Social Security Amendments of 1951-52 Volume 1

TABLE OF CONTENTS

I. Reported to House
   A. Committee on Ways and Means Report
      House Report No. 1944 (to accompany H.R. 7800)-May 16, 1952
   B. Committee Bill Reported to the House
      H.R. 7800 (reported with an amendment)—May 16, 1952
   C. Director's Bulletin No. 185, Status of H.R. 7800-May 20, 1952

II. Passed House
   A. House Debate-Congressional Record-May 19, June 16-17, 19-20, 23, 1952
   B. House-Passed Bill
      H.R. 7800 (with amendments)-June 18, 1952

III. Reported to Senate
   A. Committee on Finance Report
      Senate Report No. 1806 (to accompany H.R. 7800)-June 23, 1952
   B. Committee Bill Reported to the Senate
      H.R. 7800 (reported with amendments)—June 23, 1952

IV. Passed Senate
   A. Senate Debate—Congressional Record—June 26, 1952
   B. Senate-Passed Bill with Numbered Amendments—June 27, 1952
   C. House and Senate Conferees—Congressional Record—June 27, July 1-2, 1952

V. Conference Report (reconciling differences in the disagreeing votes of the two Houses)
   A. House Report No. 2491—July 5, 1952
   B. Senate Debate—Congressional Record—July 5, 1952
   C. House Debate—Congressional Record—July 5, 1952
   D. Director's Bulletin 187, Social Security Amendments of 1952—July 15, 1952

VI. Public Law
   A. Public Law 590, 82d Congress—July 18, 1952
   B. Statement by the President Upon Signing H.R. 7800-July 18, 1952
VI. Public Law (Continued)

C. Director's Bulletin No. 188, Social Security Amendments of 1952—July 18, 1952

D. Actuarial Cost Estimates for the Old-Age and Survivors Insurance System as Modified by the Social Security Act Amendments of 1952—July 21, 1952


Appendix

Chairman Doughton's Proposal

A. H.R. 7800 (as introduced)—May 12, 1952

B. Director's Bulletin No. 183, OASI Bill Introduced by Chairman Doughton—May 12, 1952

Alternative Proposals

A. H.R. 7549 (as introduced)—May 23, 1952

B. H.R. 7909 (as introduced)—May 19, 1952

Introductory Remarks, Congressional Record—May 19, 1952

Listing of Reference Materials
AMENDMENTS TO THE AGRICULTURAL ACT

I. Reported to and Passed Senate
   A. Committee on Agriculture and Forestry Report
      Report No. 214, Parts 1 and 2 (to accompany S.984)--April 11, 25, 1951
   *B. Senate Debate—Congressional Record—April 25-26, May 7, 1951
      (See text of Committee-reported and Senate-passed bill—Congressional Record - pp. 4351, 4421, 4979-80)

II. Reported to and Passed House
   A. Committee on Agriculture Report
      Report No. 326, parts 1 and 2 (to accompany H.R. 3283)—April 16, May 1, 1951
   B. Committee Bill Reported to the House
      H.R. 3283 (reported without amendment)—April 16, 1951
   *C. House Debate—Congressional Record—June 26, 27, 1951
      (House passed Senate-passed bill, amended, in lieu of H.R. 3283)
   D. Appointment of Conferees—Congressional Record—June 28, 1951

VI. Conference Report (reconciling differences in the disagreeing votes of the two Houses)
   A. House Report
      No. 668—June 30, 1951
   *B. Senate Debate—Congressional Record—June 30, 1951
   *C. House Debate—Congressional Record—June 30, 1951

IV. Public Law
   Public Law 78-82d Congress—July 12, 1951

Listing of Reference Materials

*Excerpts only
AMENDMENTS TO THE RAILROAD RETIREMENT ACT I.

