the death of the family provider or in his old age is as necessary during good times as it is in bad times.

In passing this bill, we recognize the fact that inability to provide for one's survivors or for one's old age is not necessarily the result of personal failure or inadequacy but is generally a consequence of the working of our industrial economy. And yet, the program this bill will strengthen is one that encourages people to provide on their own against these risks. That is one of the inherent strengths of the social insurance approach. With the enactment of this bill, we strengthen the foundation of a program in which we all believe. We show it is fully adaptable to economic changes. While the estimated $5 to $6 average increase in retirement and survivors' benefits which this bill would accomplish falls short of the increase proposed in my own bill, I think it is significant because the Congress has thereby recognized that to be meaningful, social-security benefits must be raised when those with the reduced incomes that result from retirement or death must face increased costs of living. I do hope that the many industrial pension plans now in operation which provide a fixed amount of benefits, including those paid by old-age and survivors insurance, will be revised so that the full amount of the present increase will be passed on and the beneficiaries will receive higher total payments.

There is little, if anything, in this bill that has not been expressly approved by the House on June 17. The disability freeze provisions and the benefit increases are self-evident needs. The increase in the amount which old-age and survivors insurance beneficiaries may earn while drawing their benefits encourages beneficiaries to do such part-time work as they are able and willing to do. Giving wage credits to veterans of Korea is but simple justice. I see no reason why this bill should not pass unanimously.

When the bill is passed, let us set our sights upon the next goals for action. I believe my bill, H. R. 6750, clearly pointed the way toward these accomplishments. In that bill I proposed, and I hereby give notice to the Congress that I shall continue to propose, the extension of the act to roughly 11,000,000 gainfully employed persons in agriculture, domestic employment, the Armed Forces, and other places who now lack its protection. I proposed further, and I shall continue to propose, that workers unable to work on account of sickness and disability, be it long or short, receive cash benefits geared to their previous earnings. Finally—and this is very important to me—I have proposed and firmly intend to drive home as forcefully as I can a constructive approach to the problem of disability. That approach would help an invalid to make the most of our wonderful gains in the fields of physical medicine and rehabilitation. To such invalids, both grown-ups and children, who are potentially employable, it would offer rehabilitation services at no cost to them.

Not until these things are accomplished can we pride ourselves of having done all we can to meet the common hazards and vicissitudes of modern life. Not until these provisions are on the books will I let up in my constant effort to amend and improve our social-security system.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks on this subject at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BRAMBLETT. Mr. Speaker, being one of the Members of the House that voted against the original bill, I want to compliment the committee on doing a good job and to state that it is my intention to support the conference report on the H. R. 7800.

Mr. BETTS. Mr. Speaker, now that the conference committee has removed the objections in H. R. 7800 which caused me to vote against the bill on two previous occasions, I am happy to have this opportunity to vote for the bill. I objected because of the socialistic implications involved and in particular that which would mean the beginning of socialized medicine. It gives me a great deal of pleasure to be able now to approve of the increase in social security payments provided for in the bill.

Mr. DEVEREUX. Mr. Speaker, as one of those who opposed the original House bill, may I say that since it has been corrected in conference I urge its support.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to include at this point in the RECORD a brief analysis of the House provisions, the present law, the Senate provisions and what is contained in the conference report and also a short statement of the changes that were made.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

(The matter referred to above follows:)

Major differences in H. R. 7800 as passed by the House and as passed by the Senate and conference agreement

OLD-AGE AND SURVIVORS INSURANCE

Item	Present law	As passed by House	As passed by Senate	As agreed to in conference
A. Retirement test.	Earnings of $50 per month in covered employment; $600 per year for self-employed.	Earnings of $70 per month in covered employment; $840 per year for self-employed.	Earnings of $100 per month in covered employment; $1,200 per year for self-employed.	Earnings of $75 per month in covered employment; $900 per year for self-employed.
B. Wage credits for veterans.	Wage credits of $160 per month provided for service up to and including July 24, 1947.	Wage credits granted for the period beginning July 25, 1947, through Dec. 31, 1953. Cost of wage credits financed by general revenues.	Same as House-passed bill except cost of wage credits financed out of trust fund.	Accepted Senate provision.
C. Preservation of insurance rights of permanently and totally disabled.	No provision.	Maintains the insured status and benefit amount of qualified workers who are totally disabled for not less than 6 consecutive calendar quarters and the impairment is expected to be permanent.	Same as present law.	Provision of House bill retained but agreed to a termination date of June 30, 1953, that no application under the provision can be filed prior to July 1, 1953, and that the provision should be administered at the State level as to disability determinations.
D. Coverage of State and local employees who are under a retirement system.	Coverage under OASI of State and local employees who are under a retirement system is barred.	Extends the option of State governments to enter into agreements with the Federal Government so as to cover State and local employees who are under a retirement system, but not policemen, firemen, and elementary and secondary school teachers. Option operative only if the members of the State or local retirement system elect coverage by ⅔ majority of those voting. Special provision permitting a State to cover employees in positions under a retirement system without a vote of the employees if State or local law provided for coordination of the retirement system with OASI as of Jan. 1, 1951.	Same as present law.	Deleted.

PUBLIC ASSISTANCE

A. Earnings of aid-to-the-blind recipients.	States must disregard earnings of aid-to-the-blind recipients up to $50 per month in determining his eligibility for or the amount of aid to the blind.	Provision in present law is retained, but in addition the State may disregard earnings of aid-to-the-blind recipients up to $50 per month in determining need for State-Federal assistance of other members of his family.	Same as House-passed bill except that after June 30, 1954, provision for exemption of earnings of aid-to-the-blind recipient in determining need of other members of family is mandatory upon the State.	Accepted Senate provision with an amendment making the provision effective July 1, 1952.
B. Federal share of assistance (other than Puerto Rico and Virgin Islands).				
1. Old-age assistance, aid to the blind, and aid to permanently and totally disabled.	Federal share is ¾ of the first $20 of a State's average monthly payment per recipient plus ½ of the remainder within individual maximums of $50.	Same as present law.	Federal share is ⅚ of the first $25 of a State's average monthly payment per recipient plus ½ of the remainder within individual maximums of $55.	Accepted Senate provision with an amendment providing for a termination date of Sept. 30, 1954.
2. Aid to dependent children.	Federal share is ¾ of the first $12 of a State's average monthly payment per recipient plus ½ of the remainder within individual maximums of $27 for the adult, $27 for the first child, and $18 for each additional child in a family.	Same as present law.	Federal share is ⅚ of the first $15 of a State's average payment per recipient plus ½ of the remainder within individual maximums of $30 for the adult, $30 for the first child and $21 for each additional child in a family.	See above.

Major differences in H. R. 7800 as passed by the House and as passed by the Senate and conference agreement—Continued

PUBLIC ASSISTANCE—continued

Item	Present law	As passed by House	As passed by Senate	As agreed to in conference
C. Federal share of assistance for Puerto Rico and Virgin Islands:				
1. Old-age assistance, aid to the blind, and aid to the permanently and totally disabled.	Federal share is limited to 50 percent of expenditures. Maximum on individual payments of $30 per month. (For ceiling on total Federal payments for public assistance, see 3, below.)	Same as present law.	Federal share is ¾ of the first $26 of the average monthly payment per recipient plus ½ of the remainder within individual maximums of $30.	Deleted.
2. Aid to dependent children.	Federal share is limited to 50 percent of expenditures. Maximum on individual payments of $18 for the first child and $12 for each additional child in a family.	Same as present law.	Federal share is ¾ of the first $16 of the average monthly payment per recipient (including the adult in the family) plus ½ of the remainder within individual maximums of $18 for the adult, $18 for the first child and $12 for each additional child in a family.	Deleted.
3. Limitation on Federal share of public assistance expenditures.	Federal share is limited to $4,250,000 per year for Puerto Rico and $160,000 per year for the Virgin Islands.	Same as present law.	Federal share is increased to $5,000,000 per year for Puerto Rico; for Virgin Islands same as present law.	Deleted.
D. Eligibility of States for increased Federal contributions.	No provision.	No provision.	States are required to pass on to recipients the increase in Federal funds received by them under the bill.	Deleted.
E. Exclusion of earnings from agricultural or nursing services.	No provision.	No provision.	For the period Oct. 1, 1952, through Sept. 30, 1953, a State may exclude from consideration any income and resources not in excess of $50 per month obtained by a recipient of old-age assistance for performing agricultural or nursing services. Provision is applicable only to old-age assistance recipients who are on the rolls in September 1952 and who do not receive more than $5 in excess of the rate paid them in September 1952.	Deleted.

STATEMENT ON CONFERENCE REPORT ON H. R. 7800

Mr. MILLS. Mr. Speaker, the conferees agreed on a retirement test—work clause—of $75. The House bill provided for $70 and the Senate for $100.

The House accepted the Senate provision providing that the wage credits of $160 a month for servicemen during the emergency period should be paid out of the trust fund rather than the general funds of the Treasury as provided in the House bill.

The provision preserving the insurance rights of permanently and totally disabled persons is retained as in the House bill with amendments providing that the provision will terminate June 30, 1953, that no claim may be filed under this provision prior to July 1, 1953, and that determinations of disability shall be conducted at the State level.

The provision relating to State and local employees was stricken from the bill.

The Senate provision relating to the earnings of blind recipients of public assistance was agreed to with an amendment providing an effective date of July 1, 1952.

The provision providing for an increase in public assistance in the States was retained with an amendment providing for a termination date of September 30, 1954.

The provisions relating to public assistance for Puerto Rico and the Virgin Islands were deleted.

The provision requiring that States must pass on any increase in Federal funds for public assistance was deleted.

The provisions excluding earnings from agricultural labor or nursing services in determining need for old-age assistance were deleted.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, this measure (H. R. 7800) marks another milestone in the development of an adequate social security program for the American people. I am more than happy to support and vote for it. The Democratic Party initiated and established the social security program in 1935. For 17 years Democrats have led the fight to strengthen and improve this program. This year again the Democratic Party has taken the lead in improving the program and keeping it in tune with the times.

H. R. 7800 will mean $300,000,000 more in benefits for the 4,500,000 of our aged people, widows, and orphans already on the benefit rolls. It also provides larger benefits for persons who become beneficiaries in the future. In passing this bill we have recognized that the insurance program can be adjusted to changing economic conditions—that as wage levels rise, benefit levels can be increased without increasing contributions. The recognition of this fact by the Congress means a great deal for the security of every American. I am proud to be a member of the Democratic Party, which continues to protect, preserve, and strengthen the social security of our people.

The bill makes other very necessary improvements in the insurance program. Veterans of the Korean War will receive credits to their social security accounts for their period of military service. These veterans thus receive the same treatment as veterans of World War II. The bill increases considerably the amount that a beneficiary can earn and still receive his benefits. The bill as reported by the conference committee also contains a provision which will increase Federal contributions to the State public assistance programs. All of these changes are desirable improvements in our social security programs.

I hope we will adopt a permanent provision covering waiver of premiums for those permanently and totally disabled as soon as possible next year. I hope, too, that it will not be long before we adopt provisions to pay cash benefits to disabled workers, so that they can have something to live on until they reach age 65.

I regret that this bill does not make it possible for employees of the States and local governments who are under retirement systems and who want to be covered by the insurance program to obtain such coverage. At present public employees are the only group that cannot combine their staff-retirement programs with the basic Federal system. There is no reason for further delay regarding the groups for whom coverage was made possible by the House. Our version of H. R. 7800 continued the exclusion of every major group of public employees who objected to coverage. I regret that the conferees did not accept the position of the House on this matter.

It is fortunate, however, that the Senate has indicated that it will consider this much-needed amendment to the insurance program as soon as possible. I hope that we will enact a bill promptly next year making coverage possible for more employees of the States and local governments.

Definitely, our action next year should not be confined solely to the disability provisions and coverage for State and local government employees. The Democratic Party will not give up the fight

for a better social-security program until it has made the American program the best in the world.

In conclusion, Mr. Speaker, of course I am going to vote in support of this conference report, but I want the membership to understand that we are not in this measure giving any right to any person who may be permanently and totally disabled to waive the payment of his premium. As the conference report stands, and as it will pass the House this evening, having already passed the other body, the only thing we have in the report is perhaps recognition of the fact that the situation with respect to the permanently and totally disabled will be explored.

If the next Congress takes affirmative action with respect to this particular subject, then we will have a permanent and total disability provision. I repeat, the bill does contain very many desirable features which I wholeheartedly approve and which I think every Member of the House approves. I hope Members will not get a wrong impression as to what the conferees have agreed upon. I, myself, did not fully understand until the report was brought up for discussion on the floor, not being one of the conferees.

I do hope everybody supports this conference report, but I do not want them to be under the wrong impression that we are doing anything practical, except in the form of recognition of the principle and the hope the next Congress will adopt a permanent and total disability provision.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Minnesota.

Mr. WIER. I have heard a number of figures here used in the last 2 weeks about exemption in employment: Do I get it correct that this conference report allows $75 a month?

Mr. MILLS. The gentleman is correct. The compromise is $75.

Mr. WIER. There were recommendations of $70 and $100?

Mr. MILLS. That is right.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MILLS. Mr. Speaker, because of the questions that have arisen I think I should take a minute to explain one or two matters contained in the conference report.

First I would like to say that the conference report contains the language of the House bill, H. R. 7800, with respect to section 3, which preserves the insurance rights of permanently and totally disabled workers, with two changes in the language. One is an amendment which we worked out in conference providing for the Administrator to enter into contracts with State agencies which are to make the determination of whether or not an individual is totally and permanently disabled.

The members of the Senate Finance Committee did not desire to enact this particular provision on a permanent basis until the committee could have an opportunity to conduct hearings which the committee had obligated itself to hold. Now we state in the statement on the part of the managers a termination date of June 30, 1953, was added solely for the purpose of enabling us after the first of January 1953 to look into this problem. This is the second amendment. In the meantime this provision would be enacted into law. The Social Security Administrator will have the opportunity of conferring with the States to determine whether or not examination and control of the determination of disability by State agencies are feasible and they can report back to us after the first of the year. The members of our committee and the members of the Finance Committee are taking a solemn obligation in connection with this provision to go completely into it after the first of the year.

With respect to section 6 of the House bill which had to do with the extension of coverage to those in State and local governments covered by their own retirement systems it is eliminated entirely. I regretted to see the provision in which my friend from Wisconsin [Mr. BYRNES] is interested eliminated, because I could see no justifiable reason for anyone opposing it. The provision which my good friend from Alabama [Mr. RAINS] and others worked out with respect to college professors in State institutions was eliminated since it was also contained in section 6. So was the provision which would have taken care of employees of public-housing units as local governmental units. We also bind ourselves with respect to section 6 to conduct hearings and go into this matter of additional coverage of these employees shortly after the first of the year 1953.

Now, I believe it would be a great mistake for us not to accept this conference report. It is not what I wanted; it is not what anyone in the conference wanted, but those of you who have been on conferences know that these matters are always resolved in compromises.

There is a big amendment to this conference report that was not in the House bill, a provision, which we accepted, offered on the floor of the Senate by the distinguished Senator from the State of Arizona. The provision will increase the amount of money made available to the States for old-age assistance, aid to the blind, and aid to the disabled under the new category we created in the 1950 amendments, $5 a month, and aid to dependent children, $3 a month.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. That was the amendment offered by the majority leader in the Senate, Senator MCFARLAND.

Mr. MILLS. That is correct. That amendment becomes effective the 1st of October 1952. The increase is for a 2-year period only, so that under the provisions of the conference report the increase would be discontinued on September 30, 1954. Of course, the Congress, if it wanted to, in its wisdom, could extend that provision. A Senate provision requiring that the States pass on the increase in Federal funds was deleted. It does not appear necessary since the provision only applies for 2 years and in my opinion it will not be extended if the States do not pass on the increases.

This is a fundamental difference in the bill that passed the House, but in my opinion it is actually, aside from the elimination of section 6, the only fundamental difference in the conference report from the bill that passed the House.

With respect to section 3 again, the section that so much has been said about, no one could file an application under the House bill for a freeze of his work record on account of total and permanent disability prior to March 1, 1953. We move that up three months to July 1, 1953. The conferees put the termination provision of June 30, 1953, in because it was thought by the conference committee on the part of the Senate and the House, before we undertook this new type of a program of freezing the word record of an employee under title II of the Social Security Act that we should first start off by seeing what progress can be made in determining disability and see whether or not the social security people can work out a plan that is feasible with the State people to do that. We wanted something more than just the theory that somebody had that it would work.

All in the world with respect to section 3 that we have to do, if this is feasible, if it is decided by the Congress after January 1, 1953, to continue it, is to strike out the termination date of June 30, 1953. Prior to that time the Finance Committee and the Ways and Means Committee will have had this opportunity to consider the question on the basis of hearings. I hope my friends will not be too concerned one way or the other. Certainly the conference report merits the vote of every Member present here today.

Mr. SITTLER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania.

Mr. SITTLER. As always, the gentleman from Arkansas has made a very clear explanation of a very difficult problem. For my part, I want to thank him. May I say further that I wish to support this conference report but to go on record as saying that it is most unfortunate that the waiver of premium provision is not included. Also, I am sorry to see that the municipal employees were not included under the bill. I hope those two features will be worked on in the future. I wish they might have been in this conference report.

Mr. MILLS. I am in entire accord with the gentleman's thinking. I wish we could have brought it back to you.

Mr. WERDEL. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from California.

Mr. WERDEL. I think the gentleman and the committee of conference have done a good job. I think they have made improvements in some respects.

Mr. MILLS. I bow to the wisdom of the gentleman from California.

Mr. WERDEL. I commend the gentleman. I want to support the conference report.

Mr. MILLS. I thank the gentleman.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. SCHENCK. Did I correctly understand that the $75 work clause is for earned income and not income from any savings or investments or annuities?

Mr. MILLS. It applies to what an individual can earn in employment that is covered under title 2. In other words, if a man has been a carpenter working for a contractor, say, as an employee, and has been making $300 or $400 a month, and he retires at age 65, the fact that he continues to earn no more than $75 a month as a carpenter would not prevent him from drawing his benefit.

Mr. SCHENCK. I thank the gentleman. As one who originally opposed this bill, I hope the House will now pass it.

Mr. MILLS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SOCIAL SECURITY ACT AMENDMENTS OF 1952—CONFERENCE REPORT

Mr. JOHNSON of Colorado. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7800) to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read by the legislative clerk.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Colorado if the conference report is the unanimous report of all conferees; and to explain it very briefly.

Mr. JOHNSON of Colorado. Yes; it is the unanimous report of the conferees of both the House and the Senate. We agreed to the so-called McFarland amendment, with some amendments added to it. The McFarland amendment provided an expiration date of 2 years from the date the law became effective on October 1. From the so-called McFarland amendment there were deleted provisions with respect to the Virgin Islands and Puerto Rico. So far as the Virgin Islands and Puerto Rico are concerned, the present law still is effective.

The Senator from Massachusetts will recall that in our retirement test in the Senate version we provided earnings of $100 a month. The House provided $70 a month. We agreed upon $75 a month and $900 a year for those who are self-employed.

With respect to wage credits for veterans, we took the Senate version, and the credits will be paid out of the trust fund.

With respect to section 3, which provides for permanent and total disability, we agreed on a formula, but it will not be effective until June 30, 1953. Affirmative action by Congress will be required before any part of the provision will become effective. That is the so-called socialized medicine provision. We amended the provision until there is no hint whatever left of socialized medicine.

Mr. SALTONSTALL. Approximately how much will the bill cost the Government?

Mr. JOHNSON of Colorado. The Senator refers to the whole bill?

Mr. SALTONSTALL. Yes.

Mr. JOHNSON of Colorado. Old-age assistance will cost about $250,000,000, and old-age survivors insurance will cost about $400,000,000 in addition. The Senator from Massachusetts will recall that old-age-assistance payments and blind-assistance payments were increased by $5 a month, and assistance to dependent children was increased by $3 a month. The total cost would approximate $625,000,000.

Mr. SALTONSTALL. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LEHMAN. Mr. President, I did not fully understand what the distinguished Senator from Colorado said with regard to the amendment which I offered, and which was taken to conference with reference to allowances for Puerto Rico and the Virgin Islands.

Mr. JOHNSON of Colorado. We had great difficulty with that amendment. We conferred for several hours on three separate days. The Senate conferees finally had to recede and the amendment was eliminated. Therefore, the present law will apply to the Virgin Islands and Puerto Rico.

Mr. LEHMAN. Mr. President, I know the Senate conferees did their utmost to secure the inclusion of this provision. I am grateful to the majority leader for accepting my amendment when it was under consideration here on the floor.

However, I cannot help but say that I am greatly disappointed, for I think the treatment we are giving to our fellow American citizens in Puerto Rico and the Virgin Islands is unwise and shabby. We are treating them infinitely less well than we are treating any of the citizens in the States of the Union, despite the fact that the economic difficulties of the citizens living in Puerto Rico and the Virgin Islands are vastly great, and in some cases they are under a load which it is almost impossible for them to bear.

In this case we are giving public assistance to the extent of less than $9 a month, on the average, and to the extent of less than $8 a month to help the children, the blind, and the crippled. That is infinitely less than we provide for the people living in the States.

I do not believe there is any excuse for treating one fellow American citizens less well than other citizens—merely because they live in a different part of the hemisphere and because they differ from us in their surroundings, their customs, their habits, their ancestry, and in some cases, in their color.

I cannot help but express my deep disappointment. Without desiring to be critical at all of the conferees on the part of the Senate, I can say that I intend to pursue this matter in the coming years, in the hope and in confidence that the Congress will see that justice is done to our American fellow-citizens in Puerto Rico and in the Virgin Islands.

Mr. JOHNSON of Colorado. Mr. President, I wish to say a word in reply to the Senator from New York.

I am sure we shall wish to give further consideration to this matter, because we realize that it does need attention.

However, the argument which was used successfully against the Senate con-

ferees was that the people of Puerto Rico pay no taxes whatever to the Federal Government of the United States. That argument was effectively used against the Senate conferees. Nevertheless, the matter does need adjustment and further attention.

I am sure that when we have a little more time and when we are not working under as much pressure as that under which we were working in the conference, we shall be able to work out an arrangement which will be more or less satisfactory to the able Senator from New York.

He will understand, I am sure, that we were able finally to agree and to have the conference report signed at 1 o'clock today, after 3 days of conference.

Mr. LEHMAN. Mr. President, I fully realize and appreciate the great difficulties and pressure under which the conference committee has worked.

Nevertheless, I feel that a grave injustice has been done to our fellow Americans in Puerto Rico and the Virgin Islands—an injustice which we should seek at the earliest possible moment to remedy.

Mr. McFARLAND. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. McFARLAND. There may have been a misunderstanding in regard to one item. The Senator said our amendment for the aged, the blind, and the dependent children provided for 2 years. Let me say that the Senate version provided for permanent legislation, and the conference committee agreed upon a limitation of 2 years.

Mr. JOHNSON of Colorado. Yes; the Senate version was a permanent one; but the conferees agreed upon 2 years from October 1.

Mr. McFARLAND. I wish to congratulate the Senator from Colorado and the other conferees for the hard work they have done, for I know they had a difficult time obtaining any conference report at all.

To my mind there is no question that at the end of 2 years we shall be able to extend this provision, increasing the payments for the aged, the blind, and the dependent children.

I am glad that at this time these persons will be able to set the increase provided by the conference report—an increase which they need so badly.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MAGNUSON subsequently said:

Mr. President, earlier this afternoon during the discussion of the conference report on the so-called social security amendment a colloquy occurred with regard to the amendment on old age pensions which was offered by the distinguished Senator from Arizona [Mr. McFARLAND], and as to what happened in conference. I had intended at the time to place in the RECORD a summary of the very long and arduous fight which was waged by the distinguished Senator from Arizona on the subject of social security legislation.

Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD, immediately following the colloquy, a statement which I desired to read to the Senate with respect to the record of the Senator from Arizona on this vital subject matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

Senator McFARLAND has a long and consistent record in the Senate as a friend and a champion of the aged, the blind, and the dependent children.

On two different occasions before this Eighty-second Congress, he sponsored measures to increase the assistance to these deserving persons. He saw his efforts result in public law providing increased payments to thousands of persons who needed such increases for their very existence.

In the Seventy-ninth Congress, second session, Senator McFARLAND sponsored a bill increasing old-age assistance by $5 a month, blind-persons assistance by $5 per month, and dependent children's assistance by $3 per month. This became Public Law 718.

In the second session of the Eightieth Congress, the Senator from Arizona again sponsored a measure to provide the same increase for a second time. This became Public Law 642.

This year, Senator McFARLAND has once again succeeded in obtaining an increase for this group of needy Americans.

His amendment to increase old-age assistance payments by $5 per month, aid to the blind by $5 per month, and assistance to dependent children by $3 per month was adopted by both the Senate and the House of Representatives for a 2-year period.

To me, Senator McFARLAND's success in obtaining assistance for these people represents one of the greatest accomplishments in this field in the history of the Senate.

Another bill, in his long record of concern with these needy persons was a measure to prevent earnings of aged persons from barring their old-age assistance payments. On this, in an earlier Congress, he made a determined fight that identified him to the needy of his own State and to hundreds of thousands throughout the country as a friend watchful of their interests and ready to take off his coat and fight for their welfare.

Back in 1946, when he introduced S. 1769, providing for an increase of 35 percent of existing Federal contributions to States for old-age assistance, assistance to the blind, and for aid for dependent children, he made one of the classic pleas for these people. He said: "Wages have gone up and prices are high. But because these old people, these blind people, these dependent children have no powerful Washington lobby, because they are not represented nationally by a union or a chamber of commerce or a trade association, we in Congress have been blind to their plight. The old people of this country are the forgotten people. I for one will not sit idly by while honest, worthy American citizens who have worked all their lives and have reached old age without the means to live decently are permitted to starve."

These remarks, from the CONGRESSIONAL RECORD of June 28, 1946, were a declaration to a principle and purpose to which he has been faithful in all his years as a Member of this body.

In this same session of Congress he offered an amendment to H. R. 1752 to the Social Security Act of 1940 which would enable persons drawing old-age assistance to obtain war work without having money earned used as a basis of excluding old-age payments to them. The proposal was for the duration of the war and served to ease the manpower shortage, particularly in agriculture and allowed the aged to supplement their very inadequate old-age assistance. The amendment was accepted and thousands of these people put their skills and energies into the war effort without being penalized for their patriotism.

For one, I want to commend Senator McFARLAND for his efforts through these many years in behalf of these needy people. They could not have a finer champion of their interests or a more sympathetic and earnest friend.

Public Law 590 - 82d Congress
Chapter 945 - 2d Session
H. R. 7800

AN ACT

All 66 Stat. 767.

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1952".

Social Security Act Amendments of 1952.

INCREASE IN BENEFIT AMOUNTS

Benefits Computed by Conversion Table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

64 Stat. 506.
42 U.S.C. §415.

"I	II	III
If the primary insurance benefit (as determined under subsection (d)) is:	The primary insurance amount shall be:	And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such Act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

All 66 Stat. 768.

42 U.S.C.§415. (3) Section 215 (c) of such Act is further amended by inserting after paragraph (3) the following new paragraph:

42 U.S.C.§403. "(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the Benefit Formula; Revised Minimum and Maximum Amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be 55 per centum of the first $100 of his average monthly wage, plus 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average Monthly Wage	II Primary Insurance Amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45", respectively.

Effective Dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of

42 U.S.C.§402. such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined

Ante, p. 767. under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ per centum of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased by an amount equal to

the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of $0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10. 42 U.S.C. §403. Ante, p. 768.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments made by this Act had been applicable in the case of benefits under such title for such month. Post, p. 772.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952. 42 U.S.C. §415. 42 U.S.C. §402.

Saving Provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such Act for August 1952;

(B) two or more other persons were entitled (without the application of such section 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this Act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this Act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this Act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of

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such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

Post, p. 776.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

42 U.S.C. §413.

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"Quarter of coverage".

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

Post, p. 771.

(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

42 U.S.C. §414.

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

Post, p. 771.

(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

42 U.S.C. §415.

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage".

(2) Section 215 (b) (4) of such Act is amended to read as follows: 42 U.S.C.§415.

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection: 42 U.S.C.§416.

"Disability; Period of Disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (4), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

A period of disability shall end on the day on which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be

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accepted as an application for the purposes of this paragraph, and no such application which is filed prior to July 1, 1953, shall be accepted.

"(3) The requirements referred to in paragraphs (2) (C) and (4) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

Ante, p. 770.

"(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination after June 1953, and before January 1955, with respect to a disability which began before July 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

42 U.S.C. §§401-419.

(e) Title II of the Social Security Act is amended by adding after section 219 the following new sections:

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 220. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions.

"DISABILITY DETERMINATIONS TO BE MADE BY STATE AGENCIES

"SEC. 221. (a) In the case of any individual, the determination of whether or not he is under a disability (as defined in section 216 (i) (1)) and of the day such disability began, and the determination of the day on which such disability ceases, shall be made by a State agency pursuant to an agreement entered into under subsection (b).

Ante, p. 771.

"(b) The Administrator shall enter into an agreement with each State which is willing to make such an agreement under which the State agency administering or supervising the administration of the State plan approved under title XIV, the State agency or agencies administering the State plan approved under the Vocational Rehabilitation Act, or the State agency administering the workmen's compensation law of such State, as may be designated in the agreement, will make the determinations referred to in subsection (a) with respect to individuals in such State.

42 U.S.C. §§1351-1355. Post, p. 779.

"(c) Notwithstanding the provisions of subsection (a), the Administrator may, after reasonable notice and opportunity for a hearing to an individual who has been determined by a State agency pursuant to an agreement under this section to be under a disability, determine that such individual is not under a disability or that such disability began on a day later than that determined by such agency. Such a determination by the Administrator shall be the determination used for purposes of section 216 (i) in lieu of that made by such State agency.

Ante, p. 771.

"(d) Each State which has an agreement with the Administrator under this section shall be entitled to receive from the Trust Fund, in advance or by way of reimbursement, as may be mutually agreed upon, the cost to the State of carrying out the agreement under this section. The Administrator shall from time to time certify such amount as is necessary for this purpose to the Managing Trustee and the Managing Trustee, prior to audit or settlement by the General Accounting Office, shall make payment from the Trust Fund at the time or times fixed by the Administrator, in accordance with such certification. Reimbursement of State.

"(e) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money which is so paid which is not used for such purposes shall be returned to the Treasury for deposit in the Trust Fund."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by subsections (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after June 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act. 42 U.S.C. §415. Ante, p. 772. Post, p. 776.

(g) Notwithstanding the preceding provisions of this section and the amendments made thereby, such provisions and amendments shall cease to be in effect at the close of June 30, 1953, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this Act had not been enacted.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 4. (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "$75". 42 U.S.C. §403.

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "$75".

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "$75".

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "$75".

(e) The amendments made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have the meaning assigned to it by section 211 (e) of the Social Security Act. 42 U.S.C. § 411.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II veterans) is amended by striking out 42 U.S.C. §417.

All 66 Stat. 774.

"WORLD WAR II" in the heading and by adding at the end of such section the following new subsection:

Benefits for veterans.

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (4)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

Ante, pp. 767, 768, 770, 771.
Post, p. 776.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"Veteran".

"(4) For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was

so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217". 42 U.S.C. §405. 50 Stat. 307. 45 U.S.C. ch.9. 42 U.S.C. §417.

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act. 42 U.S.C. §402. Ante, p. 773. 42 U.S.C. §415. Post, p. 776.

(2) In the case of any veteran (as defined in section 217 (e) (4) of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within two years of the date of such death shall not apply if such proof is filed prior to September 1954. Ante, p. 773.

(d) (1) Paragraph (1) of section 217 (a) of such Act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall 64 Stat. 488. 42 U.S.C. § 402 note.

All 66 Stat. 776.

not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

42 U.S.C. §402.

TECHNICAL PROVISIONS

42 U.S.C. §415.

SEC. 6. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

Ante, p. 773.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed."

Ante, p. 768.

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such

42 U.S.C. §402.

application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

Ante, p. 771.

42 U.S.C. § 402.

(c) In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such Act, but only if it would result in a higher primary insurance amount for such individual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

Ante, p. 772.

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952"

65 Stat. 683. 45 U.S.C. §228a.

(2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

60 Stat. 729. 45 U.S.C. §228e. 42 U.S.C. §409.

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $75, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than $75;".

Ante, p. 773.

(3) Section 5 (l) (6) of the Railroad Retirement Act of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)".

65 Stat. 689. 45 U.S.C. §228e.

(e) In case the benefit of any individual for any month after August 1952 is computed under section 2 (c) (2) (A) of this Act through use of a benefit (after the application of sections 203 and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952 which could have been derived from either of two (and not more than two) primary insurance amounts, and such primary insurance amounts differ from each other by not more than $0.10, then the benefit of such individual for such month of August 1952 shall, for the purposes of the last sentence of such section 2 (c) (2) (A), be deemed to have been derived from the larger of such two primary insurance amounts.

Ante, p. 773. 42 U.S.C. §§403, 415.

All 66 Stat. 778.

EARNED INCOME OF BLIND RECIPIENTS

SEC. 7. Effective as of July 1, 1952, title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

42 U.S.C. §§1301-1308.

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may until June 30, 1954, and thereafter shall provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

42 U.S.C. §§302, 602, 1202, 1352.

42 U.S.C. §303.

SEC. 8. (a) Section 3 (a) of the Social Security Act is amended to read as follows:

Payments to State.

"SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

42 U.S.C. §603.

(b) Section 403 (a) of such Act is amended to read as follows:

"SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $30 with respect to one such dependent child and $21 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with

respect to a relative with whom any dependent child is living as exceeds $30—

"(A) four-fifths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $15 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to dependent children, equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose."

(c) Section 1003 (a) of such Act is amended to read as follows: 42 U.S.C. §1203.

"SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the blind for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the blind, equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose."

(d) Section 1403 (a) of such Act is amended to read as follows: 42 U.S.C. §1353.

"SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1952, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of

All 66 Stat. 780.

such expenditure with respect to any individual for any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $25 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month, plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as aid to the permanently and totally disabled, equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Administrator for the proper and efficient administration of the State plan, which amount shall be used for paying the costs of administering the State plan or for aid to the permanently and totally disabled, or both, and for no other purpose."

(e) The amendments made by this section shall be effective for the period beginning October 1, 1952, and ending with the close of September 30, 1954, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this Act had not been enacted.

Approved July 18, 1952.

COPY

IMMEDIATE RELEASE JULY 18, 1952

STATEMENT BY THE PRESIDENT

I have today signed H.R. 7800, the Social Security Act Amendments of 1952. This is an important landmark in the progress of our social security system.

The new law increases old age and survivors insurance benefits by an average of $6 per month. The new law also makes certain increases in the minimum benefits under the Railroad Retirement System. These increases become effective for the month of September and will add to the incomes of more than 4.5 million people now drawing benefits from these insurance systems.

Both systems are further improved by increasing from $50 to $75 per month the amount which a person can earn without losing his insurance benefit. In addition, members of the armed forces serving from 1947 through 1953, will now receive the same employment credit under the old age and survivors insurance system that was granted servicemen during World War II.

The new law also increases by $250 million per year, the amount of the Federal contribution to the States for public assistance. This will make it possible for the States to increase assistance payments to the five million dependent children and aged, blind, and disabled citizens, now receiving State help to meet their minimum financial needs. Increases will amount to about $3 per month for dependent children, and $5 per month for the rest, provided that the States use all the new Federal funds to increase total payments to the needy individuals. It is hoped and expected that this will be done.

The major features of this new law follow the recommendations which I made to the Congress last January. The Congress is to be congratulated for this prompt and effective action to strengthen the social security laws and to ease the pressure of living costs for so many millions of Americans.

A large share of the credit for this timely and constructive measure is due to Chairman Doughton of the House Ways and Means Committee, the sponsor of the great Social Security Act of 1935 and of every major improvement in social security since that time. Chairman Doughton has announced his retirement from the House of Representatives after forty years of service. H.R. 7800 is his last legislative achievement for the American people and I am sure they will join with me in honoring him for it.

In this new law, otherwise so generally desirable, there is one drawback which I feel requires comment at this time. I deeply regret that the Congress failed to take proper action to preserve the old-age and survivors insurance rights of persons who become permanently and totally disabled. There is a provision in the Act which purports, beginning July 1, 1953, to preserve an individual's rights in the event of disability -- but, unfortunately, the Act also includes a sentence, saying that this provision shall cease to be in effect on June 30, 1953. The net effect of this is that the provision will expire on the day before it can go into effect. Thus, in the Act I have just signed, the Congress takes away with one hand what it appears to give with the other.

The provision thus nullified by this extraordinary effective date arrangement, is analogous to the waiver of premiums in private insurance policies. This provision would permit aged persons whose disability has forced them into early retirement to have their benefits recomputed so that lost time due to their disability would not count against them.

No fair-minded individual denies the justice of such a provision. No procedures would be involved that are not already a part of the daily routine of scores of private life insurance companies. No administrative methods would be required that are not already used by any one of several Government disability programs for veterans, railroad employees, and Government workers, including Members of the Congress themselves.

The way in which this provision was, in effect, defeated is such a revealing example of how the Republicans dance when a well-heeled lobbyist pipes a tune that I think it warrants being brought to the particular attention of the American people in this election year.

The disability provision was recommended to the House of Representatives by its Committee on Ways and Means. On May nineteenth, the bill was taken up on the House floor under a motion to suspend the rules, a procedure which permits quick action but requires a two-thirds favorable vote to pass a bill. This procedure was agreed to because no one foresaw any opposition to this sensible and reasonable piece of legislation.

At that point, the Washington lobbyist for the American Medical Association got the notion that here was a chance for him to attack what he chose to call a "socialistic" proposal. So he sent a letter or telegram to every Member of the House. There had been no other opposition to H.R. 7800.

There was, as Chairman Doughton stated on the floor of the House, "no more socialized medicine in ... [this provision] ... than there is frost in the sun." Yet, when the House voted on the measure, nearly 70 percent of the Republicans were against the bill. A great majority of the Democrats, to their credit, stood firm and voted for the bill, but with the solid Republican opposition, they were unable to muster the necessary two-thirds vote.

After that defeat, the bill was sent back to the Ways and Means Committee. Then the story began to get around as to what had really happened. A great number of Republicans apparently decided they couldn't take the heat when they got caught, for when the bill was again reported and again brought to the floor, only 12 percent of the Republicans persisted in their opposition.

On this second try, the bill passed the House, on June seventeenth. But the American Medical Association lobby had accomplished what it wanted just the same. For the month's delay in the House had created such a situation that the Senate could act before adjournment only by dispensing with hearings. It was then the strategy of the American Medical Association to put up a great demand to be heard on the disability provision. Faced with the Association's insistence, the Senate committee decided to drop this provision rather than schedule hearings which might consume the time before adjournment and thus lose the chance for Senate action on the bill.

The net result of the medical lobby's maneuvering was the impairment of insurance protection for millions of disabled Americans. What the lobby could not engineer outright, it won by delay. And be it noted that this victory for the lobby, at the people's expense, was accomplished by a great majority of the Republicans in the House. They were perfectly willing to deny to millions of Americans the benefits provided by this bill in order to satisfy the groundless whim of a special interest lobby -- a lobby that purports to speak for, but surely fails to represent, the great medical profession in the United States.

I earnestly hope that the Congress next year will override the foolish objections of the medical lobby and put a proper disability provision in the law.

The new law as finally adopted omits one other good provision which was passed by the House. I refer to a section of the House bill which would have permitted State and local government employees who are covered by retirement systems, to hold a referendum as to whether they wish to come under the Federal insurance program. There is a widespread desire on the part of such employees to obtain the protection of the insurance program. I hope the Congress will enact this much-needed provision next year also.

In addition, I hope the Congress at that time will also consider the entire question of further extending and liberalizing the Social Security Act as a whole.

* * * *

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

SSA - OASI

TO : Administrative, Supervisory, and Technical Employees

DATE: July 18, 1952

FROM : O. C. Pogge, Director

SUBJECT: Director's Bulletin No. 188
Social Security Act Amendments of 1952 (H.R. 7800)

The Social Security Act Amendments of 1952 became law today with signature by the President. The fact that there is new social security legislation within two years of the comprehensive changes made in 1950 is highly significant. The increased benefits indicate a realization by the Congress that the old-age and survivors insurance program must and can be kept in line with the level of the economy. Even more important, it indicates recognition of the fact that rising wage levels permit some liberalizations in the program without the need for increasing tax rates or changing the self-supporting basis of the system.

We in the Bureau were, of course, disappointed that some of the provisions originally in H.R. 7800 were dropped or drastically changed. The bill as originally passed by the House of Representatives on June 17 contained a provision for "freezing" the insured status and average monthly wage of individuals who become permanently and totally disabled before reaching retirement age. This provision, similar to the "waiver of premium" provision in private life insurance contracts, would have corrected a serious anomaly in the present law which affects the benefit rights of a very large number of persons covered under the program. From 75,000 to 100,000 persons now on the rolls would have had their benefits increased immediately by recomputation to take account of past disability. In all, perhaps as many as 500,000 persons disabled in the past would have gained some advantage for themselves or their survivors in present or future benefits from this provision. This is not to speak of the approximately 150,000 persons a year who are currently becoming disabled in 1953, 1954, 1955, and in later years.

The Senate did not include the "waiver of premium" in its version of the bill because the Senate Committee felt that hearings should be held on this provision and there was insufficient time

remaining in the session for a full hearing. The House-Senate Conference Committee subsequently wrote into the bill the provisions described below, which are now part of the law. These provisions outline one way of preserving the insurance rights of persons who are permanently and totally disabled. The legislative language is intended to provide a basis for further study but this part of the amendments has no effect on benefit rights. Technically, the provision expires prior to the earliest date for filing application. The report of the Conference Committee indicates the intent of the Congress that hearings on the problem of permanent and total disability will be held early in 1953.

The conferees also failed to include the provisions in the House bill, deleted in the Senate version, which would have permitted covering most State and local employees who are under retirement systems. Here, too, there is promise of early action in the report of the Conference Committee:

> "The conferees by this action intend in no way to imply that they do not favor the inclusion of similar provisions in the law; it is the intent of the conferees that the entire matter of the extension of Federal coverage to employees already covered by State and local retirement systems will be explored thoroughly early in 1953, when the disability provisions are to be reexamined."

The enactment of H.R. 6291, the Harrison bill (now P.L. 420), which extends to January 1, 1954, the period within which coverage of State and local employees may be made retroactive to January 1, 1951, makes it possible for any State or local groups to which coverage is extended next year to obtain coverage retroactive to January 1, 1951.

Following is a summary of the amendments:

I. Increase in Benefits

Benefits are increased for both present and future beneficiaries, whether their benefit amounts are computed under the conversion table or the formula.

a. The conversion table--The amendments contain a new conversion table to replace, beginning with September, the table contained in the 1950 amendments. Under the new table, all

primary insurance amounts of less than $40 (as computed under the 1950 table) will be raised by $5; all primary insurance amounts of $40 and over will be raised by 12½ percent. The increases thus range from $5 to $8.60. The average increase to old-age insurance beneficiaries on the rolls will be $6. The combination of a flat dollar increase and a percentage increase was adopted because the Congress felt that flat increase alone yielded too small amounts at the upper benefit levels, and a percentage increase alone would result in too small increases at the lower benefit levels.

The new table amounts will replace old table amounts for all present and future old-age insurance beneficiaries whose benefits are computed by the table. Benefits for dependents and survivors coming on the rolls after August 1952 will be determined from the primary insurance amount in the customary manner. For dependents and survivors now on the rolls, where the primary insurance amount was computed by the table, legislative authority was given in the amendments to permit in some cases increases a few cents larger than the normal proportion of the primary insurance amount, in order to permit the benefit conversion operations to be performed almost entirely by mechanical processes. These larger benefits will remain in force until it is necessary to reexamine the claims folders because the benefits for one member of the family are terminated; a new beneficiary in the family comes on the rolls; or there is any change in the benefit amount for any member of the family. At that time the benefits for the family will be refigured to the normal proportions of the new primary insurance amount. When these adjustments of a few cents are made, we may have to explain the reasons to the beneficiaries.

b. The benefit formula--Persons whose benefits are computed under the formula will have a primary insurance amount that is 55 percent of the first $100 of the worker's average monthly wage plus 15 percent of the next $200. Where the average monthly wage is $34 or less, the primary insurance amount will be $25; where the average monthly wage is $35-$47, the primary insurance amount will be $26. Thus under the new formula, primary insurance amounts for those with average wages of $100 or more will be $5 greater than under the old formula; for those with average wages of less than $100 the increase will range from $1 to $5. The small number of beneficiaries now on the rolls whose benefits were computed by the formula will have their benefits, beginning with September, refigured by the new formula or, in a few cases, by the new conversion table.

The increases in benefits under the conversion table are, in general, slightly larger than those under the formula. There will, therefore, be less difference under the new law between the benefits resulting from the two computation methods than there was under the 1950 amendments. As you know, the Social Security Administration has favored a conversion table that would yield benefits approximately equal to those yielded by the formula.

c. Maximum provisions--The amendments raise, beginning with September, the $150 maximum to $168.75, and the amount below which the 80 percent maximum does not apply from $40 to $45. Both of these amounts are 12½ percent larger than the corresponding amounts in the 1950 provisions.

The amendments contain one additional change in the maximum provisions. For some retired-worker families who are entitled to benefits before September and who receive benefits equal to 80 percent of the average monthly wage, the increase in the old-age insurance benefit is in itself larger than the total increase permissible under the maximum provisions. To prevent reduction of the wife's and children's benefits, the new provisions set the maximum for these families as the present maximum applicable to the family plus the amount of the increase in the primary insurance amount. Thus, the dependents will keep at least their present benefit rates in all cases. When the old-age insurance beneficiary dies, the survivors' benefits and the applicable maximum will be determined in the usual manner.

Under the 1950 amendments, a primary insurance amount computed under the table may be associated with a different family maximum from that associated with the same primary insurance amount computed under the formula. Thus two sets of tables for adjudication of claims were required. The 1952 amendments remedy this situation by specifying that the average monthly wage corresponding to a given primary insurance amount derived by way of the conversion table shall be the average monthly wage that would have yielded that primary insurance amount if it had been determined through the formula.

II. Work Clause

When H.R. 7800 came under consideration, there appeared to be wide agreement as to the need for an increase in the work-clause amount. The extent of the increase to be provided

was, however, in dispute. As passed by the House, H.R. 7800 provided for a $70 work clause although there were many who favored raising the amount to $100. The Senate did raise the figure to $100. The conferees agreed upon $75. The new amount will be effective for wage earners beginning with September 1952, and for the self-employed beginning with the first taxable year which ends after August 1952. (For practically all self-employed persons this is the calendar year 1952.) The raised amount of permitted earnings from self-employment applies to all months in the taxable year, to avoid the difficulty of allocating the increases solely to months after August 1952. The law also raises from $50 to $75 a month the amount which individuals receiving survivor benefits under the Railroad Retirement Act may earn in social security employment.

III. Wage Credits for Military Service

The legislation provides old-age and survivors insurance wage credits of $160 for each month of service in the active military or naval service of the United States after July 24, 1947, and before January 1, 1954. Thus all such service performed at any time from September 1940 through December 1953 is now creditable for old-age and survivors insurance purposes.

The new wage-credit provisions are similar in virtually all respects to those enacted in 1950 to provide wage credits for World War II service. The new credits may be used regardless of whether death occurred in or out of service, or whether Veterans Administration benefits are payable. In general, the credits may not be counted toward old-age and survivors insurance benefits if a periodic benefit based in whole or in part on the same military service is determined to be payable by any other Federal agency.

A minor exception to this provision is created by the addition of an administrative tolerance rule which will permit us to disregard other Federal benefits in cases where the omission of the wage credits would reduce the old-age and survivors insurance primary amount by 50 cents or less. This tolerance rule will apply also to World War II wage credits where the claim is filed after August 1952. The purpose of the tolerance rule is, of course, to eliminate the need for contacts with other Federal agencies in those cases where the wage credits do not substantially increase the old-age and survivors insurance benefit amount. Although the tolerance rule seems too limited to be of much immediate practical

value, it provides a precedent which might eventually be broadened to rule out the need for contacts with other agencies in more of the cases where the effect of the wage credits is relatively slight.

The new credits will not apply to lump-sum death payments where death occurred before September 1952 or to monthly benefits for months prior to September 1952. Beneficiaries now on the rolls may, on application, have their benefit amounts recomputed to reflect the new credits. This recomputation would become effective for September 1952 or for the sixth month before the month in which application for recomputation is filed, whichever is later. There is no change in the financing of the wage credits; their cost will continue to be borne by the trust fund. As in the case of World War II provisions enacted in 1950, the Conference Committee rejected the provision favored by the Social Security Administration and included in the House version of the bill which would have authorized appropriations from the General Treasury to meet the additional costs of the wage credits.

A minor provision of the law extends the time permitted for claiming a lump-sum death payment as reimbursement for burial expenses where a serviceman dies abroad after June 24, 1950, and before January 1954, and is later returned to the United States for burial or reburial. People incurring such burial expenses may claim reimbursement within two years of the date of burial or reburial, rather than within two years of the date of death.

The provision enacted in 1946 as a stopgap to guarantee survivor protection to World War II veterans who die within the 3-year period following discharge from service has not been extended by the new legislation.

The active interest of the Congress in providing old-age and survivors insurance credit for military service is further indicated by the inclusion of provisions somewhat like those of H.R. 7800 in an early version of the so-called G.I. bill, which provides educational and other benefits for veterans of service after the start of the Korean conflict. The G.I. bill would have provided wage credits for service between June 27, 1950, and the end of the emergency period. The wage-credit provisions were deleted from the G.I. bill by the Senate Committee on Labor and Public Welfare when it appeared that enactment of H.R. 7800 was assured.

IV. Disability "Freeze"

As finally enacted into legislation, this provision has no effect on benefit rights. As indicated earlier, the provision is included in the law as a basis for further study and is completely inoperative.

The disability "freeze" provision was, as is known to most of you, hotly contested. The purpose of such a provision is to prevent persons insured under our program and forced into premature retirement on account of permanent and total disability from losing their insured status or suffering a reduction in the amount of their old-age insurance benefit and the benefits of their dependents and survivors. Aged beneficiaries now on the rolls, as well as individuals who will qualify in the future as permanently and totally disabled persons, would have their primary insurance amounts computed so as to exclude periods prior to age 65 during which permanent and total disability prevented them from working.

When first introduced on the floor of the House, the disability provision of the bill met the unexpected opposition of the American Medical Association which charged that it was "socialized medicine." Nevertheless, the bill containing this provision later passed the House by a vote of 331 to 22.

The House version of the bill would have authorized the Federal Security Administrator to set up the necessary administrative processes in our Bureau for determining permanent and total disability. The provision, now included in the law for study purposes, would transfer the responsibility of determining whether an applicant is permanently and totally disabled from the Federal Security Administrator to appropriate State agencies (public assistance, vocational rehabilitation, or workmen's compensation), as may be designated in agreements entered into with the States by the Administrator. The Federal Security Administrator would retain the right to veto a State determination holding an individual disabled if, after reasonable notice and opportunity for a hearing, he found such individual not disabled. The administrative costs incurred by the States in making determinations of disability would be borne by the trust fund.

If the present "freeze" provisions become operative, by subsequent action of Congress, a person will qualify if he has 20 quarters of coverage out of the last 40 quarters and 6 quarters of

coverage out of the last 13 quarters ending with the quarter in which he became disabled. He must be under a disability which incapacitates him from any substantially gainful employment and which has lasted for at least six months and can be expected to be permanent; or he must be blind according to the definition of blindness contained in the law. In computing the average monthly wage for an insured person who meets the eligibility requirements, quarters falling in a period of disability will generally be excluded from the divisor, and earnings in such quarters from the dividend, unless the result should be less favorable to the claimant. However, all periods of disability must be either included or excluded.

The statement of the House conferees explains that the provisions which postpone the effective date and cause the authority to expire without becoming effective are intended to permit "the working out of tentative agreements with the States for possible administration of these provisions. It is the intent of the conferees that hearings will be held on this entire matter early in 1953 and at that time the congressional committees will go into the administrative and other provisions. It is intended to obtain the views at that time of interested groups on the methods of obtaining evidence of disability, under what circumstances and by whom such determinations should be made, and whether or not these provisions or any modification thereof should be enacted into permanent law."

Before January 1953, the Bureau must not only explore the possibilities for administering the "freeze" program through use of State agency services, but must also develop any modifications of the present provision that we may wish to present to Congress. We believe there are a number of objections to the plan as now written in the law. The Bureau is hopeful that any legislation providing permanent machinery for the determination of disability will take account of recommendations that we will want to make in the interest of economy, efficiency, and the safeguarding of the substantive rights of contributors.

V. Technical Amendments

The new amendments also correct certain anomalies rising from the 1950 amendments and also, largely for administrative reasons, eliminate the effect of the lag recomputation provision for most persons dying or becoming entitled to benefits in 1952.

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a. Recomputation for persons age 75 and over--One of the requirements in the 1950 amendments for an individual to be eligible for recomputation of his benefit amount is that he have at least 12 deductions for work in covered employment in a 3-year period. This requirement was intended to ensure that work recomputations would, in general, be limited to cases where the resulting benefit increases would be a significant amount. Because eligibility for a work recomputation was dependent technically on deductions for work, beneficiaries now past age 75 could not have their benefits recomputed under the formula; such persons are not subject to work deductions. The 1952 amendments permit a 1-time work recomputation after age 75, upon application, if the beneficiary has 6 quarters of coverage after 1950, and if the original benefit had to be computed under the conversion table. Once an individual has had the choice of formula or table, it is not likely that recomputation after age 75 would be of great advantage to him.

b. Special recomputation for self-employed persons--A second troublesome problem arose under the 1950 amendments because self-employed persons who retire or die in 1952 (or in a taxable year beginning in 1952) could not have their 1952 earnings (or those in the last taxable year) counted in the computation of the average monthly wage, although the 18-month divisor applied in such cases. The new amendments permit applications for a recomputation after the end of 1952 (or after the end of a taxable year which began in 1952) to include the self-employment income and all the months in that year if the individual became entitled to benefits or, without having become entitled, died in 1952. This provision is limited to 1952 cases because thereafter the benefit computed without use of the earnings in the last taxable year will in most cases be as large as a benefit including earnings for that last year.

c. Use of lag wages in benefit computation--A third technical amendment requires the use of lag wages in the computation of benefits of persons dying or becoming entitled to benefits in 1952, if using these wages will increase the primary insurance amount. Thus full-rate benefits will not be postponed until 1953 as they would have been prior to these amendments.

Because of the applicability of the 18-month divisor in 1952 the use of the lag wages for persons dying or becoming entitled to benefits in 1952 will generally be advantageous and under the 1950 amendments would have required recomputations in most cases. The

amendments largely eliminate this workload. The provision will not apply after 1952, as the number of cases where we will have to develop lag-wages for eligibility or to establish the right to a formula computation will decline sharply.

This amendment will also allow the use of lag period wages in a work recomputation if the old-age insurance beneficiary files application for it or dies between July 1 and December 31, 1952. Thus beneficiaries now on the rolls will not have to wait to file their applications until the first of the year in order to avoid the effect of the 18 divisor on the recomputed benefit.

VI. Cost of the Program Under 1952 Amendments

The schedule of contributions now in the law was based on an intermediate cost estimate showing that the level-premium cost of the program as amended in 1950 would be 6.05 percent of pay roll. These estimates were based on the wage levels of 1947. Based on 1951 wage levels, which are some 20 to 25 percent higher, and on interest rates currently yielded by investments of the trust fund (2.25 percent), the level-premium cost of the program under the 1952 amendments according to the intermediate cost estimates is slightly lower (5.85) than the cost of the program as estimated in 1950.

The law also provides for certain changes in public assistance, including increases in the Federal share of payments to recipients of old-age assistance, aid to the permanently and totally disabled, aid to the blind, and aid to dependent children.

O. C. Pogge
Director

ACTUARIAL COST ESTIMATES

FOR

THE OLD-AGE AND SURVIVORS INSURANCE SYSTEM AS MODIFIED BY THE SOCIAL SECURITY ACT AMENDMENTS OF 1952

JULY 21, 1952

Prepared for the use of the Committee on Ways and Means
by Robert J. Myers, Actuary to the Committee

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ACTUARIAL COST ESTIMATES FOR THE OLD-AGE AND SURVIVORS INSURANCE SYSTEM AS MODIFIED BY THE SOCIAL SECURITY ACT AMENDMENTS OF 1952

A. INTRODUCTION

This actuarial study presents long-range cost estimates for the old-age and survivors insurance provisions of H. R. 7800 (Social Security Act Amendments of 1952), according to conference agreement on July 5, 1952. This bill was passed by the House of Representatives on June 17, 1952, and an amended version was passed by the Senate on June 26, 1952.