Reported to and Passed House

A. Committee on Interstate and Foreign Commerce Report
   House Report No. 976 (to accompany H.R. 3669)—September 19, 1951

B. Committee Bill Reported to the House
   H.R. 3669 (reported with amendments)—September 19, 1951

C. House Debate—Congressional Record—October 4-5, 16-17, 1951
   (House passed Committee bill with an amendment)

   See Amendment—Congressional Record—pp. 13305

II. Reported to and Passed Senate

A. Committee on Labor and Public Welfare Report
   Senate Report No. 890 (to accompany S. 1347)—October 4, 1951

B. Committee Bill Reported to the Senate
   S. 1347 (reported with amendments)—October 4, 1951

C. Senate Debate—Congressional Record—October 12, 15, 17, 1951
   (Senate passed House-passed bill, amended. S. 1347 was vacated and the provisions
   substituted for the House-passed bill.)

   See Amendments—Congressional Record—pp. 13H9-13124

D. House and Senate Conferees—Congressional Record—October 17-18, 1951

III. Conference Report (reconciling differences in the disagreeing votes of the two Houses)

A. House Report No. 1215—October 18, 1951

B. House Debate—Congressional Record—October 19, 1951

C. Senate Debate—Congressional Record—October 19, 1951

IV. Public Law

A. Public Law 234—October 30, 1951

B. President's Statement Upon Signing Railroad Retirement Act Amendments—
   October 30, 1951

C. Directors Bulletin No. 176, New Railroad Legislation—October 29, 1951

D. Railroad Retirement Act Amendments of 1951: Benefit Provisions and Legislative
   February, 1952

E. Railroad Retirement Act Amendments of 1951: Financial and Actuarial Aspects, by

Listing of Reference Materials
Extension of time for Retroactive Coverage of Certain State and Local Employees I. Reported to and Passed House

A. Committee on Ways and Means Report
   House Report No. 1999 (to accompany H.R. 6291) —May 21, 1952

B. Committee Bill Reported to the House
   H.R. 6291 (reported without amendment) —May 27, 1952

C. House Debate—Congressional Record—May 28, 1952
   (House passed Committee-reported bill).

II. Reported to and Passed Senate

A. Committee on Finance Report
   Senate Report No. 1792 (to accompany H.R. 6291) —June 19, 1952

B. Senate Debate—Congressional Record—June 19, 1952
   (Committee reported and Senate passed House bill.)

III. Public Law

    Public Law 420—82d Congress—June 28, 1952
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 (i) (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 performe 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 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 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.

<table>
<thead>
<tr>
<th>Present old-age insurance benefit, from present conversion table</th>
<th>Old-age insurance benefit as increased under table in bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>30.00</td>
<td>35.00</td>
</tr>
<tr>
<td>40.00</td>
<td>45.00</td>
</tr>
<tr>
<td>50.00</td>
<td>56.30</td>
</tr>
<tr>
<td>60.00</td>
<td>67.50</td>
</tr>
<tr>
<td>68.50</td>
<td>77.10</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Average monthly wage</th>
<th>Retired worker alone</th>
<th>Retired worker and wife</th>
<th>Aged widow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Present law</td>
<td>H. R. 7800</td>
<td>Present law</td>
</tr>
<tr>
<td>$50</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
</tr>
<tr>
<td>$100</td>
<td>50.00</td>
<td>52.50</td>
<td>80.00</td>
</tr>
<tr>
<td>$150</td>
<td>57.50</td>
<td>62.50</td>
<td>88.00</td>
</tr>
<tr>
<td>$200</td>
<td>65.00</td>
<td>75.00</td>
<td>105.00</td>
</tr>
<tr>
<td>$250</td>
<td>72.50</td>
<td>77.50</td>
<td>116.00</td>
</tr>
<tr>
<td>$300</td>
<td>80.00</td>
<td>85.00</td>
<td>125.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Widow and 1 child</td>
</tr>
<tr>
<td></td>
<td>Present law</td>
<td>H. R. 7800</td>
<td>Present law</td>
</tr>
<tr>
<td>$50</td>
<td>$37.60</td>
<td>$41.40</td>
<td>$40.00</td>
</tr>
<tr>
<td>$100</td>
<td>60.00</td>
<td>68.00</td>
<td>80.00</td>
</tr>
<tr>
<td>$150</td>
<td>68.60</td>
<td>78.60</td>
<td>115.20</td>
</tr>
<tr>
<td>$200</td>
<td>77.60</td>
<td>95.00</td>
<td>115.20</td>
</tr>
<tr>
<td>$250</td>
<td>86.60</td>
<td>116.40</td>
<td>144.80</td>
</tr>
<tr>
<td>$300</td>
<td>95.60</td>
<td>127.60</td>
<td>166.00</td>
</tr>
</tbody>
</table>