From an actuarial cost standpoint the main features of the bill agreed to by the conference committee are as follows:

(1) Monthly primary insurance amount is based on 55 percent of the first $100 of average monthly wage (determined from covered earnings after 1950) plus 15 percent of the next $200, as contrasted with the formula in the 1950 law which is 50 percent of the first $100 and 15 percent of the next $200. Minimum primary insurance amount is $26, unless average wage is less than $35—in which case the benefit is $25. Maximum family benefits are $168.75 or 80 percent of average wage, if less. Retired worker beneficiaries on the roll are to be given an increase of either $5 or 12½ percent, whichever is larger, with corresponding increases generally for other beneficiaries; this is done by means of a conversion table which is also applicable for those retiring in the future, if on the basis of average wage after 1936, it yields more favorable results.

(2) Amount of earnings permitted under the work clause is raised from $50 per month to $75 per month.

(3) Provisions are introduced to "freeze" the insured status and benefit amounts of persons who become permanently and totally disabled prior to retirement age. However, this provision expires on June 30, 1953, and does not permit applications for disability "freeze" to be filed before then. Accordingly, actual operation is contingent upon the extension of this legislation at the next session of the Congress, and so no allowance for this provision is made in the cost estimates. However, its cost on a permanent basis is relatively low, being about 0.05 percent of payroll on a level-premium basis.

(4) Wage credits of $160 for each month of military service are given for such service after the close of World War II and during the present emergency (through calendar year 1953).

Estimates of the future costs of the old-age and survivors insurance program are affected by many factors that are difficult to determine. Accordingly, the assumptions used in the actuarial cost estimates may differ widely and yet be reasonable. Because of numerous factors, such as the aging of the population of the country and the

inherent slow but steady growth of the benefit roll in any retirement-insurance program, benefit payments may be expected to increase continuously for at least the next 50 years.

The cost estimates made for the 1950 act at the time the legislation was enacted were presented in a committee print, Actuarial Cost Estimates for the Old-Age and Survivors Insurance System as Modified by the Social Security Act Amendments of 1950, July 27, 1950.

The cost estimates for the 1952 amendments are presented here first on a range basis so as to indicate the plausible variation in future costs depending upon the actual trend developing for the various cost factors in the future. Both the low-cost and high-cost estimates are based on "high" economic assumptions, intended to represent close to full employment, with average annual earnings at about the level prevailing in 1951, or probably somewhat below current experience. Following the presentation of the cost estimates on a range basis, intermediate estimates developed directly from the low-cost and high-cost estimates (by averaging them) are shown so as to indicate the basis for the financing provisions.

In general, the costs are shown as a percentage of covered payroll. It is believed that this is the best measure of the financial cost of the program. Dollar figures taken alone are misleading, because, for example, extension of coverage will increase not only the outgo but also to a greater extent the income of the system with the result that the cost relative to payroll will decrease.

Both the House and the Senate very carefully considered the problems of cost in determining the benefit provisions of the 1950 act and were of the belief that the old-age and survivors insurance program should be on a completely self-supporting basis. Accordingly, that act contained a tax schedule which it was believed would, under a level-wage assumption, make the system self-supporting as nearly as could be foreseen under circumstances then existing. The 1952 amendments will not affect the actuarial balance of the program, which will remain virtually the same as in the estimates made at the time the 1950 act was enacted; this is the case because of the rise in earnings levels in the past 3 or 4 years. Future experience may be expected to differ from the conditions assumed in the estimates so that this tax schedule, at least in the distant future, may have to be modified. This may readily be determined by future Congresses after the revised program has been in operation for a decade or two.

B. BASIC ASSUMPTIONS FOR ACTUARIAL COST ESTIMATES

The estimates have been prepared on the basis of high-employment assumptions somewhat below conditions now prevailing. The estimates are based on level-earnings assumptions (slightly below the present level). If in the future the earnings level should be considerably above that which now prevails, and if the benefits for those on the roll are at some time adjusted upward on this account, the increased outgo resulting will be offset. This is an important reason for considering costs relative to payroll rather than in dollars.

The cost estimates, however, have not taken into account the possibility of a rise in earnings levels, as has consistently occurred over the past history of this country. If such an assumption were used in

the cost estimates, along with the unlikely assumption that the benefits nevertheless would not be changed, the cost relative to payroll would, of course, be lower. If benefits are adjusted to keep pace with rising earnings trends, the year-by-year costs as a percentage of payroll would be unaffected. However, in such case this would not be true as to the level-premium cost. If earnings do consistently rise, thorough consideration would need to be given to the financing basis of the system since under such circumstances the relative value of the accumulated reserves would be diminished.

The low-cost and high-cost assumptions relate to the cost as a percent of payroll in the aggregate and not to the dollar costs. The two cost assumptions are based on possible variations in fertility rates, mortality rates, retirement rates, remarriage rates, etc.

In general, the cost estimates have been prepared according to the same assumptions and techniques as those contained in Actuarial Studies Nos. 23, 27, and 28 of the Social Security Administration, and also the same as in the estimates prepared for the Advisory Council on Social Security of the Senate Committee on Finance (S. Doc. 208, 80th Cong., 2d sess.) and for the congressional committees which considered the 1950 amendments. The only changes made in the assumptions as used in the present estimates are the use of an interest rate of 2¼ percent instead of 2 percent (since interest rates have risen significantly) and the use of higher earnings assumptions, namely corresponding to the experience during 1951 (as contrasted with the previous estimates having been based on the 1947 experience).

The earnings assumptions used in the current cost estimates, along with the actual recorded earnings of the past few years, are indicated in the following table which shows for men and women separately the average annual taxable earnings for persons working in covered employment during all four quarters of the year:

Category	Men	Women
Used in 1950 cost estimates, $3,600 base [1]	$2,550	$1,625
Used in present cost estimates, $3,600 base	2,950	2,030
Actual 1944, $3,000 base	2,301	1,402
Actual 1945, $3,000 base	2,293	1,384
Actual 1946, $3,000 base	2,269	1,480
Actual 1947, $3,000 base	2,393	1,611
Actual 1948, $3,000 base	2,493	1,733
Actual 1949, $3,000 base [2]	2,493	1,750
Actual 1950, $3,000 base [2]	2,558	1,811
Estimated 1950, if $3,600 base [2]	2,800	1,860

[1] Based on 1947 experience adjusted for $3,600 base.
[2] Preliminary.

C. RESULTS OF COST ESTIMATES ON RANGE BASIS

Table 1 gives the estimated taxable payrolls, which are the same under the 1952 amendments as under the 1950 act. Because of increased earnings the estimates of payroll shown are about 20 percent higher than in the 1950 estimates; total earnings increased by somewhat more than 25 percent, but taxable earnings had a smaller increase because of the effect of the $3,600 maximum taxable earnings base. Since both the low-cost and the high-cost estimates assume a high

future level of economic activity, the payrolls are substantially the same under the two estimates in the early years. In later years the estimated payrolls increase in accordance with the population assumptions, and a spread develops between the lost-cost and high-cost estimates. The assumptions which affect benefits, however, have widely different effects even in the early years of the program. The range of error in the estimates, nevertheless, may be fully as great for contributions as it is for benefits.

TABLE 1.—*Estimated taxable payrolls under 1950 act and under 1952 amendments*

[In billions]

Calendar year	Low-cost estimate	High-cost estimate
1953	$130	$129
1955	132	131
1960	136	137
1970	150	150
1980	160	156
1990	170	159
2000	181	160

The estimates of the number of monthly beneficiaries (see table 2) are substantially the same as for the 1950 act. However, there will be slight increases in most categories because of the provisions for military service credits and because of the liberalized work clause.

TABLE 2.—*Estimated number of beneficiaries under 1952 amendments*

[In thousands]

Calendar year	Monthly beneficiaries [1]								Lump-sum death payments [4]
	Retirement beneficiaries [2]			Survivor beneficiaries				Total	
	Old-age	Wife's [3]	Child's	Widow's [3]	Parent's [3]	Mother's	Child's		
	Actual data for 1950 act								
1952	2,345	663	69	403	20	208	804	4,512	475
	Low-cost estimate								
1960	2,840	861	75	1,101	37	351	1,135	6,400	687
1970	4,210	1,151	90	2,031	42	403	1,317	9,244	890
1980	5,821	1,341	118	2,709	42	444	1,446	11,921	1,090
1990	7,897	1,368	132	3,029	39	482	1,576	14,523	1,290
2000	9,044	1,286	131	3,008	34	525	1,714	15,742	1,472
	High-cost estimate								
1960	4,481	1,271	103	1,133	69	360	901	8,318	627
1970	7,034	1,759	120	2,074	90	341	808	12,226	811
1980	10,436	2,262	131	2,788	97	317	718	16,749	999
1990	14,662	2,572	122	3,141	94	299	653	21,543	1,246
2000	17,572	2,666	87	3,083	90	288	602	24,388	1,468

[1] In current payment status as of middle of year. Actual figures for 1952 are for March.
[2] I. e., for benefits paid to retired workers and their dependents.
[3] Does not include those also eligible for old-age benefits. For wife's and widow's benefits, includes husband's and widower's benefits, respectively.
[4] Number of insured deaths for which payments are made during year. Actual figure for 1952 based on experience during first 3 months.

Table 3 shows the estimated average benefits under the 1952 amendments; these are given only for 1952, 1960, and 2000, since in general there is a smooth trend in the intervening periods. Also shown are the estimated average payments under the present system as of August 1952.

TABLE 3.—*Estimated average monthly benefit payments and average lump-sum death payments under 1950 act and under 1952 amendments*

Category	Under 1950 act, August 1952	Under 1952 amendments		
		September 1952	1960	2000
Old-age (primary)	$42	$48	$59	$57
Male	44	50	62	66
Female	33	38	46	44
Wife's [1]	23	26	32	35
Widow's [1]	36	40	46	52
Parent's [2]	37	41	46	51
Mother's	33	36	43	48
Child's [3]	27	30	39	42
Lump-sum death [4]	150	170	185	180

[1] Does not include those eligible for old-age benefits. Includes husband's and widower's benefits.
[2] Does not include those eligible for old-age, widow's, or widower's benefits.
[3] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[4] Average amount per death.

NOTE.—A range of figures is not shown because there is relatively little difference between the low-cost and high-cost benefits. Also the figures for child's and mother's benefits are consistent with operating procedures (which grant benefits to all family members, subject to the maximum benefit provisions) rather than with the estimates set forth in the other tables (which assume that only sufficient persons file as to reach such maximum).

It will be noted that for old-age beneficiaries separate figures are given for men and women, since the results differ greatly and since a combination would obscure the trend. For men the average old-age benefit increases from 1952 to 1960, and also to some extent thereafter, due to the effect of the "new start" average wage and, in addition, due to the fact that the conversion table produces somewhat lower results than will arise under the new benefit formula. On the other hand, for women the average old-age benefit shows a small decrease over the long-range future because there will ultimately be a large number of women receiving such benefits who did not engage in covered employment for their entire adult lifetime after 1950.

Table 4 presents costs as a percentage of payroll for each of the various types of benefits. The increases in benefit amounts resulting from the military service credits are included in each type of benefit separately. As used here, "level-premium cost" may be defined as the level contribution rate charged from 1951 on, which together with interest on invested assets would meet all benefit payments after 1950. This level-premium rate, which is based on a level-earnings assumption, would produce a substantial excess of income over disbursements in the early years, the interest on which would help considerably in meeting the higher benefit outgo ultimately. The level-premium cost shown for the bill on the basis of 2 percent interest is roughly 4¾ to 7½ percent of payroll, or about the same as for the 1950 act; using a 2¼-percent interest rate yields somewhat lower figures.

TABLE 4.—*Estimated relative costs in percentage of payroll for 1952 amendments, by type of benefit*

Calendar year	Old-age	Wife's [1]	Widow's [1]	Parent's	Mother's	Child's [2]	Lump-sum death	Total
	Low-cost estimate							
1960	1.48	0.24	0.44	0.02	0.15	0.45	0.09	2.87
1970	2.11	.31	.81	.02	.17	.49	.11	4.03
1980	2.70	.35	1.06	.02	.17	.51	.13	4.93
1990	3.32	.34	1.16	.02	.18	.52	.14	5.68
2000	3.48	.30	1.11	.01	.18	.53	.15	5.77
Level premium: [3]								
At 2 percent	2.76	.29	.91	.01	.17	.49	.13	4.77
At 2¼ percent	2.68	.29	.89	.01	.17	.49	.13	4.66
	High-cost estimate							
1960	2.30	0.36	0.46	0.03	0.15	0.36	0.08	3.74
1970	3.42	.48	.83	.04	.14	.31	.10	5.33
1980	4.80	.60	1.13	.04	.13	.27	.12	7.08
1990	6.42	.68	1.30	.04	.12	.24	.14	8.94
2000	7.51	.72	1.33	.03	.11	.22	.16	10.08
Level premium: [3]								
At 2 percent	5.30	.57	1.03	.03	.12	.26	.13	7.44
At 2¼ percent	5.09	.56	.99	.03	.12	.27	.12	7.19

[1] Included are excesses of wife's and widow's benefits over old-age benefits for female old-age beneficiaries also eligible for wife's or widow's benefits. Also includes husband's and widower's benefits, respectively.
[2] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[3] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

Table 5 presents the estimated operations of the trust fund under the 1952 amendments. The trust fund at the end of 1952 is estimated to be about $17½ billion. The figures for 1952 reflect the operation of the 1950 act for the entire year as to contribution receipts, but as to benefit disbursements the figure includes payments made under the 1950 act for the first 9 months of the year and under the 1952 amendments for the remainder of the year; the liberalized benefit conditions will be effective in September, with the first payments coming out of the trust fund in October. The future progress of the trust fund has been developed here on the basis of a 2¼-percent interest rate, which is about what the trust fund is currently earning.

TABLE 5.—*Estimated progress of trust fund for 1952 amendments*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Fund at end of year
	Actual data for 1950 act				
1951	$3,367	$1,885	$81	$417	$15,540
	Low-cost estimate				
1952 [3]	$3,763	$2,220	$88	$366	$17,361
1955	5,140	2,818	91	508	24,193
1960	6,428	3,920	100	788	37,015
1970	9,352	6,034	136	1,633	75,786
1980	10,096	7,870	168	2,715	124,396
1990	10,735	9,642	199	3,760	171,335
2000	11,470	10,470	214	4,881	222,208
	High-cost estimate				
1952 [3]	$3,763	$2,220	$88	$366	$17,361
1955	5,105	3,357	113	487	22,952
1960	6,454	5,129	147	658	30,501
1970	9,359	7,984	206	1,091	50,160
1980	9,850	11,024	264	1,371	61,593
1990	10,041	14,200	326	976	42,117
2000	10,092	16,088	362	(4)	(4)

[1] Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950–53, 4 percent for 1954–59, 5 percent for 1960–64, 6 percent for 1965–69, and 6½ percent for 1970 and after. The self-employed pay ¾ of these rates.

[2] Interest is figured at 2¼ percent on average balance in fund during year. Actual 1951 figure is inflated because it includes a considerable amount of the interest which accrued in the second half of 1950 and also virtually all of the 1951 interest.

[3] See text for description of assumptions made for 1952.

[4] Fund exhausted in 1999.

Under the low-cost estimate, the trust fund builds up quite rapidly and even some 50 years hence it is growing at a rate of $5½ billion per year and at that time is almost $225 billion in magnitude; in fact, under this estimate benefit disbursements never exceed contribution income and even in the year 2000 are almost 10 percent smaller.

On the other hand, under the high-cost estimate the trust fund builds up to a maximum (of nearly $62 billion in 1980), but decreases thereafter until it is exhausted (shortly before 2000). In each of the years prior to the scheduled tax increases (namely, 1953, 1959, 1964, and 1969) benefit disbursements are over 10 percent lower than contributions. Benefit disbursements exceed contribution income after 1975.

These results are consistent and reasonable, since the system on an intermediate-cost estimate basis is intended to be approximately self-supporting, as will be indicated hereafter. Accordingly, a low-cost estimate should show that the system is more than self-supporting, whereas a high-cost estimate should show that a deficiency would arise later on. In actual practice under the philosophy in the 1950 amendments and set forth in the committee reports therefor, the tax schedule would be adjusted in future years so that neither of the developments of the trust fund shown in table 5 would ever eventuate. Thus, if experience followed the low-cost estimate, the contribution

rates would probably be adjusted downward or perhaps would not be increased, in future years according to schedule. On the other hand, if the experience followed the high-cost estimate, the contribution rates would have to be raised above those scheduled. At any rate, the high-cost estimate does indicate that under the tax schedule adopted there would be ample funds for several decades even under relatively unfavorable experience.

D. INTERMEDIATE-COST ESTIMATES

In this section there will be given intermediate-cost estimates, developed from the low-cost and high-cost estimates of this report. These intermediate costs are based on an average of the low-cost and high-cost estimates (using the dollar estimates and developing therefrom the corresponding estimates relative to payroll). It should be recognized that these intermediate-cost estimates do not represent the "most probable" estimates, since it is impossible to develop any such figures. Rather, they have been set down as a convenient and readily available single set of figures to use for comparative purposes.

The Congress, in enacting the 1950 amendments, was of the belief that the old-age and survivors insurance program should be on a completely self-supporting basis. Therefore, a single figure is necessary in the development of a tax schedule which will make the system self-supporting, according to a reasonable estimate. Any specific schedule will be different from what will actually be required to obtain exact balance between contributions and benefits. However, this procedure does make the intention specific, even though in actual practice future changes in the tax schedule might be necessary. Likewise, exact self-support cannot be obtained from a specific set of integral or rounded fractional rates, but rather this principle of self-support should be aimed at as closely as possible.

The tax schedule contained in the 1950 act, and left unchanged in the 1952 amendments, is as follows:

Calendar year	Employee	Employer	Self-employed
	Percent	*Percent*	*Percent*
1951–53	1½	1½	2¼
1954–59	2	2	3
1960–64	2½	2½	3¾
1965–69	3	3	4½
1970 and after	3¼	3¼	4⅞

This tax schedule was determined to be roughly equivalent to the level-premium cost under the intermediate estimate for the 1950 amendments when they were enacted and, as will be shown on the basis of the following actuarial cost analysis, continued to be so for the 1952 amendments according to current estimates.

Table 6 gives an estimate of the level-premium cost of the 1952 amendments, tracing through the increase in cost over the 1950 act according to the major types of changes proposed.

TABLE 6.—*Estimated level-premium costs as percentage of payroll by type of change*

Item	Level-premium cost
	Percent
Cost of 1950 act:[1]	
1950 estimate, using 2-percent interest	6.05
1950 estimate, using 2¼-percent interest	5.85
Current estimate, using 2¼-percent interest	5.35
Effect of proposed changes:	
Increased benefits	+.40
Military service credits	+.03
Liberalized work clause	+.07
Cost of program as amended in 1952, using 2¼-percent interest[1]	5.85

[1] Including adjustments for existing trust fund and for future administrative expenses.

NOTE.—Figures relate to benefit payments after 1950 and represent an intermediate estimate which is subject to a significant range because of the possible variation in the cost factors involved in the future.

It should be emphasized that in 1950 neither committee recommended that the system be financed by a high level tax rate from 1951 on but rather recommended an increasing schedule, which—of necessity—will ultimately have to rise higher than the level-premium rate. Nonetheless, this graded tax schedule will produce a considerable excess of income over outgo for many years so that a sizable trust fund will arise, although not as large as would arise under a level-premium tax rate; this fund will be invested in Government securities (just as is much of the reserves of life insurance companies and banks, and as is also the case for the trust funds of the civil-service retirement, railroad retirement, national service life insurance, and United States Government life insurance systems), and the resulting interest income will help to bear part of the increased benefit costs of the future. For comparing the cost of various possible alternative plans and provisions, the use of level-premium rates based on a level-earnings assumption is helpful as a convenient yardstick instead of considering the relative year-by-year costs, regardless of whether future wages remain level.

As will be seen from table 6, the level-premium cost of the 1950 act—taking into account 2¼ percent interest—is about 5⅓ percent of payroll; this is approximately 0.7 percent of payroll lower than the cost was estimated to be on a 2-percent interest basis when the program was revised in 1950, partially because of the higher assumed interest rate and partially because of the rise in the earnings level which has occurred in the past 3 or 4 years (higher earnings result in lower annual costs as a percentage of payroll because of the weighted nature of the benefit formula).

In table 7 is shown the estimated future operation of the trust fund under the 1950 act (without regard to the 1952 amendments) according to the intermediate estimate using the current earnings level and a 2¼-percent-interest rate. The trust fund builds up quite rapidly, and 50 years hence it is growing at a rate of about $2 billion per year and at that time is about $160 billion in magnitude. According to this estimate, it is thereby indicated that the system is more than self-supporting, which is the same conclusion as was previously drawn from a consideration of the level-premium costs.

TABLE 7.—*Estimated progress of trust fund for 1950 act, intermediate-cost estimate based on current earnings level and 2¼-percent interest*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Fund at end of year
1951 [3]	$3,367	$1,885	$81	$417	$15,540
1952	3,763	2,125	88	367	17,457
1955	5,117	2,775	91	518	24,678
1960	6,441	4,119	116	790	36,982
1970	9,355	6,402	159	1,571	72,800
1980	9,973	8,689	201	2,477	113,092
1990	10,388	10,995	243	3,132	141,897
2000	10,781	12,268	267	3,563	161,048

[1] Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950–53, 4 percent for 1954–59, 5 percent for 1960–64, 6 percent for 1965–69, and 6½ percent for 1970 and after. The self-employed pay ¾ of these rates.
[2] Interest is figured at 2¼ percent on average balance in fund during year.
[3] Actual data.

Under the 1952 amendments the level-premium cost of the system is increased to 5.85 percent of payroll using a 2¼ percent interest rate. This is about 0.2 percent of payroll lower than the estimated cost, on an intermediate-cost basis, of the 1950 act according to the estimates made during congressional consideration of the legislation, which used a 2 percent interest rate.

Table 8 compares the year-by-year cost of the benefit payments according to the intermediate-cost estimate, not only for the 1952 amendments but also for the 1950 act. These figures are based on a future level-earnings assumption and do not consider business cycles (booms and depressions) which over a long period of years tend to average out about the trend. The dollar amount of the increased cost in 1952 of the bill over the present act is about $100 million; this relatively small rise is due to the fact that the increased benefits under the bill would be disbursed from the trust fund during only the last 3 months of the year. The increase for 1953, the first full year of operation, is roughly $325 million.

TABLE 8.—*Estimated cost of benefit payments under 1950 act and under 1952 amendments, intermediate-cost estimate*

Calendar year	Amount (in millions)		In percent of payroll	
	1950 act	1952 amendments	1950 act	1952 amendments
1952	$2,125	$2,220	1.65	1.73
1953	2,342	2,663	1.81	2.05
1955	2,775	3,088	2.11	2.35
1960	4,119	4,525	3.01	3.31
1970	6,402	7,009	4.27	4.68
1980	8,689	9,448	5.51	5.99
1990	10,995	11,921	6.69	7.26
2000	12,268	13,279	7.20	7.79
Level premium: [1]				
At 2 percent	----------	----------	5.58	6.06
At 2¼ percent	----------	----------	5.42	5.89
At 2½ percent	----------	----------	5.27	5.73

[1] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

NOTE.—These figures represent an intermediate estimate which is subject to a significant range because of the possible variation in the cost factors involved in the future.

Benefit costs expressed as a percentage of payroll, according to the intermediate estimate, do not exceed the employer-employee combined tax rate until about 1985. In other words, according to this estimate, for approximately the next three decades contribution income to the system will exceed benefit outgo. However, considering also interest income on the assets of the trust fund, total income will exceed total outgo for a number of years further, as will be discussed later.

Table 9 presents estimates of the numbers of beneficiaries and is comparable with table 2 of the previous section.

TABLE 9.—*Estimated number of beneficiaries under 1952 amendments, intermediate-cost estimate*

[In thousands]

Calendar year	Monthly beneficiaries [1]								Lump-sum death payments
	Retirement beneficiaries [2]			Survivor beneficiaries				Total	
	Old-age	Wife's [3]	Child's	Widow's [3]	Parent's [3]	Mother's	Child's		
	Actual data for 1950 act								
1952	2,345	663	69	403	20	208	801	4,512	475
	Intermediate-cost estimate								
1955	2,690	810	73	654	38	322	934	5,521	570
1960	3,660	1,066	89	1,117	53	356	1,018	7,359	657
1970	5,622	1,455	105	2,052	66	372	1,062	10,734	850
1980	8.128	1,802	125	2,748	70	380	1,082	14,335	1,044
1990	11,280	1,970	127	3,085	66	390	1,114	18,032	1,268
2000	13,308	1,976	109	3,046	62	406	1,158	20,065	1,470

[1] In current payment status as of middle of year. Actual figures for 1952 are for March.
[2] I. e., for benefits paid to retired workers and their dependents.
[3] Does not include those also eligible for old-age benefits. For wife's and widow's benefits, includes husband's and widower's benefits, respectively.
[4] Number of insured deaths for which payments are made during year. Actual figure for 1952 based on experience during first 3 months.

Table 10 presents costs of benefits under the 1952 amendments as a percent of payroll for each of the various types of benefits and is comparable with table 4 of the previous section.

TABLE 10.—*Estimated relative costs in percentage of payroll for 1952 amendments, by type of benefit, intermediate-cost estimate*

Calendar year	Old-age	Wife's [1]	Widow's [1]	Parent's	Mother's	Child's [2]	Lump-sum death	Total
1960	1.90	0.30	0.45	0.02	0.15	0.41	0.09	3.31
1970	2.77	.40	.82	.03	.15	.40	.11	4.68
1980	3.72	.47	1.10	.03	.15	.39	.12	5.99
1990	4.83	.51	1.23	.03	.15	.39	.14	7.26
2000	5.37	.50	1.21	.02	.15	.38	.15	7.79
Level premium: [3]								
At 2 percent	3.99	.43	.96	.02	.15	.38	.13	6.06
At 2¼ percent	3.85	.42	.94	.02	.15	.38	.13	5.89

[1] Included are excesses of wife's and widow's benefits over old-age benefits for female old-age beneficiaries also eligible for wife's or widow's benefits. Also includes husband's and widower's benefits, respectively.
[2] Includes child's benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
[3] Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1950 or administrative expenses.

Table 11 presents the estimated operation of the trust fund under the 1952 amendments according to the intermediate estimate (using a 2¼-percent interest rate) and is comparable to table 5 of the previous section.

TABLE 11.—*Estimated progress of trust fund for 1952 amendments, intermediate-cost estimate*

[In millions]

Calendar year	Contributions [1]	Benefit payments	Administrative expenses	Interest on fund [2]	Fund at end of year
	Actual data for 1950 act				
1951	$3,367	$1,885	$81	$417	$15,540
	Intermediate-cost estimate				
1952 [3]	$3,763	$2,220	$88	$366	$17,361
1953	3,784	2,663	91	402	18,793
1954	4,878	2,876	94	444	21,145
1955	5,117	3,088	97	497	23,574
1960	6,441	4,525	124	723	33,762
1970	9,355	7,009	171	1,362	62,980
1980	9,973	9,448	217	2,043	92,993
1990	10,388	11,921	262	2,377	107,116
2000	10,781	13,279	288	2,371	106,369

[1] Combined employer, employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950–53, 4 percent for 1954–59, 5 percent for 1960–64, 6 percent for 1965–69, and 6½ percent for 1970 and after. The self-employed pay ¾ of these rates.

[2] Interest is figured at 2¼ percent on average balance in fund during year. Actual 1951 figure is inflated because it includes a considerable amount of the interest which accrued in the second half of 1950 and also virtually all of the 1951 interest.

[3] See text for description of assumptions made for 1952.

The trust fund grows steadily reaching a maximum of almost $110 billion in 1995, and then declines slowly. The fact that the trust fund declines slowly after 1995 indicates, that under the bill, the proposed tax schedule is not quite self-supporting under a level-wage assumption but is sufficiently close for all practical purposes considering the uncertainties and variations possible in the cost estimates. This same situation was the case for the 1950 amendments according to estimates made at the time they were being considered, but to a somewhat greater extent. In regard to the ultimate 6½-percent employer-employee rate, the Committee on Ways and Means stated as follows in regard to the 1950 amendments:

> If a 7-percent ultimate employer-employee rate had been chosen, the cost estimates developed would have indicated that the system would be slightly overfinanced. Your committee believes that it is not necessary in such a long-range matter to attempt to be unduly conservative and provide an intentional overcharge—especially when it is considered that it will be many, many years before any deficit or excess in the ultimate rate will be determined and even at that time it will probably be of only a small amount.

The Senate Committee on Finance concurred in this statement and acted accordingly in its action on the 1950 amendments.

E. SUMMARY OF COST OF 1952 AMENDMENTS

The old-age and survivors insurance system as modified by the 1952 amendments has a cost, on the basis of the continuation of 1951 wage levels and interest rates, slightly below the estimated cost of the 1950 act at the time it was enacted. In other words, the system as now amended is more nearly in actuarial balance, according to the estimates made, than were the 1950 amendments when they were considered by the Congress. Although in both instances the system is shown to be not quite self-supporting under the intermediate estimate, there is very close to an exact balance especially considering that a range of error is necessarily present in long-range actuarial cost estimates and that rounded tax rates are used in actual practice and hence an exact balance would not be possible even if exact future conditions were known.

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Social Security Act Amendments of 1952

by WILBUR J. COHEN*

The Eighty-second Congress amended the Social Security Act in the closing days of its second session. The fact that this is the second time in 2 years that Congress has acted to liberalize the old-age and survivors insurance and public assistance programs indicates national awareness that these income-maintenance programs should and can be adjusted in line with economic developments. The increased insurance benefits further indicate recognition of the fact that, with rising wage levels, some liberalizations can be made in the old-age and survivors insurance program without raising tax rates or departing from the self-supporting basis of the program.

THE Social Security Act Amendments of 1952 became law on July 18, 1952, when President Truman affixed his signature to H.R. 7800. The new social security law (Public Law 590, Eighty-second Congress, second session) was described by the President as an "important landmark in the progress of our social security system."

The amendments affect the old-age and survivors insurance provisions (title II) and the public assistance provisions (titles I, IV, X, and XIV) of the Social Security Act, and the Railroad Retirement Act. Section 1 of the law gives the short title; the other seven sections deal with increases in old-age and survivors insurance benefits; preservation of the insurance rights of permanently and totally disabled individuals; liberalization of the retirement test; wage credits for military service; technical amendments related to old-age and survivors insurance; earned income of recipients of aid to the blind; and increase in the Federal share in public assistance payments.

General Background

H.R. 7800 was introduced by Representative Doughton, Chairman of the House Committee on Ways and Means, on May 12, 1952. Four days later the bill was reported favorably by the Committee, and it came up on the floor of the House for a vote on May 19. The bill was brought up under suspension of the rules, which requires a two-thirds vote for passage. The vote was 150 to 140—not sufficient to pass the bill. On June 17 the bill was brought up again and was adopted, with amendments, by a vote of 361 to 22.

The bill was reported favorably by the Senate Committee on Finance, with amendments, on June 23; with two additional amendments from the floor it passed the Senate by a voice vote on June 26.

The conferees from the House of Representatives and the Senate met on July 3 and 4 and the morning of July 5. The Conference Report was adopted in both Houses on July 5, and the bill became law on July 18.

The amendments to the insurance provisions of the law were changes that, in the opinion of the two Committees that considered the legislation, required "attention this year." The changes "are all within areas which were intensively studied" by both the House Committee on Ways and Means and the Senate Committee on Finance before the enactment of the 1950 amendments.[1] Both Committees pointed out that the changes in the insurance program "will not require any amendment of the present contribution schedule, nor will they disturb the self-supporting basis of the system." Both Committees also recognized that other amendments to the insurance program are necessary, but the changes made were "selected because of their urgency and because of the widespread agreement on their desirability."[2]

The House Committee on Ways and Means in its report gave the major reason for the legislation.

The rapid rise in wages and prices during the last few years makes immediate benefit adjustments imperative. While the money income of many groups in the population has gone up since the outbreak of hostilities in Korea, the benefit rates of over 4½ million persons now on the old-age and survivors insurance rolls were determined in the early part of 1950, prior to the beginning of the present emergency period. As a consequence, retired aged persons and widows and orphans are finding it very difficult to meet their costs of living.

Adjustment of the program to keep its provisions in line with major changes in economic conditions is of great personal significance to nearly all Americans. . . . Unless the old-age and survivors insurance program is kept dynamic and is constantly adjusted to major economic developments, many more beneficiaries will have to turn to public assistance to make up the deficiency between their income and the minimum necessary to meet living costs.

From the beginning of the social security program in 1935 it has been the intent of Congress to establish contributory social insurance, with benefits related to individual earnings, as the foundation of social security. . . . To maintain the gains which already have been made and to prevent more and more people from having to turn to the less satisfactory assistance program for supplementation of their insurance benefits, it is necessary that benefits under old-age and survivors insurance be increased.

Insurance Provisions

Five sections of the new law amend the old-age and survivors insurance program. The various

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[1] For a summary and legislative history of the 1950 amendments, see the *Bulletin*, October 1950, pages 3-14.

[2] House Report No. 1944 to accompany H. R. 7800, May 16, 1952, page 2, and Senate Report No. 1806 to accompany H. R. 7800, June 23, 1952, page 1 (82d Cong., 2d sess.).

Table 1.—*Old-age and survivors insurance: Illustrative monthly benefits based on earnings after 1936, under the old law and under the 1952 amendments*

Retired worker		Retired worker and wife		Widow, widower, parent, or child		Widow and 1 child		Widow and 2 children		Widow and 3 children	
Old law	1952 law	Old law	1952 law	Old law	1952 law	Old law	1952 law	Old law	1952 law	Old law	1952 law
$20.00	$25.00	$30.00	$37.50	$15.00	$18.80	$30.00	$37.60	$40.00	[1] $45.10	[1] $40.20	[1] $45.30
30.00	35.00	45.00	[1] 51.20	22.50	26.30	45.00	[1] 51.20	[1] 48.00	[1] 51.40	[1] 48.00	[1] 51.40
40.00	45.00	60.00	[1] 65.60	30.00	33.80	60.00	[1] 65.60	[1] 64.00	[1] 65.80	[1] 64.20	[1] 65.80
50.00	56.30	75.00	84.50	37.50	42.20	75.00	84.40	[1] 80.00	[1] 87.30	[1] 80.10	[1] 87.30
60.00	67.50	90.00	101.30	45.00	50.70	90.00	101.40	120.00	135.10	[1] 133.60	[1] 146.50
68.50	77.10	102.80	115.70	51.40	57.90	102.80	115.80	137.20	154.50	[1] 150.00	[1] 168.90

[1] Maximum total family benefits permitted by law. Some benefits exceed statutory maximum because of overriding provision that any of the individual benefits not a multiple of 10 cents must be rounded up to the next multiple of 10 cents.

changes are estimated to increase benefit disbursements about $325 million for the calendar year 1953.

Increases in Amount of Insurance Benefit

Section 2 provides for an increase in old-age and survivors insurance benefits for both present and future beneficiaries; it includes a new conversion table that, beginning September 1952, replaces the table in the 1950 amendments.

For retired persons whose benefits were computed by use of the 1950 conversion table (and based on total earnings after 1936), benefits are raised by $5 or 12½ percent, whichever is larger. The provisions apply generally to old-age insurance beneficiaries now on the rolls. The largest monthly amount payable to a retired worker is increased by $8.60 (to $77.10); the maximum for a retired man and his wife is increased by $12.90 (to $115.70). Table 1 presents illustrative benefits showing the effect of the changes.

For retired persons whose total earnings after 1950 are used, benefits are increased by raising from 50 to 55 percent the percentage in the formula applicable to the first $100 of the average monthly wage. The remainder of the formula, 15 percent of the next $200, remains unchanged. Accordingly, for average wages of $100 and over, the increase is $5. This amendment applies generally to persons who retire in the future. Illustrative benefits showing the effects of these changes are given in table 2.

Benefits for wives, widows, children, and other categories of beneficiaries are increased proportionately, subject to certain provisions limiting the benefits payable to a single family (the provision, for example, limiting the family benefit to an amount not more than 80 percent of the wage earner's average wage).

The minimum benefit payable to a retired person is raised from $20 to $25. For a family the maximum benefit is now $168.75—a 12½-percent increase from the former maximum of $150. The minimum family benefit cannot be reduced by the maximum provisions to less than $45 (again a 12½-percent increase from the $40 under the old law).

Table 3 shows the estimated average benefits under the new law; they are given only for 1952, 1960, and 2000, since in general there is a smooth trend in the intervening periods. Also shown are the estimated average payments as of August 1952, the last month that the 1950 law was in effect.

Preservation of Rights of Disabled

Section 3 of the bill as passed by the House provided for preserving the insurance rights of persons who become permanently and totally disabled.[3] At present, a worker who is permanently and totally disabled is penalized in that he may have his retirement or his survivor benefits sharply reduced because his covered earnings under the program have necessarily stopped, or the individual or his survivors may be disqualified from benefits altogether. Under the bill, when the worker died or retired, his insured status would be determined on the basis of his covered earnings for the years he was not disabled. In figuring his old-age benefit and the benefits for his survivors, the years in which he was incapacitated for work would be excluded from the computation of his average earnings; hence his total earnings would be averaged over the years in which he was able to work.

The House bill provided that applications for increased benefits under this section could be filed on April 1, 1953, and increased payments would first be made for the month of July 1953. The Senate struck out this provision. The compromise that was reached by the Conference Committee and that is now included in the law provides that no applications may be accepted before July 1, 1953, and that the entire section shall cease to be effective after June 30, 1953. In other words, the provision will not become operative unless action is taken by the next Congress.

According to the Conference Report, it is intended that hearings will be held on this entire matter early in 1953, when the Committees will go into the administrative and other provisions. The Report suggests that this timing will permit appropriate steps to be taken for the working out of tentative agreements between the Federal Government and the States for the determination of disability by State agencies as now provided in the law. It is also intended to obtain at that time the views of interested groups as to what methods of obtaining evidence of disability should be used, under what circumstances and by whom determinations should be made, and whether or not these provisions or any modification thereof should be enacted into permanent law.[4]

The Committee on Ways and

[3] Various provisions relating to examination of the disabled were deleted from the bill as it passed the House on June 17, 1952. See *Congressional Record*, June 16, 1952, page 7421 (daily edition).

[4] House Report No. 2491 to accompany H. R. 7800, July 5, 1952, page 9.

Means made an exhaustive study of the old-age and survivors insurance program and of the administrative aspects of disability insurance and disability assistance in connection with the 1950 amendments to the Social Security Act. The House of Representatives at that time approved a program that would have paid monthly cash benefits to insured workers who became permanently and totally disabled. This program was not approved by the Senate and was omitted from the conference bill that became the Social Security Act Amendments of 1950. The present provision is much more limited, since it would, if put into effect, merely preserve the insurance rights of qualified workers who become permanently and totally disabled.

In private insurance and in Government insurance for veterans, such "waiver" provisions with respect to insured individuals who become totally disabled operate to keep their insurance in force, undiminished, without any further premium payments for the duration of total disability. Similarly, under the provisions of the law, if made operative, no further covered earnings would be required, in the absence of earning capacity, to preserve the status a qualified worker had acquired at the time he became disabled.

If the "freeze" provisions become operative, by later action of Congress, the preservation of rights to old-age and survivors insurance will be afforded only to those disabled persons having both substantial and recent covered employment. An individual will qualify if he has had at least 20 quarters of coverage out of the 40-quarter calendar period ending with the quarter in which his period of disability began. In addition, for the purpose of testing recent attachment to the labor force, he must have had at least 6 quarters of coverage out of the 13-quarter period ending with the quarter in which the period of his disability began. These requirements are intended to screen out most persons employed only intermittently and those who have not recently been employed. They are more restrictive than those for retirement or death benefits so that only those workers will be eligible whose reason for leaving the labor market can be presumed to be disability.

To have his insured status preserved and his benefit amount remain unaffected by the period of disability, the worker would have to be totally disabled for not less than six consecutive calendar months, and his physical or mental impairment would have to be expected to be permanent.

To be considered permanently and totally disabled an individual must have been stricken with an illness, injury, or other physical or mental impairment that can be expected to be permanent. The impairment must be medically determinable, and it must preclude the disabled person from performing any substantially gainful work.

An individual would also be disabled, by definition, if he is blind within the meaning of that term as used in the law. Persons who do not meet the statutory definition, but who nevertheless have a severe visual handicap, would be in the same position as all other disabled persons; they could qualify for a period of disability under the general definition of disability if unable to engage in any substantially gainful activity by reason of their impairment.

The first month in which disabled persons could file an application for a disability determination, if the section becomes effective, would be July 1953. Retired workers on the old-age and survivors insurance rolls who establish a "period of disability" could receive increased retirement benefits beginning with the month of July 1953. Persons who were permanently and totally disabled as early as the fourth quarter of 1941 could establish a period of disability (if otherwise qualified) provided they were continuously disabled and filed an application for determination of disability on or after July 1, 1953, and before January 1, 1955. The survivors of workers who died after having qualified for a period of disability would also receive increased benefits.

The law provides that determination as to whether or not an individual is permanently and totally disabled, as defined in the law, and

Table 3.—*Old-age and survivors insurance: Estimated average monthly benefit payments and average lump-sum death payments under the old law and under the 1952 amendments*

Type of benefit	Under old law in August 1952	Under 1952 amendments		
		September 1952	1960	2000
Old-age	$42	$48	$59	$57
Male	44	50	62	66
Female	33	38	46	44
Wife's [1]	23	26	32	35
Widow's [1]	36	40	46	52
Parent's [2]	37	41	46	51
Mother's	33	36	43	48
Child's [3]	27	30	39	42
Lump-sum death payment [4]	150	170	185	180

[1] Excludes persons eligible for old-age benefits; includes husband's or widower's benefits.
[2] Excludes persons eligible for old-age, widow's, and widower's benefits.
[3] Includes child's benefits both for child survivor beneficiaries and for children of old-age beneficiaries.
[4] Average amount per deceased worker.

Source: *Actuarial Cost Estimates for the Old-Age and Survivors Insurance System as Modified by the Social Security Act Amendments of 1952* (table 3), House Ways and Means Committee Print, July 21, 1952.

Table 2.—*Old-age and survivors insurance: Illustrative monthly benefits based on earnings after 1950, under the old law and under the 1952 amendments*

Average monthly wage	Retired worker		Retired worker and wife		Aged widow		Widow and 1 child		Widow and 2 children		Widow and 3 children	
	Old law	1952 law	Old law	1952 law	Old law	1952 law	Old law	1952 law	Old law	1952 law	Old law	1952 law
$50	$25.00	$27.50	$37.50	$41.30	$18.80	$20.70	$37.60	$41.40	[1] $40.00	[1] $45.10	[1] $40.20	[1] $45.00
100	50.00	55.00	75.00	[1] 80.00	37.50	41.30	75.00	[1] 80.00	[1] 80.00	[1] 80.00	[1] 80.10	[1] 80.10
150	57.50	62.50	86.30	93.80	43.20	46.90	86.40	93.80	115.20	[1] 120.00	[1] 120.00	[1] 120.00
200	65.00	70.00	97.50	105.00	48.80	52.50	97.60	105.00	130.20	140.10	[1] 150.00	[1] 160.20
250	72.50	77.50	108.80	116.30	54.40	58.20	108.80	116.40	144.80	155.20	[1] 150.10	[1] 168.90
300	80.00	85.00	120.00	127.50	60.00	63.80	120.00	127.60	[1] 150.10	[1] 168.90	[1] 150.30	[1] 168.90

[1] Maximum total family benefits permitted by law. Some benefits exceed statutory maximum because of overriding provision that any of the individual benefits not a multiple of 10 cents must be rounded up to the next multiple of 10 cents.

the beginning date of his disability would be made by a State agency pursuant to agreements with the Federal Security Administrator. The State agencies administering or supervising the administration of the approved State plan for aid to the permanently and totally disabled, or the State agencies administering the approved plan under the Vocational Rehabilitation Act, or the State agencies administering the State's workmen's compensation law are specified as the State agencies that could be utilized for the purpose of making such determinations.

The Administrator would be authorized to reverse a determination by a State agency that an individual is disabled or to determine that his disability began on a later date than that determined by the State agency. He would not be authorized, however, to reverse a determination by a State agency that a person is not disabled, nor would he be authorized to make a determination that such disability began on a day earlier than that determined by such State agency.

The Administrator would be authorized to pay the entire cost to the State of carrying out the agreement, if the State is willing to enter into such agreement. If the State is not willing to enter into an agreement, the Administrator would have no authority to act directly to make determinations. Therefore, persons residing in a State where no agreement exists could not have any determination made by an agency of that State.

Wage Credits for Military Service

Section 5(a) of the amendments provides old-age and survivors insurance wage credits of $160 for each month of service in the active military or naval service of the United States from July 25, 1947, through December 31, 1953. With but one exception, which was made to simplify administration, these credits will be provided on the same basis as the credits provided under section 217(a) of the 1950 law for World War II service. The exception is the provision making it unnecessary for the Federal Security Administrator to ascertain whether another benefit has been determined to be payable by a Federal agency, other than the Veterans Administration, on the basis of the same service when the denial of the wage credits would make a difference of not more than 50 cents in the primary insurance amount of the servicemen.

The new credits will apply to monthly benefits for months after August 1952 and to lump-sum death payments when death occurs after August 1952. The new credits—like those for World War II service—may not be counted towards old-age and survivors insurance benefits if a periodic benefit based in whole or in part on the same military service is determined to be payable by another Federal agency (other than the Veterans Administration). The cost of the credits will continue to be borne by the trust fund, as in the case of the World War II provisions. The conference committee rejected the provision included in the House version of the bill that would have authorized appropriations from the General Treasury to meet the additional costs of the wage credits.

Section 5 also extends the time normally permitted for claiming reimbursement for burial expenses if a serviceman dies abroad between June 25, 1950, and December 31, 1953, and his body is returned to the United States for burial or reburial. Reimbursement may be claimed within 2 years of the date of burial or reburial rather than within 2 years of the date of death, as previously required.

It is expected that Congress will give further consideration to proposals for covering military service under the insurance program before section 5 terminates at the end of 1953.

Liberalization in Retirement Test

The retirement test is liberalized by section 4. A beneficiary may now earn as much as $75 a month in covered employment and still receive his benefit. Under the old law he could earn only $50 a month. The increase is effective for earnings from wages for the month of September 1952; for earnings in self-employment it is effective for the first taxable year that ends after August 1952 (the calendar year 1952 for practically all self-employed persons).

Technical Amendments

Section 6 makes five technical changes that are designed to correct certain inequities and simplify administration. Included is an amendment to the Railroad Retirement Act, increasing minimum benefits and liberalizing the retirement test under the railroad retirement program, so that the present coordination of benefits under that program and old-age and survivors insurance may be maintained.

Recomputation of insurance benefits for certain individuals aged 75 and over.—Under this provision, an individual will, on application, have his benefit recomputed by the new formula if (1) in or before the month of filing such application he attained age 75, (2) he is entitled to an old-age insurance benefit that was computed and could have been computed only under the conversion table, and (3) he has at least 6 quarters of coverage after 1950 and before the quarter in which he filed application for such recomputation. The change gives these individuals an opportunity, not previously available, to have their benefits computed by the benefit formula rather than by the conversion table if this alternative results in a larger primary insurance amount.

Recomputation of insurance benefits for certain self-employed individuals in case of death or entitlement in 1952.—Under the old law an individual's self-employment income for the taxable year ending in or after the month in which he became entitled to old-age insurance benefits or died, whichever first occurred, could not be taken into account in a computation of his average monthly wage. In computing an individual's average monthly wage a minimum divisor of 18 is required. As a result, a person who,

for example, becomes entitled or dies in 1952 could in the computation of his average monthly wage have at most only 1 year of self-employment income divided by 18. The average monthly wage and primary insurance amount would thus be lowered.

The new provision applies to any person who becomes entitled to an old-age insurance benefit in 1952 and whose self-employment income for the taxable year in which he became entitled was not used in the initial computation of his average monthly wage. Such an individual may have his benefit recomputed if he files an application for recomputation after the close of such taxable year. The self-employment income during the taxable year in which the individual became entitled can be counted when the benefit is recomputed. Any increase in the amount of the benefit resulting from the recomputation will be paid retroactively to the first month of entitlement.

Similarly, if an individual, on the basis of whose wages and self-employment income survivor benefits are payable, dies in 1952 and if he had self-employment income in the taxable year that ended with his death, the primary insurance amount will be recomputed on application by his survivor to include the self-employment income derived by him during the taxable year ending with his death. No such recomputation would be made, however, if the person, on the basis of whose wages and self-employment income benefits are payable to his survivors, became entitled to old-age insurance benefits before 1952. Any increase resulting from a recomputation under this provision would be paid retroactively to the first month of entitlement to survivor benefits. The recomputation would not affect the amount of the lump-sum death payment.

Use of lag wages in initial computation in case of death or entitlement in 1952.—This change makes it possible to use in the initial computation of benefits the wages paid in the 6 months before the quarter in 1952 in which death or entitlement occurred. Without this amendment, the Social Security Administration would have had to make two separate computations of benefits for a larger number of individuals, although in most cases the information needed for the later computation is available at the time the first is made. The amendment relieves this administrative burden. It also permits use of the wages in the 6 months preceding the quarter in 1952 in which a beneficiary filed an application for a recomputation based on earnings after entitlement.

Maintenance of existing relationship between the old-age and survivors insurance system and the railroad retirement system.—The existing relationship between the two programs is maintained by (1) increasing from $50 to $75 the amount that survivor beneficiaries may earn in employment covered by old-age and survivors insurance and still receive benefits under the Railroad Retirement Act;[5] (2) specifying that the new old-age and survivors insurance military service wage credits provided under the amendments are creditable under the railroad program on the same basis as the wage credits provided under earlier legislation for World War II service; and (3) providing that the coordination provisions in the Railroad Retirement Act apply to the Social Security Act as amended by the 1952 legislation. One effect of the latter provision is to ensure that the new increases in old-age and survivors insurance benefits will be considered in determining both the amount of the social security minimum guarantee of the railroad program and the amount of the reductions in railroad annuities in dual benefit cases.

Simplification of computation of benefits for dependents and survivors.—This amendment permits benefits for most dependents and survivors on the rolls in August 1952 to be increased on the basis of their existing benefit, without reference to the original record showing the existing primary insurance amount. Administrative time and money will be saved by this amendment, and payment of the increased benefits will be expedited. No substantial differences in the benefit amounts will result.

[5] For the benefit provisions and legislative history of the Railroad Retirement Act amendments of 1951, see the *Bulletin*, February 1952, pages 7-12.

Actuarial Effect of Insurance Amendments

Congress, in enacting the 1950 amendments, was of the belief that the old-age and survivors insurance program should be on a completely self-supporting basis. Therefore a tax schedule was developed that would, according to a reasonable estimate, achieve this result.

The schedule was determined to be roughly equivalent to the level-premium cost under the intermediate estimate for the 1950 amendments when they were enacted and, according to available actuarial cost analyses, continues to be so for the amended law according to current estimates. Table 4 gives an estimate of the level-premium cost of the insurance system, tracing the increase in cost according to the major types of changes adopted.

Neither the House nor the Senate Committee recommended in 1950 that the system be financed by a high, level tax rate from 1951 on but rather recommended an increasing schedule, which—of necessity—will ultimately have to rise higher than the level-premium rate. Nonetheless, this graded-tax schedule will

Table 4.—*Old-age and survivors insurance: Estimated level-premium costs as percent of payroll, by specified change in law*

Item	Level-premium cost (percent of payroll)
Cost of benefits under old law, using 2¼-percent interest rate	[1] 5.35
Effect of 1952 changes	+.50
Increased benefits	+.40
Liberalized retirement test	+.07
Military service credits	+.03
Cost of benefits under 1952 amendments	5.85

[1] Estimates made in 1950, using 2-percent interest rate, 6.05 percent; using 2¼-percent interest rate, 5.85 percent.

Source: *Actuarial Cost Estimates for the Old-Age and Survivors Insurance System as Modified by the Social Security Act Amendments of 1952* (table 6), House Ways and Means Committee Print, July 21, 1952.

produce a considerable excess of income over outgo for many years so that a sizable trust fund will be built up. This fund will not, however, be as large as would arise under a level-premium tax rate. The fund will be invested in Government securities, and the resulting interest income will help to bear part of the increased benefit costs of the future.

As will be seen from table 4, the level-premium cost under the 1950 law—taking into account 2¼-percent interest—is about 5 1/3 percent of payroll. This is approximately 0.7 percent of payroll lower than the cost was estimated to be on a 2-percent interest basis when the program was revised in 1950, partly because of the higher assumed interest rate and partly because of the rise in the earnings level that has occurred in the past 3 or 4 years. (Higher earnings result in lower annual costs as a percent of payroll because of the weighted nature of the benefit formula.)

Under the new law the level-premium cost of the system is increased to 5.85 percent of payroll, using a 2¼-percent interest rate. This is still about 0.20 percent of payroll lower than the cost (on an intermediate-cost basis) of the 1950 act according to the estimates made during congressional consideration of the 1950 legislation, when a 2-percent interest rate was used.

Public Assistance

Two sections of the law relate to public assistance. One corrects a deficiency in the 1950 amendment relating to the $50 earned-income exemption in aid to the blind; the other increases the rate of Federal participation in all public assistance programs.

Aid to the Blind

In 1950 the provisions of the Social Security Act relating to State plans for aid to the blind were amended so that such plans (a) could provide for disregarding up to $50 of earned income of needy blind individuals in determining their need, and (b) had to provide for disregarding the first $50 of such income after June 30, 1952, if the plans were to continue to be approved. This income was to be disregarded, however, only in determining the need for aid to the blind of the person who earned it. When this earned income was available to another person claiming or receiving assistance under aid to the blind or any of the other assistance programs approved under the Social Security Act, it was considered a resource in determining the other individual's need for assistance. With this provision, full effect could not be given to the special consideration that Congress felt the blind deserved and that was its purpose in enacting the 1950 amendments.

To remedy this deficiency in the law, the 1952 amendments permit the States, effective July 1, 1952, to also disregard the earned income of the recipient of aid to the blind in determining the need of any other individual under the same or any of the other State assistance plans approved under the Social Security Act. Since this requirement does not become mandatory until July 1, 1954, the State legislatures have ample time to make any necessary changes in the State laws governing Federal-State public assistance.

Additional Federal Funds

Section 8 provides for additional Federal funds to the States for public assistance to needy aged, blind, and disabled persons and to dependent children. This section was added on the floor of the Senate by Senator McFarland and adopted by a voice vote. Its objective is to make it possible for the States, without providing additional State or local

Table 5.—*Public assistance: Federal participation in assistance payments under the old law and under the 1952 amendments*

Program	Maximum amounts of individual monthly payments subject to Federal participation			Federal share of expenditures within specified maximums		
	51 States [1]		Puerto Rico and the Virgin Islands [2]	51 States [1]		Puerto Rico and the Virgin Islands [2]
	Old law	1952 amendments		Old law	1952 amendments	
Old-age assistance	$50	$55	$30	3/4 of first $20 of State's average monthly payment plus 1/2 the balance	4/5 of first $25 of State's average monthly payment plus 1/2 the balance	1/2
Aid to the blind	50	55	30	3/4 of first $20 of State's average monthly payment plus 1/2 the balance	4/5 of first $25 of State's average monthly payment plus 1/2 the balance	1/2
Aid to the permanently and totally disabled	50	55	30	3/4 of first $20 of State's average monthly payment plus 1/2 the balance	4/5 of first $25 of State's average monthly payment plus 1/2 the balance	1/2
Aid to dependent children:						
One adult in each family	27	30				
First child	27	30	18			
Each additional child	18	21	12			
Per person				3/4 of first $12 of State's average monthly payment plus 1/2 the balance	4/5 of first $15 of State's average monthly payment plus 1/2 the balance	1/2

[1] 48 States, the District of Columbia, Alaska, and Hawaii.
[2] The 1952 amendments made no change in the provisions for Puerto Rico and Virgin Islands. Maximum payments in fiscal year—$4,250,000 for Puerto Rico and $160,000 for Virgin Islands.

funds, to increase public assistance payments $5 a month for each aged, blind, and disabled person, and $3 a month for each recipient of aid to dependent children. Table 5 compares the new provisions with those formerly in effect. The increased Federal funds are made available for a 2-year period—from October 1952 through September 1954, when the provision will be terminated unless it is extended or modified by Congress.[6]

The maximum Federal share in the assistance payment for an aged, blind, or disabled person is increased from $30 to $35 a month. Before the 1952 amendments the Federal Government's $30 share represented 60 percent of a $50 payment to an individual; the $35 payable under the amendments represents 64 percent of a $55 payment. The increases, including those for aid to dependent children, are shown in table 5.

This section is estimated (on the basis of March 1952 caseloads and average payments) to cost an additional $242 million a year to the Federal Government if all States pass on the full amount to the recipients on the rolls. There is no requirement that the States must pass on these amounts. The estimated cost of the amendment for the various programs is shown in table 6.

The public assistance amendments do not provide for an automatic increase of $5 a month or any other specific amount in the assistance payment to an individual recipient. Whether recipients will get increased payments as a result of the new provisions and how much they will get depend on what the States do under their own laws and policies for administering the programs. States have leeway in deciding whether the additional Federal funds shall be used to give assistance to more people, give higher payments to those persons who are already on the rolls, or save State and local money. A State may use the additional Federal money to do any one of these things or a combination of them.

Table 6.—*Public assistance: Estimated additional annual cost to Federal Government of 1952 amendments*

[In millions; based on March 1952 caseloads]

Program	Total	States with per capita income	
		Above national average [1]	Below national average [2]
Total	[3] $242.7	$118.4	$124.3
Old-age assistance	159.0	76.6	82.4
Aid to the blind	5.8	3.1	2.7
Aid to dependent children	70.4	34.7	35.7
Aid to the permanently and totally disabled	[3] 7.5	4.0	3.5

[1] 24 States.
[2] 27 States.
[3] Excludes estimates for 19 States that did not have plans for aid to the permanently and totally disabled in March 1952.

Public assistance expenditures in March 1952 were running at an annual rate of about $2¼ billion, of which $1¼ billion came from Federal funds and about $1 billion from State and local sources. If the entire amount of the additional Federal funds made available by the McFarland amendment is passed on by the States, the total Federal expenditures are estimated to reach about $1½ billion a year. Assuming that State and local funds remain the same, the total expenditures for public assistance will be running at an annual rate of $2½ billion. The old-age assistance rolls, however, have been declining. Moreover, the increased insurance benefits may make it possible to make some further reductions in expenditures for both old-age assistance and aid to dependent children. On balance, it would appear that total expenditures for public assistance, when all the new amendments are fully in effect, will still be running at a rate of $2¼ to $2½ billion a year.

Provisions Deleted in Conference

Certain provisions were deleted from H.R. 7800 by the conference committee. Section 6 of the House bill would have extended the option of State governments to enter into agreements with the Federal Government so that these agreements could also cover members of retirement systems (including universities and public housing agencies but specifically excluding policemen, firemen, and elementary and secondary school teachers) if, of the members of the retirement system voting, two-thirds elect to be covered. This section would also have extended to January 1, 1955,[7] the time within which the coverage of State and local government employees may be made retroactive to January 1, 1951, and would have permitted Wisconsin to extend old-age and survivors insurance coverage to persons under a retirement system (excluding policemen, firemen, and elementary and secondary school teachers) without requiring a vote by members of the system. The Conference Report stated that the deletion of these provisions did not "imply that they [the conferees] do not favor the inclusion of similar provisions in the law; it is the intent of the conferees that the entire matter of the extension of Federal coverage to employees already covered by State and local retirement systems will be explored thoroughly early in 1953, when the disability provisions are to be reexamined."

The other amendments that were dropped would (1) have made additional Federal funds for public assistance available to Puerto Rico and the Virgin Islands; (2) have required the States to pass on the additional Federal funds for public assistance to recipients; and (3) have permitted States to exempt for 1 year, in determining old-age assistance payments, income up to $50 earned in agriculture and nursing.

[6] Mr. Mills, in submitting the Conference Report to the House of Representatives, said: "A Senate provision requiring that the States pass on the increase in Federal funds was deleted. It does not appear necessary since the provision only applies for 2 years and in my opinion it will not be extended if the States do not pass on the increases." *Congressional Record*, July 5, 1952, page 9735 (daily edition).

[7] H. R. 6291 approved by the President on June 28, 1952, as Public Law 420 (82d Cong., 2d sess.) extends this time limit 1 year—to January 1, 1954.

THE LEGISLATIVE HISTORY OF THE SOCIAL SECURITY ACT AMENDMENTS OF 1952

by
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The Legislative History of the Social Security Amendments of 1952

The Social Security Act Amendments of 1952 were first introduced in Congress on May 12, 1952, as H.R. 7800. H.R. 7800 was finally approved by both Houses of Congress on July 5, 1952--some eight weeks later--and became law on July 18, 1952. 1/ For the second time in two years Congress had acted to amend the old-age and survivors insurance and public assistance programs in line with economic developments.

The enactment of an important piece of legislation in such a short time was unprecedented in the history of social security legislation. It took the Congress six months to complete its work on the 1939 amendments and 1-1/2 years for the 1950 amendments. 2/ No public hearings were held on H.R. 7800 in either the House or the Senate. Unexpectedly the bill precipitated a very vigorous controversy and was nearly killed. A number of factors produced this unusual turn of events.

It should be pointed out at the outset that early in 1952 many persons in Congress, in the Executive Branch, and in the field of social security did not believe that there would be any basic legislation in 1952 affecting the insurance program. As late as April and early May Congressional leaders did not have social security on their agenda as one of the major pieces of legislation to be enacted prior to Congressional adjournment. Senator George, Chairman of the Senate Finance Committee, indicated that he had not intended that his Committee would give consideration to social security in 1952 and therefore had not allowed for time in his schedule to hold public hearings on the subject.

After the defeat of H.R. 7800 in the House of Representatives on May 19, 1952, when the bill failed by a vote of 150 to 140 to obtain the necessary two-thirds vote for passage under suspension of the rules, it was thought in some quarters that the bill was dead. Even among those who believed it would be brought up again later and

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1/ For a summary of the provisions of the law see Wilbur J. Cohen, "Social Security Act Amendments of 1952", Social Security Bulletin, Sept., 1952, pp. 3-9.

2/ The 1946, 1946, 1947 and 1948 amendments to the Social Security Act did not take as long as either the 1939 or 1950 amendments; however, they did not involve any basic changes in the amount of the insurance benefits.

eventually passed by the House, there was a strong feeling that there was not sufficient time before the Congress would adjourn in early July for the national Presidential nominating conventions to get consideration of the bill in the Senate Finance Committee, the Senate itself, and for the adjustment of any differences in Conference. Some of the Congressional leaders believed that it might be better to let the bill go over until later, on the assumption that there might be another session of the Congress in the late fall after the Presidential elections were over.

Despite the forces acting to postpone and prevent passage of H.R. 7800, the bill eventually became law. Several factors accounted for this.

One of the major factors which made it possible to give consideration to social security legislation in 1952 was the fact that no major tax bill was being considered by the Congress. A major revenue bill was enacted in 1951 substantially increasing taxes and since 1952 was an election year with the likelihood of a short Congressional session, there was little likelihood of any major revenue legislation being considered. This made it possible for the House Ways and Means Committee to give some time to social security matters. 3/

A second major factor was the presence, prestige and persistance of Mr. Doughton, Chairman of the House Ways and Means Committee, who announced his retirement from Congress at the end of the session. Mr. Doughton was the sponsor of the original 1935 Social Security Act and the 1939 amendments, and a number of the majority members of the Committee were of the opinion that the final piece of legislation bearing his name should be a law improving the social security program. The significance of Mr. Doughton's prestige can best be shown by the fact that the final legislation containing the unique and unprecedented provision which becomes inoperative the day before it becomes effective (preservation of the insurance rights of the disabled) was solely due to Mr. Doughton's insistence that a "provision" along these general lines be in the law. It is clear that Mr. Doughton's insistence was the deciding factor in getting the provision in the law. 4/

3/ The fact that the House Ways and Means Committee and the Senate Finance Committee had to give so much time to consideration of tax bills in the years during the war undoubtedly was a major factor in preventing more frequent consideration of social security.

4/ For a brief biographical sketch of Mr. Doughton (and also Senator George) see Stephen K. Bailey and Howard D. Samuel, Congress at Work, Henry Holt & Co., N.Y., 1952, pp. 340-341. The Congressional Record during the month of July 1952 contains many farewell speeches by members of the House pointing out Mr. Doughton's qualities and personality, which had such a significant bearing on the tax, reciprocal trade and social security legislation for the twenty years, 1932-52.

These general over-all factors must be kept in mind in reviewing the specific social security issues which arose and which warranted Congressional action. The demand for some increase in the Federal financial participation for public assistance was in part a reflection of the increasing cost of living due to the increase in prices following the Korean War. The provision for an increase in public assistance, which was originally contained in the legislation passed by the House of Representatives in 1949 and which was deleted by the Conference Committee in 1950, 5/ led Senator McFarland to urge adoption of his proposal for increasing the Federal share of public assistance. Since Senator McFarland was the majority leader of the Senate and since his proposals were concurred in by some 22 other Senators from both parties, and since he had been successful on two previous occasions (1946 and 1948) in obtaining an increase in public assistance, his proposal obviously carried a great deal of weight. Senator McFarland, who was coming up for re-election in the fall of 1952, as were many of the co-sponsors of his amendment, obviously had a strong desire to obtain enactment of his proposal.

The increasing cost of living which was the general reason for the increase in public assistance was also the general reason for an increase in old-age and survivors insurance benefits. However, while the price increases were the reason justifying the need for the increase, the wage increases which had occurred made it possible to finance the benefit increases without an increase in the insurance contribution rate. The $5 increase in old-age assistance and the $5 increase in old-age insurance thus were linked together. Since the increase in assistance alone would have increased average old-age assistance above average old-age insurance payments, there was a strong desire among

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5/ This proposal was dropped in the Conference Committee in 1950 largely because of its increased cost. The Conference Committee was meeting shortly after the outbreak of the Korean War and members of the Committee were impressed with the need for reducing expenditures and increasing taxes to finance the new defense responsibilities. It is significant and curious however that the proposal contained in H.R. 6000, as passed by the House in 1949, was a less costly proposal than the one finally adopted in 1952. The 1949 House proposal would have increased payments for old-age assistance only about $2.33 on the average as compared to the $5.00 in the 1952 law.

the Congressional leaders to include some increase in the insurance payment in order that the average assistance payment would not be higher than the average insurance benefit. Yet it appears that equally or more compelling was the fact that it was possible to obtain an increase in the insurance benefit without increasing the insurance contribution rate.

A number of other changes in social security legislation were being discussed in 1952 among the members of the House and it was felt there was a need for "doing something" on the noncontroversial and generally agreed upon proposals which led to the idea of combining them into one bill. Illustrative of these two or three acceptable provisions was the provision in the 1950 amendments relating to exemption of certain income for blind recipients. A technical defect in the law needed to be corrected and when it became obvious that the problem could not be successfully solved without legislation, the Social Security Administration indicated that it would recommend legislation to effectuate this change. Some of the national organizations representing blind persons then went to some of the Congressional leaders and a bill was introduced to correct this defect. Mr. Mills, a member of the House Committee on Ways and Means, introduced such a bill (H.R. 7319) on March 31, 1952. This provision was later incorporated as section 7 in the final 1952 law. 6/

A major factor which helped very materially in getting the 1952 legislation formulated and reported out in the House dealt, interestingly enough, with a provision which was finally dropped out of the 1952 law. This was the provision relating to coverage of State and local employees who were under their own retirement systems. The 1950 law provided that State and local employees could not be covered under the old-age and survivors insurance system if they were under a retirement system of their own on the date the agreement was made with the Federal Government. In order to comply with this provision of the law, some States abolished their own retirement systems and had come under social security; and one State, Virginia, after abolishing its retirement system, enacted a new supplementary retirement system. These developments had caused considerable concern among State and local employees and a number, although not all of them, were asking for some Federal legislation to change the prevailing situation. The State colleges and State universities in particular wanted the situation remedied by legislation, but there were some differences of opinion among other groups.

The situation in Wisconsin, where they were also in favor of an amendment to permit them to allow State and local employees to be covered under social security with a supplementary private plan,

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6/ The substantive provisions of this amendment are summarized later in the last section of this report.

was also an important factor in influencing the need for legislation, particularly since one of the minority members of the House Committee on Ways and Means, Mr. Byrnes, was from Wisconsin. The Ways and Means Committee included a provision on coverage of State and local employees in the bill, but this provision was dropped out by the Senate and the elimination was concurred in by the Conference Committee. But the fact still remains, that a large part of the impetus for legislation in 1952 came because of the desire in Wisconsin 7/ and among State universities for coverage of State and local employees under old-age and survivors insurance.

Developments - June-July 1951

The developments leading to the 1952 amendments were somewhat complex because of the number of technical and controversial issues which arose during the Congressional consideration of the legislation. In order to present the picture of how the 1952 law evolved it is necessary first to review the chronological sequence of the legislation in order to supply the general historical background for a more detailed analysis of the legislative history of the separate provisions of the law. Consequently, in tracing these developments the substantive provisions will not be discussed at this point except insofar as it is necessary to make the developments clear to the reader.

On June 21, 1951, Senator McFarland, the Majority Leader, offered on the floor of the Senate an amendment to H.R. 2416, a minor revenue bill. His amendment provided for an increase in the Federal share of payments to the States for needy persons receiving public assistance ($5 per month for the aged, blind, and disabled, and $3 for children).

In urging the Senate to adopt his amendment Senator McFarland gave the background for his proposal:

"When the Senate was considering the social security bill last year a group of Senators came to me to ask about sponsoring an amendment for the aged, the blind, and dependent children. The distinguished Senator from Georgia, who had control of that bill, requested us not to do so, and asked us, if we intended to propose an amendment, to propose it to another revenue bill at some later time. The same group of Senators has come to me from time to time to talk to me about this subject. I have discussed it with the distinguished Senator from Georgia, and I wish now to offer to this bill an amendment which is designed to raise the monthly payments of the aged, the blind, the permanently and totally disabled, and dependent children.

7/ An amendment permitting Wisconsin public employees to obtain old-age and survivors insurance was enacted in 1953 (Public Law 279, 83rd Congress).

"The House has consistently insisted that social-security measures involve revenue, and therefore the only way by which any changes may be made in this type of legislation is by way of amendment to revenue bills which originate in the House and which are passed by the Congress". 8/

Senator McFarland's amendment which was co-sponsored by 22 other Senators from both political parties was adopted without any objection and by a voice vote. However, a few minutes later Senator Taft asked for a reconsideration of the vote by which the bill was passed. On the following day Senator Taft argued for referral of the bill to the Committee on Finance. The subject was considered again on June 26 and Mr. Taft's motion was adopted by a voice vote as was Senator McFarland's motion to recommit the bill to the Committee on Finance with instructions to report it back to the Senate within two weeks. 9/

On July 6, 1951 the Senate Committee on Finance agreed in Executive Session to report H.R. 2416 with a revised formula ($3 for the aged, blind, and disabled and $2 for children). 10/

On July 18 and 19, 1951 the proposal was debated on the floor of the Senate and the revised formula recommended by the Committee was adopted by a voice vote. Seven amendments were offered from the floor of which three were adopted and four rejected. The three amendments which were adopted were:

1. Section 4 was added to the bill, amending title XI of the Social Security Act by providing for a new section captioned "Minimum State Public Assistance Expenditures". This section was added to the bill as an amendment offered by Senator McFarland. The amendment was designed to carry out the recommendation made by President Truman in his letter of July 18 to Vice President Barkley. 11/ The amendment was adopted by a voice vote.

2. Section 5 of the bill was added by an amendment offered by Senator Case. It provided that for one year the States could exempt

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8/ Congressional Record, June 21, 1951, p. 7043. All references to the Congressional Record are from the daily edition, hereafter cited as CR.

9/ CR, June 26, 1951, pp. 7272-78

10/ CR, July 6, 1951, p. D600

11/ CR, July 18, 1951, p. 8542. Other points made in the President's letter are discussed subsequently in this report.

income of an old age assistance recipient up to $50 per month if derived from agricultural labor or nursing. The amendment, similar to amendments in effect during World War II, was adopted by a voice vote.

3. Section 6 of the bill was added by an amendment offered by Senator Jenner. It provided in effect for modifying the public assistance provisions of the Federal law to permit public access to certain public assistance records. 12/ This amendment was debated and finally passed by a roll call vote of 38 to 30. 13/

The four amendments which were defeated by voice votes were:

1. An amendment offered by Senators Humphrey, Lehman and Langer to increase Federal old-age and survivors insurance an average of about $3 per month.

2. An amendment offered by Senator Lehman to increase the Federal share for public assistance to Puerto Rico and the Virgin Islands. The bill as reported out did not increase the share for them.

3. An amendment offered by Senator Langer to provide a payment of $100 a month from Federal funds to each needy person.

4. An amendment offered by Senator Dirksen to provide that no additional Federal funds would be made available to States unless the Congress provided in revenue legislation for additional taxes to cover the expenditure of these Federal funds.

After passage of H.R. 2416 by the Senate the bill was returned to the House of Representatives where it had originated. Inasmuch as the amended bill contained important changes in the Social Security Act involving substantial amounts of money, the members of the House Committee on Ways and Means refused to take the bill to conference and

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12/ The Jenner amendment eventually became law as part of the Revenue Act of 1951. For a detailed legislative history of this amendment see Wilbur J. Cohen and Jules H. Berman, "A Chapter of Legislative History, Safeguarding the Disclosure of Public Assistance Records: The Legislative History of the 'Jenner Amendment' - Section 618, Revenue Act of 1951". Social Service Review, June 1952, pp. 229-234.

13/ Cr, July 19, 1951, pp. 8624-31

the bill was referred back to the full Committee 14/ where it died without any further action being taken on it either in 1951 or 1952.

Developments in 1952

Taking cognizance of the developments during 1951, President Truman, on January 21, 1952, in his Budget Message for the fiscal year 1953 recommended an increase in old-age and survivors insurance averaging $5 per month, an increase in the Federal share of public assistance at a cost of about $100 million a year, extension of insurance coverage to members of the Armed Forces, and a number of other improvements in the social security program. 15/

Several bills were introduced in the Congress in the early part of 1952 to increase insurance benefits 16/ and to extend insurance coverage to State and local employees covered by their own retirement plans. A number of other bills were introduced in Congress amending the social security program. H.R. 6291 was introduced by Mr. Harrison of Wyoming on January 29, 1952 to extend for one year the time for States to make their coverage of State and local employees retroactive to January 1, 1951.

On March 31, 1952, Mr. Mills introduced H.R. 7319 to amend the public assistance provisions of the Social Security Act to correct a defect in the 1950 amendments regarding exemption of earned income for the blind.

Toward the end of April 1952 the Committee on Ways and Means met to consider some of these minor bills. As a result of favorable consideration of three of them 17/ the majority members of the Committee decided to combine them in one bill. Sometime early in May 18/

14/ CR, July 30, 1951, p. 9422. The House Ways and Means Committee has acted favorably on revenue bills originating in the House with social security amendments added by the Senate only in connection with freezes of the social security taxes in 1942, 1943, and 1945. They accepted a non-revenue bill originating in the Senate in 1944 which provided for an amendment to the unemployment insurance provisions of the Social Security Act. For a brief review of the constitutional and historical factors involved in the question of acting on legislation passed by the Senate see Wilbur J. Cohen, "Aspects of Legislative History of the Social Security Act Amendments of 1950", Industrial and Labor Relations Review, January 1951, p. 189.

15/ The Budget of the United States Government for the fiscal year ending June 30, 1953, pp. M64-65.

16/ See later discussion for the authors of these bills and their provisions.

17/ These were: (1) coverage of State and local employees, (2) retroactive coverage for such employees, and (3) the Mills bill correcting the defect in aid to the blind.

18/ On May 9, 1952, Senator McFarland introduced his public assistance proposal as an amendment to H.R. 7230 which he later withdrew. But this fact encouraged the House Committee to go ahead with a social security bill on the general idea that some social security amendments seemed to be inevitable and the House should keep control of the procedure rather than letting the Senate determine the course of events.

the majority members decided to add an increase in insurance benefits, increase in the retirement test, and the disability freeze provisions since these also appeared to be non-controversial in view of the fact that they were in bills introduced by members from both parties. As a result, H.R. 7800 was introduced by Representative Doughton, Chairman of the House Committee on Ways and Means on May 12, 1952. Four days later the bill was reported favorably by the Committee 19/ and it came up on the floor of the House for a vote on May 19. The bill was brought up under suspension of the rules, which requires a two-thirds vote for passage. The vote was 150-140 - not sufficient to pass the bill. On May 20 Mr. Reed introduced H.R. 7922 which contained all the same provisions as in H.R. 7800 except that the disability freeze was omitted and the retirement test was $100. The introduction of this bill helped to increase the belief that there was a substantial area of agreement which would make enactment of some legislation feasible in 1952. About a month later, on June 17, H.R. 7800 was brought up again under suspension of the rules and was adopted, with minor amendments, by a vote of 361 to 22.

The bill was reported favorably by the Senate Committee on Finance with amendments, on June 23. With two additional amendments from the floor it passed the Senate by a voice vote on June 26. The most important of the Committee amendments provided for stricking out the disability freeze, striking out the provision on coverage of State and local employees and increasing the retirement test to $100. The two amendments adopted on the floor were the McFarland amendment increasing public assistance and the Lehman amendment increasing public assistance funds for Puerto Rico and the Virgin Islands.

The conferees from the House of Representatives and the Senate met on July 3 and 4 and the morning of July 5. The Conferees were deadlocked on the morning of July 5 but shortly before noon of July 5 the Congerees agreed on a compromise for the disability freeze provision and a bill was agreed upon. The Conference Report was adopted in both Houses on the afternoon of July 5, and the bill became law on July 18.

General Observations

The 1952 Social Security Amendments were important as well as unique in a number of respects. The fact that legislation was passed increasing social security payments twice within two years was certainly unprecedented in the history of the social security program. But even more so is the fact that the changes took place with both political parties being in agreement as to the desirability of increasing insurance benefits. In fact, several members of both

19/ The Committee met on May 15 and 16 to consider the bill.

parties publicly stated they believed that the increases in the insurance benefits were too meager and that the benefits should be increased still further. The ranking Republican member of the House Committee, Mr. Reed, strongly urged that the retirement test be increased to $100 a month as did other members from both parties.

Another unusual aspect of the 1952 legislation was that the improvements were all taken without any public hearings being held in either the House or the Senate. There were no visible signs of support or opposition from representatives of employers or labor during the Congressional consideration of the bill. In part, this was due to the very comprehensive hearings and information obtained during the 1949 and 1950 Congressional consideration of the subject. It is also safe to say that absence of public hearings in 1952 was also due in part to the general agreement in Congress as to the necessity and desirability of some amendments to both the insurance and assistance programs.

On the one matter on which there was vigorous disagreement - the preservation of the insurance rights of the disabled - it is interesting to note that the immediate stimulus for this provision came from a section in the bill introduced by a Republican member of the Committee, Mr. Kean. Moreover, in the consideration of the matter in the House Committee the Republican members did not object to the provision. It was not until the American Medical Association opposed the provision that there was any criticism of the disability freeze provision. Yet even here it is significant to note that Mr. Kean continued to support the provision throughout the House debate even after the American Medical Association opposition developed.

Finally, it is important to note that the increases in the insurance benefits were made on the explicit recognition of the fact that as wages increase it is necessary and desirable to increase the insurance benefits. In addition, the Congress became more aware of the fact that as wages increase the cost of the insurance benefits, measured in terms of percentage of payroll, automatically declines and, therefore, it is possible to increase the insurance benefits without increasing the contribution schedule.

Increased Old-Age and Survivors Insurance Benefits

A number of factors have to be considered in tracing the development of the proposal which eventually became section 2 of the 1952 amendments.

The 1950 amendments became law just shortly after the start of the Korean War. Both wages and prices began to rise and by the early part of 1951 it was clear that the liberalizations made by the 1950 amendments would be offset by these new developments. But it also was obvious that if wages rose, the long-run cost (measured as a percentage of payroll) of the insurance program would decline and

and the benefits could be increased without changing the contribution schedule in the 1952 law. 20/

The "miracle" of how benefits could be increased without increasing contributions was apparent to the Senators and Congressmen associated with the extensive 1950 changes. 21/ Senator Taft indicated his general acceptance of the proposal in his request in 1951 for Senate reconsideration of the McFarland amendment. 22/ President Truman referred to it in his letter of July 18, 1951 23/ as did Senator Humphrey 24/ and Senator Lehman 25/ in their appeal for the adoption of their amendment to increase insurance benefits.

Senator Humphrey introduced his insurance amendment on July 9, 1951. Senator Lehman and later Senator Langer co-sponsored the amendment. The amendment was designed to increase insurance benefits about $3 on the average. 26/ While an increase in the insurance benefits was discussed in the executive sessions of the Finance

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20/ The reasons why it was possible to increase benefits of wages increased without changing the contribution schedule had been discussed in various annual reports of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund. See the Eleventh Annual Report issued on July 15, 1951 just immediately prior to introduction of the McFarland amendment. (Senate Doc. No. 44, 82d Cong., 1st Sess., 1951, pp. 34-35). This report prepared in early 1951 also contained the statement that the increase in wages from 1947 to 1950 "seems to indicate a need for revision of the basic wage assumptions....: (p. 28).

21/ See the 1949 House and 1950 Senate Committee Reports for reference to this possibility (House Report No. 1300, p. 33 and Senate Report No. 1669, p. 34, 81st Congress).

22/ CR, June 26, 1951, p. 7274. Undoubtedly, Senator Taft's understanding and acceptance of the proposal was a large factor in ultimately obtaining enactment of the bill with the increased insurance benefit in it.

23/ CR, July 18, 1951, pp. 8536-37.

24/ CR, July 18, 1951, pp. 8542-46.

25/ CR, July 18, 1951, p. 8547.

26/ For persons whose benefits were based on the conversion table the increase was a flat $3; the formula change provided for 50% of the first $110 of average monthly wage instead of the first $100, with the 15% factor still applying on the access; accordingly for average wages of $110 and over, the increase was a flat $3.50. CR, July 18, pp. 8541 and 8546. The reason why the Humphrey bill provided for an increase averaging $3 (instead of $5) was that the increase for old age asssistance as reported out by the Committee was $3 instead of $5. The basic idea was to keep average insurance and average assistance payments in balance without raising any new policy questions at that time concerning the long-run role of the insurance program.

Committee 27/ the Committee decided not to add the amendment on to the bill. Senators Taft and Kerr urged postponement of action on the bill when the subject came up on the floor and the amendment was rejected without a record vote. 28/

But the movement for increased insurance benefits continued. On August 9, 1951, Senator Humphrey introduced a separate bill, S. 1983, providing for increased insurance benefits. This bill provided for a flat $5 increase for persons whose benefits were based on the conversion table and a change in the formula from 50% of the first $100 to 50% of the first $115.

During the fall months, further thought was given to the entire matter by the Social Security Administration. 29/ The Administration in its Annual Report to Congress for 1951 recommended that benefits be kept in line with current wage and price levels. 30/

President Truman in his Budget Message for the fiscal year 1953 recommended on January 21, 1952 that the average primary benefit be increased "about 5 dollars a month" 31/ but did not state any specific details on how the increase was to be accomplished.

Following the President's recommendations several other bills were introduced in the Congress. H.R. 6499, introduced on February 7, 1952 by Mr. O'Neill, was identical with the Humphrey bill, S. 1983. A number of variations were introduced in other bills.

On February 21, 1952 Representative Dingell, a member of the Committee on Ways and Means, introduced H.R. 6750 which, among other things, increased benefits under the conversion table from $5 to $25.50 and changed the formula from 50% of the first $100 to 50% of the first $120. 32/

H.R. 7549 introduced on April 23, 1952 by Mr. Kean provided among other things for a 10% increase in benefits under the conversion table (that is, ranging from $2 to $6.85) and a change in the formula from 50% of the first $100 to 50% of the first $115.

27/ See Senator Taft's statement that he brought the matter up for discussion in the Committee and "was rather sympathetic to the idea". CR, July 18, 1951, p. 8548.

28/ CR, July 19, 1951, p. 8624.

29/ Wilbur J. Cohen, "Should Old-Age Assistance Again Outpace Old-Age Insurance", American Economic Security, July-August 1951.

30/ Page 27.

31/ The Budget of the United States Government for the Fiscal Year Ending June 30, 1953, p. M64

32/ Senator Lehman introduced the companion bill (S. 2705) in the Senate whichw as co-sponsored by Senators Murray, Magnuson and Humphrey. Representatives Roosevelt, Jackson (of Washington) and Mitchell introduced identical bills in the House.

S. 3079 was introduced on April 28, 1952 by Senator Humphrey. It provided for a 12-1/2% increase for persons under the conversion table and an increase in the formula from 50% of the first $100 to 50% of the first $115.

H.R. 8092 introduced by Mr. Mack of Washington on June 5, 1952 provided for an increase for those under the conversion table of $10 or 25% whichever was higher and 55% (instead of 50%) of the first $100 of average wages and 20% (instead of 15%) of the next $100 and 15% of the next $100. H.R. 8174 introduced by Mr. Rogers of Florida on June 11, 1952 provided for an increase of 55% of the first $100 and 20% of the next $200.

H.R. 7800 as reported out by the Committee on Ways and Means, and as finally enacted into law, provided for increases in the insurance benefits on a somewhat modified basis from the bills previously introduced. 33/ For persons receiving benefits under the conversion table the increase in H.R. 7800 was calculated on a percentage basis or a flat basis whichever was higher. For persons receiving benefits under the formula the increase was obtained not by increasing the amount of wages which would be used for calculation of the first step in the formula but by increasing the percentage from 50% to 55% for the first step in the formula ($100) without increasing the amount of wages.

There were a number of complex and interrelated factors involved in weighing and arriving at a solution of the detailed provisions for any increase.

One of the first questions which had to be decided was whether an increase should be a uniform flat or percentage increase for all persons using the conversion table as well as the formula and, if not, how the increase should be provided for these two groups. These factors were involved:

1. A percentage increase had the advantage of retaining the same relationship between the minimum, maximum and intermediate benefits as provided by Congress in the 1950 law. It thus would not raise basic questions which might involve protracted discussion.

2. A flat increase for all beneficiaries on the conversion table involved more administrative time and money to make the change than a percentage increase.

3. A flat increase for all those using the formula might make it more difficult subsequently to revise the formula to make basic long-run revisions which were deemed necessary.

33/ During the course of the 1951 Senate debate on the Humphrey amendment, the question was raised on the relationship of the flat increase for all beneficiaries on the conversion table to the change in the formula which did not provide for any increase to persons with average wages of less than $100. See statements by Senators Kerr, Taft and Saltonstall, CR, July 19, 1951, pp. 8621-23.

4. Since the 1950 amendments provided for very liberal benefits to insured persons with short periods of covered employment it was thought that further increases for this group should wait until coverage was extended and other provisions were adopted which would help to increase benefits for this group.

5. The increase under the 1950 law was greater for those using the formula (about 110%) than for those whose benefits were computed under the conversion table (about 77-1/2%).

The decision to utilize a different approach for each of the two groups was also affected by the fact that the increase for those receiving benefits under the conversion table was the more pressing problem. Only a very few beneficiaries in May 1952 had become entitled to benefits under the new formula. Hence, the more important problem was an increase in benefits for those under the conversion table in a way which would assure prompt payment of the increased benefit with a minimum of administrative cost and manpower.

While a straight percentage increase in the conversion table (such as 12-1/2%) would have been easiest to administer, it would have resulted in an increase of only $2.50 for the minimum payment to a retired worker and less than a $5 increase for all retired workers receiving less than $40. It was for this reason that the increase was $5 or 12-1/2% whichever was higher.

During the course of the legislative proceedings, there was no specific consideration of the effect of the increased insurance benefit on private pension plans. Toward the end of the legislative process some inquiries were made by representatives of some unions as to the possibility of putting a provision in the bill that private plans must pass on the increased amount. No specific method was proposed to accomplish this result nor was there sufficient time to do so had a specific formula been presented. Representative Dingell recognized the problem when he stated during the course of the debate in the House on the Conference Report that it was his "hope that the many industrial pension plans now in operation which provide a fixed amount of benefits, including those paid by old-age and survivors insurance, will be revised so that the full amount of the present increase will be passed on and the beneficiaries will receive higher total payments." 34/

Increased Public Assistance

Three major problems arose in connection with consideration of the McFarland amendment providing for increases in public assistance. These were: (1) the cost, (2) how the additional Federal

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34/ CR, July, 1952, p. 9732.

money was to be passed on by the States to the individual, and (3) the relationship between assistance and insurance payments.

As has already been pointed out, the deletion in 1950 of the provisions for increasing the public assistance formula for payments to the states was due to the cost. 35/ The immediate psychological impact of the outbreak of the Korean war made members of Congress hesitate to add additional costs to the Federal budget. 36/

The increase in prices which occurred as a result of the Korean situation was the major factor which offset cost consideration. In 1951 or 1952 Congress found it necessary to increase retirement payments for railroad employees, military personnel, veterans, and civil service employees. It was inevitable that some increases should be voted for the most needy. But how much?

The President in his letter of July 18, 1951 refused to get involved in the question of how much of an increase should be voted. He stressed the necessity of assuring that whatever increase was provided to the State would be passed on to the needy individual and that there should be a similar increase for insurance beneficiaries. However, when the President sent up his Budget Message in January 1952 he included a "tentative" estimate of only $100 million for the public assistance increase. This figure was noticeably below the cost of the proposal which passed the Senate ($140 million) and substantially below the cost of the original McFarland proposal ($250 million). The President, moreover, did not endorse either of the specific formulas in the two proposals. 37/

35/ The Conference Committee did include provisions in the 1950 law increasing public assistance by about $150 million a year. The provisions which they deleted would have cost about $140 million a year or more.

36/ The two-year delay in the increase did save the Federal budget a total of about $200 million for the two-year period.

37/ The staff of the Social Security Administration had worked out, at the request of the Bureau of the Budget, about ten different formulas which would have placed relatively more of the total Federal funds in States with low payments than did either of the two proposals.

The desire for a more modest increase than that contained in the original McFarland proposal was also shared by other groups who were concerned that a substantial increase might eventually result in a "closed-end" appropriation limiting the Federal funds for all States to an arbitrary amount. 38/ This result, they felt, would lead at worst to a conflict among States for sharing a limited amount and at best a complex mathematical formula for allocating the amount, and in any case, to more complex and confusing administrative problems.

A complex policy and technical problem which arose was the question of the States passing on the increased Federal funds to the needy individual. 39/ There was general agreement that the States should pass on the additional Federal money. But the device to enforce this 40/ became so complex 41/ that the opposition of some State welfare administrators was sufficient to cause the Conference Committee to drop the proviso. Moreover, such a proviso raised several serious policy questions. If a State just had raised payments by $5 on its own initiative, why should it be penalized for failing to pass on the new $5? Or if it wished to use the money to raise standards in some other welfare program, why should it be penalized for doing this instead of raising payments $5?

The relationship between assistance payments and insurance payments was a major factor in getting the increased insurance payments into the bill. There were three developments which were of growing concern. First, the average of all old-age insurance benefits (including wives and widows) was only about $38 a month.

Second, average old age assistance payments were rising. By December 1951 they had risen a dollar to $44.54 and by June, 1952 when the amendments were being considered the average had risen to $45.19. On the other hand, average primary old age insurance benefits were declining due to the large number of new persons who became eligible

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38/ This fear was intensified by Senator Byrd's proposal submitted to the Finance Committee in July 1951 which provided a method for allocating appropriations among the States when the amount appropriated was less than the amount required. (Committee Print, June 6, 1951, H.R. 2416 amendment intended to be proposed by Mr. Byrd). The Finance Committee did not include any such provision in the bill.

39/ The problem developed as a result of the fact that it takes most of the States some time to pass on the additional Federal money. Thus, it took fifteen months before the average payment was increased $5 by the 1946 amendments and 14 months before the average payment was increased another $5 by the 1948 amendments.

40/ The provision in the 1951 legislation was entitled "Minimum State Public Assistance Expenditures" commonly called the "floor provision" because it set a floor from which State expenditures had to be measured in order to obtain the full additional Federal funds.

41/ The provision adopted by the Senate in H.R. 2416 was defective due to a clerical error. A substantially different version was adopted by the Senate in H.R. 7800. Several alternative versions were prepared by the staff of the Social Security Administration.

for only the minimum benefits due to the "new start" insured status provisions in the 1950 law. It appeared that it would be sometime in 1953 before the full effect of the "new start" method of calculating benefits would result in average primary insurance benefits catching up with average assistance payments.

Another relationship between insurance and assistance also was given consideration. Under the public assistance provisions of the law, all income received by an assistance recipient must be taken into consideration. Thus, when an individual receives his insurance and a supplementary payment from assistance in order to meet his needs, his assistance payment must be decreased by the amount of his increased insurance benefit unless the standard for all assistance recipients is raised or unless the need of the individual exceeded the payments to the individual. While some members of Congress have objected to this result, no specific amendment was proposed to set the provision aside. In those States where the full $5 increase in assistance is passed on, the net effect is for persons receiving both payments to get a $5 increase from the insurance program.

Table 1 shows the historical development of the provisions for Federal financial participation in payments for public assistance.

Preservation of Insurance Rights of the Permanently and Totally Disabled

Section 3 of the 1952 law providing for preserving the insurance rights of the disabled is probably the most unique provision in the history of Federal legislation. The law provides in section 216(i)(2) that no application can be filed prior to July 1, 1953. But section 221 provides that the law "shall cease to be in effect at the close of June 30, 1953". In other words, the law is automatically repealed the day before it goes into operation! 42/ How did such a curious provision ever get enacted?

On April 23, 1952, Representative Kean, Republican member of the House Committee on Ways and Means introduced H.R. 7549. This bill, among other things, provided for preservation of the insurance rights of the permanently and totally disabled. While this feature had been included in other bills, previously introduced by other members of Congress, providing for the payment of disability insurance benefits, this was the first time a proposal for "freezing" insurance rights was introduced by a Republican member of the Ways and Means Committee.

Section 103 of Representative Kean's bill provided for rehabilitation services to the disabled in addition to preserving the insurance rights of persons permanently and totally disabled. The

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42/ In signing H.R. 7800, President Truman criticized the provision. He said, "the Congress takes away with one hand what it appears to give with the other". Statement of July 18, 1952.

Table 1

PROVISIONS FOR FEDERAL PARTICIPATION IN PAYMENTS OF PUBLIC ASSISTANCE*

Legislation	Maximum amounts of individual monthly payments subject to Federal participation			Federal share of expenditures within specified maximums	
	Aged, blind, and (beginning 1950) disabled	Aid to dependent children		Aged, blind, and (beginning 1950) disabled	Aid to dependent children
		First child	Each additional child		
1935 Original act	$30	$18	$12	1/2	1/3
1939 amendments	40	18	12	1/2	1/2
1946 amendments	45	24	15	2/3 of first $15 (av.) plus 1/2 of the balance	2/3 of first $9 (av. per child) plus 1/2 of the balance
1948 amendments	50	27	18	3/4 of first $20 (av.) plus 1/2 of the balance	3/4 of first $12 (av. per child) plus 1/2 of the balance
1950 As passed by House	50	$27 plus $27 for 1 adult in each family	18	4/5 of first $25 (av.) plus 1/2 of next $10 (av.) plus 1/3 of the balance	4/5 of first $15 (av.) plus 1/2 of next $6 (av.) plus 1/3 of the balance
1950 amendments as enacted	50	$27 plus $27 for 1 adult in each family	18	3/4 of first $20 (av.) plus 1/2 of the balance	3/4 of first $12 (av. per person) plus 1/2 of the balance
1951 Senate Finance Committee amendment to HR 2416	53	$29 plus $29 for 1 adult in each family	20	3/4 of first $26 (av.) plus 1/2 of the balance	3/4 of first $16 (av. per person) plus 1/2 of the balance
1951 McFarland amendment and 1952 law	55	$30 plus $30 for 1 adult in each family	21	4/5 of first $25 (av.) plus 1/2 of the balance	4/5 of first $15 (av. per person) plus 1/2 of the balance

* This table does not contain the special provisions for Puerto Rico and the Virgin Islands enacted in 1950.

bill provided for determinations of disability to be made by the Federal Security Administrator and for the Administrator to provide for "such examination of individuals as is necessary for purpose of determining or redetermining eligibility for services and/or eligibility for a period of disability."

The House Committee on Ways and Means included in H.R. 7800 the "freezing" provisions of Mr. Kean's bill but omitted the authorization for rehabilitation services. The "freezing" provisions of section 3 of H.R. 7800 as introduced by Mr. Doughton on May 12, 1952 were the same in substance as those in Mr. Kean's bill. Some drafting changes were made by the House Legislative Counsel. The provision for cooperation with agencies and groups (subsection (g), pages 26-27 of the Kean bill) were omitted as well as the authority for the Administrator to make determinations of disability. 43/ but the provision for examinations and termination of a finding of disability when an individual without good cause refused or failed to accept rehabilitation services were taken in substance from the Kean bill as was the provision that an individual shall not be considered to be under a disability unless he furnished such proof of the existence thereof as may be required in regulations of the Administrator. 44/

The definition of disability, the insured status requirements, and the definition of a period of disability (including the retroactive provision to 1942) in H.R. 7800 were taken in substance from Mr. Kean's bill.

There was no opposition in the Ways and Means Committee to inclusion in H.R. 7800 of these provisions from the Kean bill at the time the bill was considered in Committee.

When the bill came up for consideration on May 19, 1952 on the floor of the House there was a great deal of opposition to the disability freeze provisions. The way in which this opposition developed can best be told in the words of the American Medical

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43/ The House Legislative Counsel was of the opinion, concurred in by the Social Security Administration, that legal authority for these purposes was already contained in the section 205 of the Social Security Act.

44/ This provision in the Kean bill had also provided that the disability must be established by the weight of affirmative evidence. This was omitted from H.R. 7800 but the words "of the Administrator" were added after "regulations". At the time it was not believed that these two changes made any substantive change.

Association: 45/

"Early announcements of the bill stated that it was intended to make certain increases in the amount allowed beneficiaries under the Old-Age and Survivors Insurance Law, but when a printed copy of the bill, which was introduced May 12, became available on Wednesday, May 14, it was discovered that it carried a section on permanent and total disability. It is not so elaborately drawn as was the section on permanent and total disability stricken from H.R. 6000 two years ago nor so extensively drawn as the section Senator Lehman carries in his Social Security Bill, S. 2705, reported in BULLETIN 43.

"Copies were immediately sent to the American Medical Association headquarters in Chicago, and provisions of the bill were discussed with Dr. Howard and Mr. Stetler. They communicated with Dr. Cline and members of the Board of Trustees as well as the Committee on Legislation. The conclusion was reached that the medical section of the bill should be opposed for the reason that it would give the Federal Security Administrator arbitrary powers with regard to establishing condition of disability and corrective procedure to be followed. It was decided that the members of the Committee on Legislation should be instructed to alert the key men in their States to communicate this opinion to their respective Congressmen, and the Washington Office from its position should advise the Congressmen that the medical profession objects to the inclusion in the bill of the section relating to total and permanent disability.

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"Realizing the shortness of time, the Washington Office prepared a telegram which was delivered to each member of the House of Representatives on Saturday afternoon. Copy of the telegram follows:

> "American Medical Association objects to disability prevision for following reasons:
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> I. It does not belong in insurance bill.
> II. It gives Federal Security Administrator Oscar Ewing unusual powers in medical field namely, (1) to promulgate rules and regulations on national basis for governing medical examinations. (2) To select and approve examiners of applicant. (3) To remunerate for examinations. (4) To refund expense of applicant going to and from examination and most powerful of all (5) deny application if applicant refuses to take indicated rehabilitation under Vocational Rehabilitation Act. This

45/ American Medical Association Bulletin No. 50, 82d Congress, May 23, 1952, 4 pp. For additional information as to developments leading to the opposition see also Challenge to Socialism, Shearon Legislative Service, June 5, 1952, p. 3.

is socialized medicine and pages 12 to 16 should be stricken from the bill in the interest of the public good. As written it gives Federal Security Administrator absolute control over certain medical activities.'

"Many Congressmen had not seen the bill prior to receiving our telegram and called us for an explanation on Monday morning before the House convened."

After the vote on May 19, 1952, the majority and minority members of the House Committee on Ways and Means were faced with the problem as to what steps, if any, were to be taken on H.R. 7800. Mr. Reed, the ranking Republican member of the Committee, had introduced a bill, H.R. 7922 which made two changes in H.R. 7800: It (1) deleted the disability freeze provision and (2) increased the work clause to $100. Mr. Reed advocated consideration and passage of his bill. Mr. Kean, however, had supported the disability freeze provisions 46/ as he continued to do. 47/

Mr. Kean subsequently suggested 48/ to the majority members of the Committee that some of the controversial language be omitted from the bill. The majority accepted these amendments and they were included in the bill brought before the House on June 16 and passed on June 17. 49/

There were three basic deletions:

1. Elimination of the provision authorizing the Federal Security Administrator to have examinations made of disabled persons.

2. Elimination of the provision authorizing the Administrator to terminate any period of disability because of the individual's refusal without good cause to accept rehabilitation services available under a State plan.

3. Elimination from the sentence requiring proof of disability of the words "required by regulations of the Administrator".

46/ CR, May 19, 1952, pp. 5511-2.

47/ CR, June 16, 1952, pp. 7433-4, and June 20, 1952, pp. A.4057-60.

48/ CR, June 16, 1952, p. 7421.

49/ Committee Print of H.R. 7800, June 13, 1952 for amendments.

H.R. 7800 was passed by the House of Representatives on Tuesday, June 17, 1952. On Monday, June 23, less than a week later, the Senate Finance Committee made its report on the bill. Because of the shortness of time prior to adjournment of the Congress the Committee decided not to hold public hearings on the bill. The Committee deleted the provision on preserving the insurance rights of the disabled as well as another provision relating to coverage of State and local employees. The Committee stated, as follows: "In deleting these provisions, your committee did not prejudge the merits of these proposals. There was insufficient time for full hearings which would have been necessary if proper consideration were given to these two provisions and the numerous amendments suggested thereto. Thus, hearings were waived in order not to delay action on the other important revisions in our Social Security System so urgently needed at this time. If the House of Representatives should choose to send back to the Senate a bill containing the deleted provisions at a later date when public hearings can be held, the committee will give them careful attention and take appropriate action. 50/

Because, among other things, of the shortness of time no amendments were offered on the floor of the Senate to reinsert the provision on disability. The bill was debated and passed by a voice vote on June 26, 1952.

The conferees met on Thursday, July 3, Friday, July 4, and on the morning of Saturday, July 5, 1952. Differences of opinion over the disability provision were the main reason for the time required in conference to arrive at a decision on the bill. The conferees accepted the general language contained in this section of the bill as passed by the House but amended the provision in two basic respects:

(1) The provision was made to terminate on June 30, 1952; i.e., the day before rights were to accrue under the provision; and

(2) The responsibility for making determinations of disability was given to the States.

The reason given for these amendments was that the "members of the Senate Finance Committee did not desire to enact this particular provision on a permanent basis until the committee could have an opportunity to conduct hearings which the committee had obligated itself to hold." The termination date was established to enable the committee to look into the problem. "In the meantime this provision would be enacted into law. The Social Security Administrator will have the opportunity of conferring with the States to determine whether or not examination and control of the determination of disability by

50/ Senate Report No. 1806, 82d Congress, 2d Sess., p.2.

State agencies are feasible and they can report back to us after the first of the year." 51/

No statement was made by either Representative Mills, who handled the conference report in the House, or Senator Johnson, who handled the conference report in the Senate, concerning the background of the provision on the utilization of State agencies or why the law did not provide for the Federal agency to administer the provision in States which refused to make determinations. Representative Mills did state that it was the thought of the conference committee that "Before we undertake this new type of program . . . we should first start off by seeing what progress can be made in determining disability and see whether or not the social security people can work out a plan that is feasible with the State people to do that. We wanted something more than just the theory that somebody had that it would work." 52/

Senator Johnson in explaining the provision stated that "We amended the provision until there is no hint whatsoever left of socialized medicine." 53/ But some of the original opponents of the provision were even unsatisfied with the compromise in the bill. One writer said that by the enactment of the provision "the medical profession suffered the most severe blow in its history" and that physicians should "refuse to a man to discuss ways of administering" the provision. 54/

Increase in the Retirement Test

Throughout the Eighty-second Congress, Congressmen of both parties had introduced bills to modify the retirement test under the old-age and survivors insurance program. Some of these bills would have removed the retirement test altogether, some would have removed it for certain groups of beneficiaries, and others proposed raising the amount of earnings permitted without benefit suspensions from $50 to some higher figure--$75, $100, or $200. There was fairly general agreement that the retirement test should be liberalized, but less agreement on just what amount should be substituted for the $50 figure. Rising wage and employment levels, the increase in the cost of living, and the belief on the part of some that the retirement test discouraged old people from working, contributed to the sentiment for liberalization of this feature of the program. At the same time there was recognition in the Congressional Committees that any very substantial increase in the exempt amount beyond $50 would add to the cost of the program without benefit to the large number of beneficiaries who

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51/ CR, July 5, 1952, p. 9735.

52/ Ibid.

53/ CR, July 5, 1952, p. 9645.

54/ Challenge to Socialism, Shearon Legislative Service, September 25, 1952, pp. 1 and 4.

were retired altogether and who depended most of all on their benefits to help meet their current living needs.

H.R. 7800, as reported out by the Ways and Means Committee, provided for increasing the work-test amount from $50 to $70 a month. During the floor debate, Mr. Simpson stated that the Republican minority on the Committee, led by Mr. Reed, had supported a $100 retirement test. 55/ The bill subsequently introduced by Mr. Reed (H.R. 7909 and H.R. 7922) included provision for the $100 amount. H.R. 7800, as passed by the Senate, also provided for a $100 work clause. The Conferees agreed to $75. It is interesting that the Conferees did not compromise on a figure half-way between the $70 figure in the House bill and the $100 figure in the Senate bill, but rather on a half-way mark between the $50 under previous law and the amount favored by the Senate. The long-run percent of pay roll cost of increasing the work clause from $50 to $75 was estimated at .07 of one percent, as against .20 of one percent for an increase to the $100 amount.

Wage Credits for Military Service

In his budget message for the fiscal year 1953, President Truman recommended extension of the coverage of the insurance system to the armed forces on a contributory basis.

S. 2705 introduced by Senator Lehman on February 21, 1952 provided for extending coverage to military service by providing for credit of $160 a month through 1952, and then beginning with 1953, a schedule of ten amounts, beginning at $190 for the lowest grade up to $500 for the highest grades. Beginning in 1953 the credits were to be on a contributory basis except to the extent the President found it not in the interests of the military service to levy the contributions for certain areas or pay grades.

The bill introduced by Representative Kean, H.R. 7549, while providing for the extension of coverage, did not include any provision for covering military service under the insurance system.

On March 4, 1952 Mr. Rankin, the Chairman of the House Committee on Veterans Affairs, introduced H.R. 6895 56/ which, among other things, provided for amendments to cover military service commencing on June 27, 1950 (the date that the U.S. entered the Korean conflict) and prior to a date to be determined by Presidential proclamation or concurrent resolution of the Congress. The granting of such

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55/ CR, May 19, 1952, p. 5513.

56/ For a history of the origin and development of this legislation, see House Committee Report No. 1943 (to accompany H.R. 7656), May 16, 1952, 82d Cong., 2d Sess., pp. 22-24.

wage credits was to be subject to the same conditions as to duration of service, manner of discharge, and non-duplication of service credits with certain other federal benefits as were applicable under Section 217 (a) of the Social Security Act to veterans of World War II. The bill would have also made partially effective for veterans with service after June 26, 1950, the provision of Section 217 (b) of the Social Security Act guaranteeing insured status and $160 a month average monthly wage to World War II veterans who died during the 3-year period immediately following separation from service. With respect to veterans' service after June 26, 1950, the bill would guarantee fully insured status to any veteran who was separated from service within 4 years after the date to be determined as indicated above, but did not guarantee $160 a month average monthly wage to such veterans.

After receiving comments on his bill from various government departments, Mr. Rankin introduced a revised bill, H.R. 7642, on April 29, 1952. Title IV of this bill provided for wage credits for veterans of the Korean conflict. H.R. 7656 was introduced by Mr. Teague on April 30, 1952. This bill did not contain any provision for wage credits for military service. However, H.R. 7656 as reported out by the House Committee on Veterans Affairs, with amendments, on May 16, 1952, did provide wage credits for veterans of the Korean conflict. This bill in its amended form passed the House of Representatives on June 5, 1952. 57/

Hearings were held on H.R. 7656 before the Special Subcommittee on Veterans Education and Rehabilitation of the Senate Committee on Labor and Public Welfare. The subcommittee recommended deletion of the provisions on military service in view of the fact that H.R. 7800 contained provisions for military service credits. It was pointed out to the subcommittee that if H.R. 7800 should not be passed, the Conference Committee on H.R. 7656 could reinstate the provisions for military service credits. 58/ The Conference Committee deleted the provisions for military service credits in the bill in view of the fact that similar provisions were finally incorporated in H.R. 7800.

The provision for wage credits for military service in H.R. 7800 was modified in only one respect during Congressional consideration of the bill. The House Committee on Ways and Means had included a provision in the bill authorizing appropriation out of general revenues into the Trust Fund for the cost of the military service credits. This provision was struck out by the Senate Finance Committee and concurred in by the Senate as well as the Conference Committee. Thus the present law provides, as did the

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57/ The views of the Federal Security Agency on this provision in the bill can be found in the House Committee Report No. 1943, pp. 96-102.

58/See Testimony of Wilbur J. Cohen, pp. 125-127, "Veterans Readjustment Act of 1952," June, 1952.

1950 amendments, that the cost of the military service credits is to be paid out of the Trust Fund without any reimbursement from general revenues.

It should be noted that the provisions for military service credits in H.R. 7800 differ in a number of material respects from the provisions in the bills considered by the House Committee on Veterans Affairs.

Technical Amendments to the OASI Program

The decision of the Ways and Means Committee to introduce a social security bill provided an opportunity for the Social Security Administration to recommend a number of technical amendments to relieve certain anomalies that had become apparent in the operation of the 1950 amendments. There was no controversy about the need for these amendments, and they were accepted by the House and Senate alike. The technical amendments were incorporated in section 6 of the bill:

1. Permit, upon application, recomputation of the benefits of an individual aged 75 or over by the new benefit formula, if the initial computation of the benefits could have been made only through the conversion table and if the individual has at least six quarters of coverage after 1950. Prior to enactment of H.R. 7800, such an individual could not have had his benefits recomputed because of a technicality which required that at least 12 monthly benefits be suspended on account of work in a 36-month period before a recomputation could be made. Since persons aged 75 and over are not subject to the work clause, they would not meet this requirement.

2. Permit, upon application, a recomputation of benefits to take account of 1952 self-employment income for individuals who died or retired in 1952. In the absence of this amendment, these self-employed persons would have received smaller benefits than their earnings called for, because of the operation of the minimum divisor of 18 for computation of average monthly wage and the fact that self-employment income in the year of entitlement or death cannot be used in the computation. Thus, in the usual case, the individual would have had one year of self-employment income divided by 18. Under the change, the usual computation in such cases will be 2 years of self-employment income divided by 24.

3. Permit the use of wages up to the quarter of death or entitlement in the initial computation of benefits for individuals who died or became entitled to benefits in 1952. Here again, because of the minimum divisor of 18 applied to earnings over a smaller period, the average monthly wage was unduly reduced for such persons. Without

this provision, these individuals or their survivors would have a 6-month wait for a "lag" recomputation of their benefits and the workload of recomputation in the Bureau of Old-Age and Survivors Insurance would have been substantially increased, even though the information for a complete computation was in most cases available at the time of initial computation.

4. Amend several provisions of the Railroad Retirement Act for consistency with provisions of H.R. 7800, thus maintaining the existing relationship between the two systems.

Technical Amendment to Aid to the Blind

As pointed out previously, 59/ one of the amendments generally agreed upon at a very early date was an amendment to the aid to the blind program. In 1950 the provisions of the Social Security Act relating to State plans for aid to the blind were amended so that such plans (a) could provide for disregarding up to $50 of earned income of needy blind individuals in determining their need, and (b) had to provide for disregarding the first $50 of such income after June 30, 1952, if the plans were to continue to be approved. This income was to be disregarded, however, only in determining the need for aid to the blind of the person who earned it. When this earned income was available to another person claiming or receiving assistance under aid to the blind or any of the other assistance programs approved under the Social Security Act, it was considered a resource in determining the other individual's need for assistance. With this provision, full effect could not be given to the special consideration that Congress felt the blind deserved and that was its purpose in enacting the 1950 amendments.

To remedy this deficiency in the law, the 1952 amendments permitted the States, effective July 1, 1952, to also disregard the earned income of the recipient of aid to the blind in determining the need of any other individual under the same or any of the other State assistance plans approved under the Social Security Act. This requirement became mandatory until July 1, 1954.

59/ Infra, p. 7.

82D CONGRESS
2D SESSION

H. R. 7800

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 1952

Mr. DOUGHTON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1952".

INCREASE IN BENEFIT AMOUNTS

Benefits Computed by Conversion Table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the

conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such Act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the

amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such Act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the Benefit Formula; Revised Minimum and Maximum Amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950

are quarters of coverage shall be 55 per centum of the first $100 of his average monthly wage, plus 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average Monthly Wage	II Primary Insurance Amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45", respectively.

Effective Dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after. and in the case of monthly benefits under such section for any month after. August 1952,

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social

Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) $112\frac{1}{2}$ per centum of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of

$0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments

made by this Act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving Provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such Act for August 1952;

(B) two or more other persons were entitled (without the application of such section 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the

provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this Act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this Act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this Act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED

SEC. 3. (a) (1) Section 213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid $50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216 (i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period."

(2) Section 213 (a) (2) (B) (i) of such Act is amended to read as follows:

"(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;".

(3) Section 213 (a) (2) (B) (iii) of such Act is amended by striking out "shall be a quarter of coverage" and inserting in lieu thereof "shall (subject to clause (i)) be a quarter of coverage".

(b) (1) Section 214 (a) (2) of the Social Security Act (defining fully insured individual) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) forty quarters of coverage,

not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage."

(2) Section 214 (b) of such Act (defining currently insured individual) is amended by striking out the period and inserting in lieu thereof: ", not counting as part of

such thirteen-quarter period any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage."

(c) (1) Section 215 (b) (1) of the Social Security Act (defining average monthly wage) is amended by inserting after "excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage" the following: "and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage".

(2) Section 215 (b) (4) of such Act is amended to read as follows:

"(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

"(A) any self-employment income of such individual for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred;

"(B) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage;

"(C) any self-employment income of such individual for any taxable year all of which was included in a period of disability."

(3) Section 215 (d) of such Act (relating to primary insurance benefit for purposes of conversion table) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein; except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted."

(d) Section 216 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (h) the following new subsection:

"Disability; Period of Disability

"(i) (1) The term 'disability' means (A) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be permanent, or (B) blindness; and the term 'blindness' means central visual acuity of 5/200 or less

in the better eye with the use of correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less. An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required by regulations of the Administrator.

"(2) The term 'period of disability' means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period with respect to any disability shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination. Except as provided in paragraph (5), a period of disability shall begin on whichever of the following days is the latest:

"(A) the day the disability began;

"(B) the first day of the one-year period which ends with the day before the day on which the individual filed such application; or

"(C) the first day of the first quarter in which he satisfies the requirements of paragraph (3).

Except as provided in paragraph (4), a period of disability

shall end on the day on which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for the purposes of this paragraph.

"(3) The requirements referred to in paragraphs (2) (C) and (5) (B) are satisfied by an individual with respect to any quarter only if he had not less than—

"(A) six quarters of coverage (as defined in section 213 (a) (2)) during the thirteen-quarter period which ends with such quarter; and

"(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter,

not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

"(4) A period of disability may be terminated by the Administrator because of the individual's failure to comply with regulations governing examinations or reexaminations, or because of the individual's refusal without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act (29

U. S. C., ch. 4) after having been requested to do so by the Administrator. If any individual whose disability has ceased fails to notify the Administrator before the end of the quarter following the quarter in which the disability ceased, then for each quarter which elapses after the quarter in which the disability ceased and before the quarter in which he notifies the Administrator, his disability shall be deemed to have ceased three months earlier than it did (but in no case more than one year earlier than it did).

"(5) If an individual files an application for a disability determination after March 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application was filed, then the beginning day for the period of disability shall be whichever of the following days is the later:

"(A) the day such disability began; or

"(B) the first day of the first quarter in which he satisfies the requirements of paragraph (3)."

(e) Title II of the Social Security Act is amended by adding after section 219 the following new sections:

"EXAMINATION OF DISABLED INDIVIDUALS

"SEC. 220. The Administrator shall provide for such examination of individuals as he determines to be necessary to carry out the provisions of this title relating to disability

and periods of disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government if readily available. Examinations authorized by the Administrator may also be performed by private physicians, or by public or private agencies or institutions, designated by the Administrator for the performance of such examinations; and the cost of such examinations shall be paid for by the Administrator, in accordance with agreements made by him, either directly or through appropriate Federal or State agencies. In the case of any individual undergoing such an examination, he may be paid his necessary travel expenses (including subsistence expenses incidental thereto) or allowances in lieu thereof. Payments authorized by this section may be made in advance of or as reimbursement for the performance of services or the incurring of obligations or expenses, and may be made prior to any action thereon by the General Accounting Office.

"DISABILITY PROVISIONS INAPPLICABLE IF BENEFITS WOULD BE REDUCED

"SEC. 221. The provisions of this title relating to periods of disability shall not apply in the case of any monthly benefit or lump-sum death payment if such benefit or payment would be greater without the application of such provisions."

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the amendments made by

subsections (a), (b), (c), and (d) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1953, and to lump-sum death payments under such title in the case of deaths occurring after March 1953; but no recomputation of benefits by reason of such amendments shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 4. (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "$70".

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "$70".

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "$70".

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "$70".

(e) The amendments made by subsection (a) shall

apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) ending after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II Veterans) is amended by striking out "WORLD WAR II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the

wages and self-employment income of any veteran (as defined in paragraph (5)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of $160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50

or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the

amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after

July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217".

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only

if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act.

(2) In the case of any veteran (as defined in section 217 (e) (5) of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within two years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such Act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of

any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application

for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage

of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—

"(A) there were in effect on January 1, 1951, in a State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum

was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the two-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g)

of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this subsection shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any

elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955".

TECHNICAL PROVISIONS

SEC. 7. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed

(within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after

the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952. and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended,

and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such Act, but only if it would result in a higher primary insurance amount for such indivi-

dual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

(d) Notwithstanding section 1 (q) of the Railroad Retirement Act of 1937, as amended, the term "Social Security Act" when used in the third sentence of section 5 (f) (2) and in section 5 (k) of such Act of 1937 means the Social Security Act, as amended by this Act.

EARNED INCOME OF BLIND RECIPIENTS

SEC. 8. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

82D CONGRESS
2D SESSION

H. R. 7800

A BILL

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

By Mr. DOUGHTON

MAY 12, 1952

Referred to the Committee on Ways and Means

STANDARD FORM NO. 64

SSA-OASI

Office Memorandum • UNITED STATES GOVERNMENT

TO : Administrative, Supervisory, and Technical Employees

DATE: May 12, 1952

FROM : O. C. Pogge, Director
Bureau of Old-Age and Survivors Insurance

SUBJECT: Director's Bulletin No. 183
OASI Bill Introduced by Chairman Doughton

H.R. 7800, a bill introduced today by Chairman Doughton of the House Committee on Ways and Means, would increase old-age and survivors insurance benefit amounts and make other program improvements.

The influential position of Chairman Doughton indicates that the bill may be reported favorably by the Committee, with the possibility of early consideration by the House. The chances of Senate action in this session cannot be predicted at this time. We must nevertheless take into account in our work planning the possibility of enactment of a bill along these lines.

The Committee press release, including a summary of the principal provisions of the Doughton bill, is enclosed.

As soon as the Committee has reported on Mr. Doughton's bill I will give you a detailed analysis of the bill.

O. C. Pogge

Enclosure

FOR THE PRESS
FOR IMMEDIATE RELEASE
MAY 12, 1952

COMMITTEE ON WAYS AND MEANS
ROOM 1102, NEW HOUSE OFFICE BUILDING
NATIONAL 3120, EXT. 277 OR 615

CHAIRMAN ROBERT L. DOUGHTON OF THE COMMITTEE ON WAYS AND MEANS INTRODUCES A BILL IMPROVING THE SOCIAL SECURITY LAWS

Nearly all retired persons receiving old age and survivors insurance would have their benefits increased by at least $5.00 a month under a bill introduced today by Chairman Robert L. Doughton (Dem., N.C.) of the House Committee on Ways and Means.

Mr. Doughton, who was the author of the original Social Security Act in 1935 and who sponsored the broad revisions of the program in 1939 and 1950, stressed the point that the rise in wages that has occurred in recent years makes it possible to raise benefits without any increase in the contribution rates provided under the present law and without any effect on the present self-supporting nature of the system.

"The passage of this bill is necessary to help keep down the cost of the Federal-State public assistance programs which are supported from general funds," Mr. Doughton pointed out. "Old age and survivors insurance on the other hand is not a charge on the general treasury."

Mr. Doughton's bill would also increase from $50 to $70 a month the amount of wages a beneficiary may earn while drawing benefits, protect the insurance rights of persons who have had to discontinue work because of permanent and total disability, provide Social Security credit for military service since World War II and through the Korean conflict and permit additional State and local government employees to come under the system.

"Over four and a half million old age and survivors' insurance beneficiaries would be helped under this bill," Mr. Doughton said.

"Over 60 million other persons now insured under the system and their families would also benefit through the higher retirement and survivor payments provided for future beneficiaries."

Mr. Doughton stressed the fact that for the vast majority now on the old age and survivors insurance rolls--retired persons, widows and orphans--benefit payments are the main source of income and for many beneficiaries these payments are their only income. "These people have suffered severely from the general rise in living costs. Unlike persons still actively employed, they cannot take advantage of today's higher level of wages to maintain their standard of living or to build up credit for higher benefits in the future."

Mr. Doughton predicted early Committee and House action. "I have carefully limited the provisions to those proposals which, in my opinion, are noncontroversial and require most immediate attention. They can, and should, be enacted within the time remaining in this Session of the Congress."

Mr. Doughton sees no need for prolonged consideration, he said, because the Ways and Means Committee spent a full six months in public hearings and considering the program at the time of the 1950 amendments, and the proposed changes are consistent with the measures overwhelmingly supported by the House at that time.

Provisions of the Bill

Chairman Doughton's bill would:

1. Raise benefits for practically all retired persons now on the rolls by $5.00 or 12½%, whichever is larger.

2. Increase the benefit formula from 50% to 55% of the first $100 of average monthly wage. The remainder of the formula, 15% of the next $200, would remain unchanged. This higher benefit formula will apply to a few beneficiaries now on the rolls and to practically all who will retire in the future.

3. Increase proportionately the benefits for wives, widows, children and the other categories of beneficiaries, except in some cases where the family is already eligible for the maximum.

4. Raise from $20 to $25 the minimum benefit payable to a retired person and from $150 to $168.75 the largest possible amount payable to a family.

5. Allow old age and survivors insurance beneficiaries to receive benefits while earning wages up to $70 a month; and permit beneficiaries to have net earnings from self-employment up to $840 a year without raising any question as to whether there should be any deductions in benefits because the beneficiary is performing substantial work in self-employment. As in present law, people 75 and older may earn any amount and still receive benefits.

6. Freeze benefit rights under the program for periods during which the individual was permanently and totally disabled. This is similar to the "waiver of premium" provided in private life insurance contracts. Some aged beneficiaries now on the rolls, as well as those who come on in the future, will have their benefits increased if permanent and total disability had prevented them from working for a substantial period before reaching age 65.

7. Credits of $160 per month are provided members of the armed forces serving since the close of World War II through the present Korean emergency. These credits would prevent periods of military service from counting to the disadvantage of members of the armed forces and would permit them to build up insurance rights while in service.

8. Extend the option of State governments to enter into agreements with the Federal government so that these agreements could also cover members of retirement systems (except policemen, firemen and elementary and secondary school teachers) if two-thirds of the members of the retirement system elect to be covered; and extend for another two years the time within which State governments may make agreements for old age and survivors insurance coverage retroactive to the effective date of the 1950 amendments (January 1, 1951).

9. Make several technical changes that will simplify the administration of benefit payments and correct certain inequities in the 1950 amendments.

In explaining these technical changes, Mr. Doughton stated that complaints have been received from persons over 75 and from self-employed persons retiring this year to the effect that the 1950 amendments discriminated against them in certain technicalities of benefit computation. The bill will remedy these situations.

Few realize, Mr. Doughton explained, that almost all Americans have a direct personal stake in this system. Nearly 8 out of 10 jobs are covered. Nearly one-half of all men 65 and over are now insured for retirement and survivors benefits and three and a half million people 65 and over are drawing monthly checks. Three out of every four mothers and children in the Nation can count on monthly survivors insurance checks if the family breadwinner dies.

82D CONGRESS
2D SESSION

H. R. 7549

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1952

Mr. KEAN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend and improve the Old-Age and Survivors Insurance System, to prevent loss of benefit rights in the event of disability, to provide for rehabilitation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Federal Old-Age and Survivors Insurance Amendments of 1952".

TABLE OF CONTENTS

Section of this bill	Section of amended Social Security Act	Heading
Title I	Title II	Amendments to title II of the Social Security Act.
101	----	Extension of coverage.
101 (a)	210	Extension of coverage to additional employees.
101 (b)	209	Definition of wages for certain employees.

TABLE OF CONTENTS—Continued

Section of this bill	Section of amended Social Security Act	Heading
101 (c)	211	Extension of coverage to additional self-employed persons.
101 (d)	202	Lump-sum death payments for reburial of servicemen who died outside the United States.
102	----	Increase in benefits.
102 (a)	215 (c)	Increase in benefits computed by conversion table.
102 (b)	215 (a)	Revision of the benefit formula.
102 (c)	215 (b) and (h)	Revised average monthly wage.
102 (d)	215 (a) and 203 (a)	Revised minimum and maximum benefits.
102 (e)	----	Effective dates of amendments made by subsections (a) through (d).
103	----	Rehabilitation services and preservation of benefit rights.
103 (a)	220	Rehabilitation services for workers in danger of becoming permanently and totally disabled, and preservation of insurance rights of workers permanently and totally disabled.
	220 (a)	Rehabilitation services.
	220 (b)	Preservation of insurance rights of permanently and totally disabled individuals.
	220 (c)	Definition of "Disability", "Permanently and totally disabled individual", and "Waiting period".
	220 (d)	Determination of insured status.
	220 (e)	Disability determination date.
	220 (f)	Determinations and examinations.
	220 (g)	Cooperation with agencies and groups.
103 (b)	213 and 214	Technical amendments required to effectuate preservation of insurance rights of permanently and totally disabled persons.
103 (c)		Effective dates of amendments made by subsections (a) and (b).

Section of this bill	Section of Internal Revenue Code	Heading
Title II		Amendments to Internal Revenue Code.
201 (a)	481	Definitions in connection with self-employment.
201 (b)	1426 (a)	Definition of wages for certain employees.
201 (c)	1426 (b)	Definition of employment.

TITLE I—AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT

EXTENSION OF COVERAGE

EXTENSION OF COVERAGE TO ADDITIONAL EMPLOYEES

SEC. 101. (a) Section 210 of the Social Security Act is amended as follows:

(1) By striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof:

"(a) The term 'employment' means any service performed after 1936 and prior to 1953 which was employment for the purposes of this title under the law applicable to the period in which such service was performed, and any service, of whatever nature performed after 1952 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States or (B)

outside the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (e)); except that, in the case of service performed after 1952, such term shall not include—".

(2) By striking out paragraph (1) of subsection (a) and inserting in lieu thereof:

"(1) Agricultural labor (as defined in subsection (f) of this section) performed in any calendar quarter by an employee for an employer, unless the cash remuneration paid by such employer for such labor is $50 or more;".

(3) By striking out paragraph (3) of subsection (a) and inserting in lieu thereof:

"(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee for an employer, unless the cash remuneration paid by such employer for such services is $50 or more. As used in this paragraph, the term 'service not in the course of the employer's trade or business' does not include domestic service in a private home of the employer and does not include service described in subsection (f) (5);".

DEFINITION OF WAGES FOR CERTAIN EMPLOYEES

(b) Section 209 of the Social Security Act is amended as follows:

(1) By striking out so much of the section as precedes subsection (a) and inserting in lieu thereof:

"SEC. 209. For the purposes of this title, the term 'wages' means remuneration paid prior to 1953 which was wages for the purposes of this title under the law applicable to the payment of such remuneration, and remuneration paid after 1952 for employment, including the cash value of all remuneration paid in any medium other than cash; except that in the case of remuneration paid after 1952, such term shall not include—".

(2) By striking out paragraph (2) of subsection (g) and inserting in lieu thereof:

"(2) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in the quarter for such service is less than $50. As used in this paragraph, the term 'domestic service in a private home of the employer' does not include service described in section 210 (f) (5);".

EXTENSION OF COVERAGE TO ADDITIONAL SELF-EMPLOYED PERSONS

(c) Section 211 of such Act is amended as follows:

(1) By striking out that part of subsection (a) which precedes paragraph 1 and inserting in lieu thereof:

"(a) the term 'net earnings from self-employment' means any income received prior to 1953 which was 'net earnings from self-employment' for the purposes of this

title under the law applicable to the period in which such income was received and after December 31, 1952, the gross income, as computed under chapter 1 of the Internal Revenue Code, derived by an individual from any trade or business carried on by such individual, less the deductions allowed under such chapter which are attributable to such trade or business, plus his distributive share (whether or not distributed) of the ordinary net income or loss, as computed under section 183 of such code, from any trade or business carried on by a partnership of which he is a member; except that in computing such gross income and deductions and such distributive share of partnership ordinary net income or loss—".

(2) By striking out paragraph (2) of subsection (a) and renumbering succeeding paragraphs accordingly.

(3) By striking out, in renumbered paragraph (3), the words "cutting or disposal of timber" and inserting in lieu thereof: "cutting of timber, or the disposal of timber or coal,".

(4) The amendment made by paragraph (3) of this subsection shall be applicable only with respect to taxable years beginning after December 31, 1950.

(5) By inserting, after the final semicolon in paragraph (3) of subsection 211 (c), the word "or".

(6) By striking out, in paragraph (4) of subsection

211 (c), the words "such order; or" at the end of the paragraph and inserting in lieu thereof: "such order.".

(7) By striking out paragraph (5) of subsection 211 (c).

LUMP-SUM DEATH PAYMENTS FOR REBURIAL OF SERVICEMEN WHO DIED OUTSIDE THE UNITED STATES

(d) (1) The last sentence of section 202 (i) of the Social Security Act is amended to read: "No payment shall be made to any person under this subsection unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), (1) prior to the expiration of two years after the date of death of such insured individual, or (2) in the case of any person who has paid some or all of the expenses of burial of an insured individual who died outside the forty-eight States and the District of Columbia, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States or the District of Columbia for interment or reinterment, prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any person who has paid some or all of the expenses of burial of an insured individual who died outside the forty-eight States and the District of Columbia subsequent to June 26, 1950, whose death occured while he

was in the active military or naval service of the United States, and who is returned to any of such States or the District of Columbia for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of the Social Security Act Amendments of 1950 and the last sentence of section 202 (i) of the Social Security Act as in effect prior to the enactment of this Act shall not be applicable if application for a lump-sum death payment under such section with respect to such deceased individual is filed prior to the expiration of two years from the date of such interment or reinterment.

INCREASE IN BENEFITS

INCREASE IN BENEFITS COMPUTED BY CONVERSION TABLE

SEC. 102. (a) (1) Paragraph (1) of subsection (c) of section 215 of the Social Security Act is amended by striking out "; and his average monthly wage shall, for purposes of section 203 (a), be the amount appearing on such line in column III", by striking out column III of the table, and by increasing each of the amounts in column II of the table by 10 per centum, except that if any such amount is, after such increase, not a multiple of 10 cents it shall be raised to the next higher multiple of 10 cents.

(2) Paragraph (2) of such subsection is amended to read as follows:

"(2) In case the primary insurance benefit of an in-

dividual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for such individual shall be the amount determined with respect to such benefit, under regulations of the Administrator prescribed under this paragraph and in effect during the month following the month in which the Federal Old-Age and Survivors Insurance Amendments of 1952 were enacted, increased by 10 per centum and further increased, if it is not then a multiple of 10 cents, to the next higher multiple of 10 cents."

(3) Such subsection is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (1) or (2) of this subsection shall be deemed to be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section, except that if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

REVISION OF THE BENEFIT FORMULA

(b) Paragraph (1) of subsection (a) of section 215 of such Act is amended by striking out "$100" and "$200" and inserting in lieu thereof "$115" and "$185", respectively.

REVISED AVERAGE MONTHLY WAGE

(c) (1) Except for the purposes of subsection (d) (4) of section 215 of such Act as amended by this Act, subsection (b) of such section 215 is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof, the following:

"(b) (1) An individual's average monthly wage shall be the product obtained by multiplying his average earnings by his regularity-of-service factor.

"(2) An individual's 'average earnings' means—

"(A) in the case of an individual who has more than nine years of coverage within the period after his starting date and prior to the year in which occurs his divisor closing date, the quotient obtained by dividing the total of his wages (taking into account only wages prior to his wage closing date) and self-employment income (taking into account only self-employment income prior to his self-employment income closing date) in the ten consecutive years of coverage in which such total was largest within such period, by 120;

"(B) in the case of an individual who has more

than four but fewer than ten years of coverage within the period after his starting date and prior to the year in which occurs his divisor closing date, the quotient obtained by dividing (i) the total of his wages (taking into account only wages prior to his wage closing date) and self-employment income (taking into account only self-employment income prior to his self-employment income closing date) in such period, but excluding from such total any wages in and any self-employment income credited to any quarter any part of which is included in a period of disability by (ii) the smaller of 120, or three times the number of elapsed quarters in such period (excluding from such elapsed quarters any quarter prior to the year in which he attained the age of twenty-three which was not a quarter of coverage, and any quarter any part of which is included in a period of disability); and

"(C) in the case of an individual who has fewer than five years of coverage within the period after his starting date and before the year in which occurs his divisor closing date, the quotient obtained by dividing (i) the total of his wages after his starting date and prior to his wage closing date, and his self-employment income after such starting date and prior to his self-employment income closing date, excluding from such

total any wages in and any self-employment income credited to any quarter any part of which is included in a period of disability, by (ii) the smaller of 120, or three times the number of quarters elapsing after such starting date and prior to his divisor closing date (excluding from such elapsed quarters any quarter prior to the year in which he attained the age of twenty-three which was not a quarter of coverage, and any quarter any part of which is included in a period of disability), except that when the number of such elapsed months thus computed is less than eighteen, it shall be increased to eighteen.

"(3) An individual's 'regularity-of-service factor' means the quotient obtained by dividing (A) the larger of 10, or the number of his years of coverage after 1950 by (B) the number of years elapsing after 1952, or if later the year in which he attained age twenty-two, and prior to the year in which occurs his divisor closing date, excluding from such elapsed years any year any part of which is included in a period of disability unless such year is a year of coverage. If the quotient obtained in the preceding sentence is greater than 1, it shall be reduced to 1. If an individual's divisor closing date occurs before the year in which the individual attained age twenty-three (or, except for having died pre-

viously, the year in which he would have attained such age), the regularity-of-service factor shall be 1.

"(4) In determining an individual's consecutive years of coverage for the purposes of subparagraph (A) of the preceding paragraph, any calendar year which was not a year of coverage shall be disregarded, and any year any part of which is included in a period of disability shall be disregarded both as to being a year of coverage and as to the wages and self-employment income credited in such year, if, by disregarding such year, the average earnings would be higher.

"(5) An individual's 'starting date' shall be whichever of the following results in the highest average monthly wage:

"(i) December 31, 1950;

"(ii) December 31, 1952; or

"(iii) in case of an individual who attained age twenty-two after December 31, 1950, December 31 of the year in which he attained age twenty-two."

(2) Subsection (b) of section 215 of the Social Security Act is further amended by renumbering paragraphs (3) and (4) as paragraphs (6) and (7) respectively.

(3) Section 215 of such Act is further amended by inserting after subsection (g) the following new subsection:

"YEAR OF COVERAGE

"(h) For purposes of this title, a 'year of coverage' means a calendar year in which the sum of the wages paid to an individual and the self-employment income credited to such year (as determined under section 212) was not less than $200."

REVISED MINIMUM AND MAXIMUM BENEFITS

(d) (1) Paragraph (1) of subsection (a) of section 215 of such Act is further amended by striking out the table and inserting in lieu thereof the following table:

I	II
Average monthly wage	Primary insurance amount
$30 or less	$22
$31 or $32	23
$33 or $34	24
$35 or $49	25

(2) Subsection (a) of section 203 of such Act is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$165" and "$44", respectively.

EFFECTIVE DATE

(e) As used in this section, the term "effective date" means the last day of the calendar month following the month in which this Act is enacted.

(f) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1)

of the Social Security Act, be applicable in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, the effective date.

(2) (A) In the case of any individual who is (without the application of subsection (j) (1) of section 202 of the Social Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for the month in which the effective date occurs, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amount of such benefit for such succeeding month shall not (subject to the provisions of subparagraph (B)) be computed through application of the provisions of the Social Security Act, as amended by this Act. The amount of such benefit for such succeeding month shall instead be equal to 110 per centum of the amount of such benefit (after the application of section 203 and section 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for the month in which the effective date occurs, increased, if it is not a multiple of 10 cents, to the next higher multiple of 10 cents. In the case

of any such benefit which is payable on the basis of the wages and self-employment income of an individual whose primary insurance amount, as determined under section 215 of the Social Security Act prior to the enactment of this Act, exceeds $50, the provisions of section 203 (a) of the Social Security Act, as amended by this Act (and for such purpose the provisions of section 215 (c) (4) of the Social Security Act, as so amended), shall be applicable to such benefit as computed under the preceding sentence of this subparagraph. In the case of any other benefit as so computed, the provisions of section 203 (a) and 215 (c) (4) of the Social Security Act, as so amended, shall not be applicable.

(B) The provisions of subparagraph (A) shall cease to be applicable to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after the effective date for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled on the basis of such wages and self-employment income, for the month in which the effective date occurs; or (ii) another individual, entitled to a benefit under such title on the basis of the same wages and self-employment income for the month in which the effective date occurs, is no longer entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount

of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act (and after application of sections 203 and 215 (g) of the Social Security Act as so amended) differs from the amount of such benefit which would have been payable under such title (and after the application of such sections) for the month in which such effective date occurred if the amendments made by this Act had been applicable in the case of benefits under such title for such months.

(g) The amendments made by subsection (b) and paragraph (1) of subsection (d) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) be applicable in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, the effective date.

(h) The amendments made by paragraph (2) of subsection (d) shall be applicable in case of monthly benefits under section 202 of the Social Security Act for any month after the effective date.

(i) No increase in any benefit by reason of the amendments made by this Act or by reason of paragraph (2) of subsection (f) of this section shall be regarded as a recom-

putation for purposes of section 215 (f) of the Social Security Act.

REHABILITATION SERVICES AND PRESERVATION OF BENEFIT RIGHTS

SEC. 103. (a) To make rehabilitation services readily available to disabled persons who without such services would be in danger of becoming permanently and totally disabled, and to maintain the old-age and survivors insurance rights of persons who are permanently and totally disabled, title II of the Social Security Act is amended by adding after section 219 the following:

"REHABILITATION SERVICES FOR WORKERS IN DANGER OF BECOMING PERMANENTLY AND TOTALLY DISABLED, AND PRESERVATION OF INSURANCE RIGHTS OF WORKERS PERMANENTLY AND TOTALLY DISABLED

"REHABILITATION SERVICES

"SEC. 220. (a) (1) Every disabled individual who has a disability (as defined in subsection (c)) which has lasted, or can be expected to last, throughout his waiting period (as defined in subsection (c)) or, in the case of an individual entitled to benefits under section 202 (a), has lasted for more than six consecutive calendar months, and without rehabilitation services can be expected to continue indefinitely, and either—

"(A) (i) has not attained retirement age, (ii)

has filed application for rehabilitation services, and (iii) is insured under subsection (d) of this section; or

"(B) is entitled to benefits under section 202 (a) and has filed application for rehabilitation services, shall be eligible for those rehabilitation services listed under section (3) (a) of the Vocational Rehabilitation Act (29 U. S. C., sec. 33), provided a rehabilitation agency (as defined in regulations of the Administrator) certifies that such services will aid such disabled individual to engage in some gainful activity, and such agency is authorized by the Administrator to make such certifications. Such services shall be continued only if there is a periodic certification (at least every six months) by the rehabilitation agency rendering the services that such individual appears to be rehabilitable into gainful employment.

"(2) For the purposes of effectuating the provisions of paragraph (1) hereof, the services and facilities of State agencies (or corresponding agencies in the case of Territories or possessions) cooperating with the Federal Government in carrying out the purposes of the Vocational Rehabilitation Act (29 U. S. C., ch. 4) shall be utilized to the fullest possible extent. Agencies providing such services shall be reimbursed for the reasonable cost thereof, either in advance or by way of reimbursement, as determined by the Adminis-

trator, and prior to action thereon by the General Accounting Office.

"(3) There is hereby authorized to be appropriated from the Trust Fund such amount as may be necessary to provide such rehabilitation services.

"PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED INDIVIDUALS

"(b) (1) Every permanently and totally disabled individual (as defined in subsection (c)) who—

"(A) has filed application to establish a period of disability;

"(B) is insured under subsection (d) of this section; and

"(C) has been under a disability throughout his waiting period (as defined in subsection (c)),

shall, for the purposes of sections 213 (a), 214 (a) and (b), and 215 (b), be considered to have established a period of disability.

"(2) A period of disability established in accordance with the provisions of paragraph (1) hereof shall begin with the quarter in which the individual's disability determination date occurred and shall end at the close of the quarter in which—

"(A) the individual became entitled to old-age insurance benefits;

"(B) the individual died;

"(C) the individual ceases to be under a disability; in case an individual ceases to be under a disability and without good cause has failed to notify the Administrator within the quarter following the quarter in which he ceases to be under a disability, the Administrator shall reduce the individual's period of disability, beginning with the last quarter and counting backward in sequence, by one quarter for each delinquent quarter or part of a quarter; but such delinquency shall not result in a reduction of more than four calendar quarters;

"(D) the Administrator determines that the permanently and totally disabled individual has refused or failed to submit himself for examination or reexamination in accordance with regulations of the Administrator; or has without good cause refused or failed to take all steps necessary to obtain and accept rehabilitation services after being directed by the Administrator to do so;

"(E) the Administrator determines, with respect to a permanently and totally disabled individual outside the United States, that adequate arrangements have not been made for determining or redetermining such individual's disability or for such individual's rehabilitation; or

"(F) the Administrator determines that the per-

manently and totally disabled individual cannot be located after reasonable efforts have been made to communicate with him.

Such period of disability shall include the quarter in which the period began, the quarter in which it terminated, and all intervening quarters.

"(3) An individual who could have established a period of disability under the provisions of this subsection for any quarter had he filed application therefor prior to the end of such quarter shall be considered to have established a period of disability for such quarter if he files application therefor prior to the end of the fourth quarter succeeding such quarter, except that if the application is filed prior to August 1, 1954, and the individual's disability began prior to June 30, 1953, and continued without interruption until January 1, 1954, such individual shall be considered to have established a period of disability beginning with the first quarter of 1942 or the quarter in which his disability began, whichever is the later.

"(4) No application to establish a period of disability filed prior to the first quarter for which the applicant could have established such period under this subsection shall be accepted as an application for purposes of this subsection,

except that no application for the purposes of this subsection shall be accepted prior to April 1, 1953.

"DEFINITION OF 'DISABILITY,' 'PERMANENTLY AND TOTALLY DISABLED INDIVIDUAL,' AND 'WAITING PERIOD'

"(c) For the purpose of this title—

"(1) The term 'disability' means (a) inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment, or (b) blindness; and the term 'blindness' means central visual acuity of 5/200 or less in the better eye with correcting lenses. An eye in which the visual field is reduced to five degrees or less concentric contraction shall be considered for the purpose of this paragraph as having a central visual acuity of 5/200 or less.

"(2) The term 'permanently and totally disabled individual' means an individual who has a 'disability' which has lasted throughout his waiting period and whose physical or mental impairment can be expected to continue indefinitely.

"(3) The term 'waiting period' means, with respect to the disability of any individual, the period beginning with the calendar month in which occurred his disability determination date (as determined under subsection (e)) and

ending at the expiration of the sixth calendar month following such month.

"DETERMINATION OF INSURED STATUS

"(d) An individual is insured for purposes of this section if he had not less than—

"(1) six quarters of coverage (as determined under section 213 (a) (2)) during the thirteen-quarter period which ends with the quarter in which his disability determination date occurred; and

"(2) twenty quarters of coverage during the forty-quarter period which ends with the quarter in which his disability determination date occurred. For the purposes of this section there shall be excluded from the count of the quarters in each period specified in paragraphs (1) and (2) any quarter any part of which was included in a prior period of disability unless such quarter is a quarter of coverage.

"DISABILITY DETERMINATION DATE

"(e) An individual's disability determination date shall be whichever of the following days is the latest:

"(1) The day the disability began;

"(2) January 1, 1942;

"(3) The first day of the fourth quarter prior to the quarter in which he filed an application under this section, except that if his disability began prior to June

30, 1953, and such disability continued without interruption until at least July 1, 1953, this paragraph shall not be applicable if he files an application under subsection (b) prior to August 1, 1954; and

"(4) The first day of the first quarter in which he would be insured under subsection (d) of this section with respect to such disability if he had filed an application under this section in such quarter.

"DETERMINATIONS AND EXAMINATIONS

"(f) The Administrator shall make adequate provision for determination of disability and redeterminations thereof at necessary intervals; he shall provide for such examination of individuals as is necessary for purposes of determining or redetermining eligibility for services and/or eligibility for a period of disability under this section by reason thereof and for related purposes. An individual shall not be deemed a permanently and totally disabled individual unless he furnishes such proof of his disability as may be required by regulation, and unless the disability is established by the weight of affirmative evidence. Examinations may be performed in existing facilities of the Federal Government if readily available (and, if such facilities are not part of the Federal Security Agency, pursuant to agreement between the Administrator and the head of the agency concerned), and by impartial private physicians, clinics, hospitals, or other med-

ical facilities designated for conducting such examinations. In the case of any individual submitting to an examination there may be paid the necessary travel expenses (including subsistence expenses incidental thereto), either on a flat rate or a commuted basis, of such individual in connection with such examinations, and there may be paid to the person, facility, or agency making such examination, the necessary fees, costs of tests, and necessary travel expenses, either on a flat rate or a commuted basis, for such examination, either directly or through appropriate Federal or State departments, agencies, or commissions. Such payments may be paid prior to action thereon by the General Accounting Office. There is hereby authorized to be appropriated for each fiscal year from the Trust Fund such amount as may be necessary for the purpose of administering this subsection.

"COOPERATION WITH AGENCIES AND GROUPS

"(g) The Administrator is authorized to secure the cooperation of appropriate agencies of the United States, of States, or of the political subdivisions of States and the cooperation of private medical, dental, hospital, nursing, health, educational, social and welfare groups or organizations, and where necessary to enter into voluntary working agreements with any of such public or private agencies,

organizations, or groups in order that their advice and services may be utilized in the efficient administration of this section."

TECHNICAL AMENDMENTS REQUIRED TO EFFECTUATE PRESERVATION OF INSURANCE RIGHTS OF PERMANENTLY AND TOTALLY DISABLED PERSONS

(b) (1) Section 213 (a) (2) (B) of such Act is amended by striking out clauses (ii) and (iii) and inserting in lieu thereof:

"(ii) no quarter any part of which is included in a period of disability, other than the initial or last quarter, shall be a quarter of coverage;

"(iii) if the wages paid to any individual in any calendar year after 1950 equal or exceed $3,600, each quarter of such year shall (subject to clauses (i) and (ii) be a quarter of coverage;

"(iv) if an individual has self-employment income for a taxable year and if the sum of such income and the wages paid to him during such taxable year equals $3,600, each quarter any part of which falls in such year shall (subject to clauses (i) and (ii)) be a quarter of coverage;".

(2) Clause (iv) of such subparagraph is relettered (v).

(3) Section 214 (a) (2) of such Act is amended by striking out

"or

"(B) forty quarters of coverage."

and inserting in lieu thereof:

"(B) twenty quarters of coverage within the forty-quarter period ending with the quarter in which he attained retirement age or with any subsequent calendar quarter or ending with the quarter in which he died; or

"(C) forty quarters of coverage;

not counting as an elapsed quarter for purposes of subparagraph (A), and not counting as part of the forty-quarter period referred to in subparagraph (B), any quarter any part of which is included in a period of disability unless such quarter is a quarter of coverage."

(4) Section 214 (b) of such Act is amended by striking out the period and inserting in lieu there: ", excluding from such thirteen-quarter period any quarter any part of which is included in a period of disability unless such quarter is a quarter of coverage."

EFFECTIVE DATES

(c) The amendments made by subsections (a) and (b) of this section shall be effective on June 30, 1953.

TITLE II—AMENDMENTS TO INTERNAL REVENUE CODE

DEFINITIONS IN CONNECTION WITH SELF-EMPLOYMENT

SEC. 201. (a) Subchapter E of the Internal Revenue Code is amended as follows:

(1) By striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"(a) NET EARNINGS FROM SELF-EMPLOYMENT.—The term 'net earnings from self-employment' means any income received prior to 1953 which was 'net earnings from self-employment' for the purposes of this subchapter under the law applicable to the period in which such income was received and after December 31, 1952, the gross income derived by an individual from any trade or business carried on by such individual, less the deductions allowed by this chapter which are attributable to such trade or business, plus his distributive share (whether or not distributed) of the ordinary net income or loss, as computed under section 183, from any trade or business carried on by a partnership of which he is a member; except that in computing such gross income and deductions and such distributive share of partnership ordinary net income or loss—".

(2) By striking out paragraph (2) of subsection (a) and renumbering succeeding paragraphs accordingly.

(3) By inserting, after the final semicolon in paragraph (3) of subsection 481 (c), the word "or".

(4) By striking out in paragraph (4) of subsection 481 (c), the words "such order; or" at the end of the paragraph and inserting in lieu thereof the following: "such order.".

(5) By striking out paragraph (5) of subsection 481 (c).

DEFINITION OF WAGES FOR CERTAIN EMPLOYEES

(b) Effective January 1, 1953, section 1426 (a) of the Internal Revenue Code is amended by striking out subparagraph (B) of paragraph (7) and inserting in lieu thereof:

"(B) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in the quarter for such service is less than $50. As used in this subparagraph, the term 'domestic service in a private home of the employer' does not include service described in subsection (h) (5);".

DEFINITION OF EMPLOYMENT

(c) Section 1426 (b) of such Code is amended as follows:

(1) Strike out so much of such section as precedes paragraph (1) and insert in lieu thereof:

"(b) EMPLOYMENT.—The term 'employment' means any service performed after 1936 and prior to 1953 which was employment for the purposes of this subchapter under the law applicable to the period in which such service was performed, and any service, of whatever nature, performed after 1952 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, or (B) outside the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (i) of this section); except that in the case of service performed after 1952, shall not include—".

(2) Strike out paragraph (1) and insert in lieu thereof the following:

"(1) Agricultural labor (as defined in subsection (h) of this section) performed in any calendar quarter by an employee for an employer, unless the cash remuneration paid by such employer for such labor is $50 or more."

(3) Strike out paragraph (3) and insert in lieu thereof the following:

"(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee for an employer, unless the cash remuneration paid by such employer for such service is $50 or more. As used in this paragraph, the term 'service not in the course of the employer's trade or business' does not include domestic service in a private home of the employer and does not include service described in subsection (h) (5);".

82D CONGRESS
2D SESSION

H. R. 7549

A BILL

To extend and improve the Old-Age and Survivors Insurance System, to prevent loss of benefit rights in the event of disability, to provide for rehabilitation, and for other purposes.

By Mr. KEAN

APRIL 23, 1952

Referred to the Committee on Ways and Means

82D CONGRESS
2D SESSION

H. R. 7909

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1952

Mr. REED of New York introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1952".

INCREASE IN BENEFIT AMOUNTS

Benefits Computed by Conversion Table

SEC. 2. (a) (1) Section 215 (c) (1) of the Social Security Act (relating to determinations made by use of the

conversion table) is amended by striking out the table and inserting in lieu thereof the following new table:

"I If the primary insurance benefit (as determined under subsection (d)) is:	II The primary insurance amount shall be:	III And the average monthly wage for purpose of computing maximum benefits shall be:
$10	$25.00	$45.00
$11	27.00	49.00
$12	29.00	53.00
$13	31.00	56.00
$14	33.00	60.00
$15	35.00	64.00
$16	36.70	67.00
$17	38.20	69.00
$18	39.50	72.00
$19	40.70	74.00
$20	42.00	76.00
$21	43.50	79.00
$22	45.30	82.00
$23	47.50	86.00
$24	50.10	91.00
$25	52.40	95.00
$26	54.40	99.00
$27	56.30	109.00
$28	58.00	120.00
$29	59.40	129.00
$30	60.80	139.00
$31	62.00	147.00
$32	63.30	155.00
$33	64.40	163.00
$34	65.50	170.00
$35	66.60	177.00
$36	67.80	185.00
$37	68.90	193.00
$38	70.00	200.00
$39	71.00	207.00
$40	72.00	213.00
$41	73.10	221.00
$42	74.10	227.00
$43	75.10	234.00
$44	76.10	241.00
$45	77.10	250.00
$46	77.10	250.00"

(2) Section 215 (c) (2) of such Act is amended to read as follows:

"(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the

amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or $5, whichever is the larger, and further increased, if it is not then a multiple of $0.10, to the next higher multiple of $0.10."

(3) Section 215 (c) of such Act is further amended by inserting after paragraph (3) the following new paragraph:

"(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a) (1) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of $1, it shall be rounded to the nearest multiple of $1."

Revision of the Benefit Formula; Revised Mimimum and Maximum Amounts

(b) (1) Section 215 (a) (1) of the Social Security Act (relating to primary insurance amount) is amended to read as follows:

"(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950

are quarters of coverage shall be 55 per centum of the first $100 of his average monthly wage, plus 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

"I Average Monthly Wage	II Primary Insurance Amount
$34 or less	$25
$35 through $47	$26"

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$40" wherever they occur and inserting in lieu thereof "$168.75" and "$45", respectively.

Effective Dates

(c) (1) The amendments made by subsection (a) shall, subject to the provisions of paragraph (2) of this subsection and notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after, and in the case of monthly benefits under such section for any month after, August 1952.

(2) (A) In the case of any individual who is (without the application of section 202 (j) (1) of the Social

Security Act) entitled to a monthly benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of such section 202 for August 1952, whose benefit for such month is computed through use of a primary insurance amount determined under paragraph (1) or (2) of section 215 (c) of such Act, and who is entitled to such benefit for any succeeding month on the basis of the same wages and self-employment income, the amendments made by this section shall not (subject to the provisions of subparagraph (B) of this paragraph) apply for purposes of computing the amount of such benefit for such succeeding month. The amount of such benefit for such succeeding month shall instead be equal to the larger of (i) 112½ per centum of the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased, if it is not a multiple of $0.10, to the next higher multiple of $0.10, or (ii) the amount of such benefit (after the application of sections 203 (a) and 215 (g) of the Social Security Act as in effect prior to the enactment of this Act) for August 1952, increased by an amount equal to the product obtained by multiplying $5 by the fraction applied to the primary insurance amount which was used in determining such benefit, and further increased, if such product is not a multiple of $0.10, to the next higher multiple of

$0.10. The provisions of section 203 (a) of the Social Security Act, as amended by this section (and, for purposes of such section 203 (a), the provisions of section 215 (c) (4) of the Social Security Act, as amended by this section), shall apply to such benefit as computed under the preceding sentence of this subparagraph, and the resulting amount, if not a multiple of $0.10, shall be increased to the next higher multiple of $0.10.

(B) The provisions of subparagraph (A) shall cease to apply to the benefit of any individual for any month under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual becomes entitled, on the basis of the same wages and self-employment income, to a benefit under such title to which he was not entitled, on the basis of such wages and self-employment income, for August 1952; or (ii) another individual, entitled for August 1952 to a benefit under such title on the basis of the same wages and self-employment income, is not entitled to such benefit on the basis of such wages and self-employment income; or (iii) the amount of any benefit which would be payable on the basis of the same wages and self-employment income under the provisions of such title, as amended by this Act, differs from the amount of such benefit which would have been payable for August 1952 under such title, as so amended, if the amendments

made by this Act had been applicable in the case of benefits under such title for such month.

(3) The amendments made by subsection (b) shall (notwithstanding the provisions of section 215 (f) (1) of the Social Security Act) apply in the case of lump-sum death payments under section 202 of such Act with respect to deaths occurring after August 1952, and in the case of monthly benefits under such section for months after August 1952.

Saving Provisions

(d) (1) Where—

(A) an individual was entitled (without the application of section 202 (j) (1) of the Social Security Act) to an old-age insurance benefit under title II of such Act for August 1952;

(B) two or more other persons were entitled (without the application of such section 202 (j) (1)) to monthly benefits under such title for such month on the basis of the wages and self-employment income of such individual; and

(C) the total of the benefits to which all persons are entitled under such title on the basis of such individual's wages and self-employment income for any subsequent month for which he is entitled to an old-age insurance benefit under such title, would (but for the

provisions of this paragraph) be reduced by reason of the application of section 203 (a) of the Social Security Act, as amended by this Act,

then the total of benefits, referred to in clause (C), for such subsequent month shall be reduced to whichever of the following is the larger:

(D) the amount determined pursuant to section 203 (a) of the Social Security Act, as amended by this Act; or

(E) the amount determined pursuant to such section, as in effect prior to the enactment of this Act, for August 1952 plus the excess of (i) the amount of his old-age insurance benefit for August 1952 computed as if the amendments made by the preceding subsections of this section had been applicable in the case of such benefit for August 1952, over (ii) the amount of his old-age insurance benefit for August 1952.

(2) No increase in any benefit by reason of the amendments made by this section or by reason of paragraph (2) of subsection (c) of this section shall be regarded as a recomputation for purposes of section 215 (f) of the Social Security Act.

INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT DEDUCTIONS

SEC. 3. (a) Paragraph (1) of subsection (b) of section 203 of the Social Security Act and paragraph (1) of subsection (c) of such section are each amended by striking out "$50" and inserting in lieu thereof "$100".

(b) Paragraph (2) of subsection (b) of such section is amended by striking out "$50" and inserting in lieu thereof "$100".

(c) Paragraph (2) of subsection (c) of such section is amended by striking out "$50" and inserting in lieu thereof "$100".

(d) Subsections (e) and (g) of such section are each amended by striking out "$50" wherever it appears and inserting in lieu thereof "$100".

(e) The amendments made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after August 1952. The amendments made by subsection (b) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual entitled to such benefits) end-

ing after August 1952. The amendments made by subsection (c) shall apply in the case of monthly benefits under such title II for months in any taxable year (of the individual on the basis of whose wages and self-employment income such benefits are payable) ending after August 1952. The amendments made by subsection (d) shall apply in the case of taxable years ending after August 1952. As used in this subsection, the term "taxable year" shall have the meaning assigned to it by section 211 (e) of the Social Security Act.

WAGE CREDITS FOR CERTAIN MILITARY SERVICE; REINTERMENT OF DECEASED VETERANS

SEC. 5. (a) Section 217 of the Social Security Act (relating to benefits in case of World War II veterans) is amended by striking out "WORLD WAR II" in the heading and by adding at the end of such section the following new subsection:

"(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (5)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him), of $160 in each month during any part of which he served in the active military or naval

service of the United States on or after July 25, 1947, and prior to January 1, 1954. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

"(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

"(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

"(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to January 1, 1954, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

"(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval

service on or after July 25, 1947, and prior to January 1, 1954, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

"(4) There are hereby authorized to be appropriated to the Trust Fund from time to time, as benefits which include service to which this subsection applies become payable under this title, such sums as may be necessary to meet the additional costs, resulting from this subsection, of such benefits (including lump-sum death payments). The Administrator shall from time to time estimate the amount of such additional costs through the use of appropriate accounting, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'veteran' means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to January 1, 1954, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States

if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense."

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under the Railroad Retirement Act) is amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a) or (e) of section 217".

(c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217 (e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was

filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act.

(2) In the case of any veteran (as defined in section 217 (e) (5) of the Social Security Act) who died prior to September 1952, the requirement in subsections (f) and (h) of section 202 of the Social Security Act that proof of support be filed within two years of the date of such death shall not apply if such proof is filed prior to September 1954.

(d) (1) Paragraph (1) of section 217 (a) of such Act is amended by striking out "a system established by such agency or instrumentality." in clause (B) and inserting in lieu thereof:

"a system established by such agency or instrumentality. The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by $0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based."

(2) The amendment made by paragraph (1) of this

subsection shall apply only in the case of applications for benefits under section 202 of the Social Security Act filed after August 1952.

(e) (1) Section 101 (d) of the Social Security Act Amendments of 1950 is amended by changing the period at the end thereof to a comma and adding: "and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment."

(2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United

States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the last sentence of section 202 (i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

COVERAGE OF CERTAIN EMPLOYEES COVERED BY STATE AND LOCAL RETIREMENT SYSTEMS

SEC. 6. (a) Subsection (d) of section 218 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out "Exclusion of" in the heading, by inserting "(1)" after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding paragraph (1), an agreement with a State may be made applicable (either in the original agreement or by any modification thereof) to service performed by employees in positions covered by a retirement system (including positions specified in paragraph (3) but excluding positions specified in paragraph (4)) if—

"(A) there were in effect on January 1, 1951, in a

State or local law, provisions relating to the coordination of such retirement system with the insurance system established by this title; or

"(B) the Governor of the State certifies to the Administrator that the following conditions have been met:

"(i) A referendum by secret written ballot was held on the question whether service in positions covered by such retirement system should be excluded from or included under an agreement under this section;

"(ii) An opportunity to vote in such referendum was given (and was limited) to the employees who, at the time the referendum was held, were in positions then covered by such retirement system (other than employees in positions to which, at the time the referendum was held, the State agreement already applied and other than employees in positions specified in paragraph (4) (A));

"(iii) Ninety days' notice of such referendum was given to all such employees;

"(iv) Such referendum was conducted under the supervision of the Governor or an individual designated by him; and

"(v) Two-thirds or more of the employees who voted in such referendum voted in favor of including service in such positions under an agreement under this section.

No referendum with respect to a retirement system shall be valid for the purposes of this paragraph unless held within the two-year period which ends on the date of execution of the agreement or modification which extends the insurance system established by this title to such retirement system.

"(3) For the purposes of subsections (c) and (g) of this section, the following employees shall be deemed to be a separate coverage group:

"(A) All employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system;

"(B) All employees in positions which were covered by such system at any time after such date; and

"(C) All employees in positions which were covered by such system at any time before such date and to which the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system.

"(4) Nothing in the preceding paragraphs of this sub-

section shall authorize the extension of the insurance system established by this title to service in any of the following positions covered by a retirement system—

"(A) any policeman's or fireman's position or any elementary or secondary school teacher's position; or

"(B) any position covered by a retirement system applicable exclusively to positions in one or more law-enforcement or fire-fighting units, agencies, or departments.

For the purposes of this paragraph, any individual in the educational system of the State or any political subdivision thereof supervising instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.

"(5) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to each political subdivision concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State."

(b) Subsection (f) of section 218 of the Social Security

Act (relating to effective dates of agreements and modifications thereof) is hereby amended by striking out "January 1, 1953" and inserting in lieu thereof "January 1, 1955".

TECHNICAL PROVISIONS

SEC. 7. (a) Section 215 (f) (2) of the Social Security Act (relating to recomputation of benefits) is amended to read as follows:

"(2) (A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203 (b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

"(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a) (3) of this section, the Administrator shall recompute his primary insurance amount if not less than six

of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

"(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed."

(b) Section 215 (f) of the Social Security Act is further amended by renumbering paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202 (j) (1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of

such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Administrator shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b) (4) (A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation."

(c) In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1952 and with respect to whom not less than six of the quarters elapsing after 1950 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his wage closing date shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (3) of such Act, but only if it would result in a higher primary insurance amount for such individual. The terms used in this paragraph shall have the same meaning as when used in title II of the Social Security Act.

(d) (1) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting in lieu thereof "1952".

(2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(ii) will have rendered service for wages as determined under section 209 of the Social Security Act, without regard to subsection (a) thereof, of more than $70, or will have been charged under section 203 (e) of that Act with net earnings from self-employment of more than $70;".

(3) Section 5 (l) (6) of the Railroad Retirement Act

of 1937, as amended, is amended by inserting "or (e)" after "section 217 (a)".

EARNED INCOME OF BLIND RECIPIENTS

SEC. 8. Title XI of the Social Security Act (relating to general provisions) is amended by adding at the end thereof the following new section:

"EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1109. Notwithstanding the provisions of sections 2 (a) (7), 402 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or XIV may provide that where earned income has been disregarded in determining the need of an individual receiving aid to the blind under a State plan approved under title X, the earned income so disregarded (but not in excess of the amount specified in section 1002 (a) (8)) shall not be taken into consideration in determining the need of any other individual for assistance under a State plan approved under title I, IV, X, or XIV."

82D CONGRESS
2D SESSION

H. R. 7909

A BILL

To amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

By Mr. REED of New York

MAY 19, 1952

Referred to the Committee on Ways and Means

Republican Social-Security Bill

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 19, 1952

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks, I am introducing a social-security bill (H. R. 7909) today which is designed to correct some of the major inequities under present social security law.

The following is a summary of the provisions of my bill:

1. Raises benefits for practically all retired persons now on the rolls by $5 or 12½ percent, whichever is larger.

2. Increases the benefit formula from 50 to 55 percent of the first $100 of average monthly wage. The remainder of the formula, 15 percent of the next $200, would remain unchanged. This higher benefit formula will apply to a few beneficiaries now on the rolls and to practically all who will retire in the future.

3. Increases proportionately the benefits for wives, widows, children and the other categories of beneficiaries, except in some cases where the family is already eligible for the maximum.

4. Raises from $20 to $25 the minimum benefit payable to a retired person and from $150 to $168.75 the largest possible amount payable to a family.

5. Allows old-age and survivors insurance beneficiaries to receive benefits while earning wages up to $100 a month; and permits beneficiaries to have net earnings from self-employment up to $1,200 a year without raising any question as to whether there should be any deductions in benefits because the beneficiary is performing substantial work in self-employment. As in present law, people 75 and older may earn any amount and still receive benefits.

6. Credits of $160 per month are provided members of the Armed Forces serving since the close of World War II through the present Korean emergency. These credits would prevent periods of military service from counting to the disadvantage of members of the Armed Forces and would permit them to build up insurance rights while in service.

7. Extends the option of State governments to enter into agreements with the Federal Government so that these agreements could also cover members of retirement systems (except policemen, firemen and elementary- and secondary-school teachers) if two-thirds of the members of the retirement system elect to be covered; and extend for another 2 years the time within which State governments may make agreements for old-age and survivors insurance coverage retroactive to the effective date of the 1950 amendments (January 1, 1951).

8. Makes several technical changes that will simplify the administration of the insurance payments and correct certain inequities in the 1950 amendments.

9. Makes a technical change in the aid to the blind provisions of the Social Security Act which will permit blind persons to have exempted $50 of earned income in determining the need of any other individual under an approved State public-assistance plan.

PROVISIONS OF THE BILL AFFECTING THE BLIND

Two of the provisions of the bill will assure very substantial help to blind persons. These are as follows:

1. Section 3 of the bill is a very important improvement which preserves the insurance rights of persons permanently and totally disabled. Blind persons are included in this provision. This provision is the same as that included in section 103 of Mr. KEAN'S bill, H. R. 7549.

2. Section 8 of the bill is an important amendment providing for exempting $50 a month of earned income of blind recipients (under the aid to the blind title of the Social Security Act) in determining the need of any other individual claiming assistance under an approved plan.

The other provisions in the bill will also help blind persons. For instance, there are some blind persons, age 65 and over, who are receiving old age insurance benefits. These blind persons will receive the increased insurance benefits provided in section 2 of the bill. The increase from $50 to $70 a month in the amount of earnings permitted without any deduction from the insurance benefit will also help blind beneficiaries who are 65 or over.

LISTING OF REFERENCE MATERIALS

National Planning Association. *Pensions in the United States.* A Study prepared for the Joint Committee on The Economic Report under the direction of Robert M. Ball. *Joint Committee Print. 82d Congress, 2d session, December, 1952.*

President's Commission on the Health Needs of the Nation. *Building America's Health: A Report to the President. Volumes I-V.* 1952 and 1953

U. S. President (Harry S. Truman). *Annual Budget Message to the Congress: Fiscal Year 1952. H. Document 17, 82d Congress, 1st session.*