**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 who 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 esti­
mates are based on level-earnings assumptions (slightly below the
present level). If in the future the earnings level should be consid­
erably above that which now prevails, and if the benefits for those on
the roll are at some time adjusted upward on this account, the in­
creased 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 pos­
sibility 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 bene­
fits 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 sys­
tem since under such circumstances the relative value of the accumu­
lated reserves would be diminished.

The low-cost and high-cost assumptions relate to the cost as a per­
cent 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 com­
mittees 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 2% percent instead of 2 percent (since interest
rates have risen significantly) and the use of higher earnings assump­
tions, namely corresponding to the experience during 1951 (as con­
trasted 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:

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used in 1950 cost estimates, $3,000 base</td>
<td>$2,590</td>
<td>$1,625</td>
</tr>
<tr>
<td>Used in present cost estimates, $3,600 base</td>
<td>$2,800</td>
<td>$2,030</td>
</tr>
<tr>
<td>Actual 1944, $3,000 base</td>
<td>2,301</td>
<td>1,402</td>
</tr>
<tr>
<td>Actual 1945, $3,000 base</td>
<td>2,293</td>
<td>1,384</td>
</tr>
<tr>
<td>Actual 1946, $3,000 base</td>
<td>2,269</td>
<td>1,384</td>
</tr>
<tr>
<td>Actual 1947, $3,000 base</td>
<td>2,269</td>
<td>1,384</td>
</tr>
<tr>
<td>Actual 1948, $3,000 base</td>
<td>2,493</td>
<td>1,733</td>
</tr>
<tr>
<td>Actual 1949, $3,000 base</td>
<td>2,493</td>
<td>1,733</td>
</tr>
<tr>
<td>Actual 1950, $3,600 base</td>
<td>2,558</td>
<td>1,811</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Low-cost estimate</th>
<th>High-cost estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>$120</td>
<td>$129</td>
</tr>
<tr>
<td>1954</td>
<td>123</td>
<td>131</td>
</tr>
<tr>
<td>1955</td>
<td>123</td>
<td>131</td>
</tr>
<tr>
<td>1956</td>
<td>123</td>
<td>131</td>
</tr>
<tr>
<td>1957</td>
<td>123</td>
<td>131</td>
</tr>
<tr>
<td>1958</td>
<td>123</td>
<td>131</td>
</tr>
<tr>
<td>1959</td>
<td>123</td>
<td>131</td>
</tr>
<tr>
<td>1960</td>
<td>123</td>
<td>131</td>
</tr>
<tr>
<td>1961</td>
<td>123</td>
<td>131</td>
</tr>
</tbody>
</table>

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]**

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Monthly beneficiaries</th>
<th>Lump-sum death payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retirement beneficiaries</td>
<td>Survivors beneficiaries</td>
</tr>
<tr>
<td></td>
<td>Old-age</td>
<td>Wife’s</td>
</tr>
<tr>
<td>1952</td>
<td>2,345</td>
<td>633</td>
</tr>
<tr>
<td>1960</td>
<td>2,792</td>
<td>948</td>
</tr>
<tr>
<td>1970</td>
<td>4,158</td>
<td>1,138</td>
</tr>
<tr>
<td>1980</td>
<td>5,762</td>
<td>1,325</td>
</tr>
<tr>
<td>2000</td>
<td>7,832</td>
<td>1,356</td>
</tr>
<tr>
<td></td>
<td>Low-cost estimate</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2,792</td>
<td>948</td>
</tr>
<tr>
<td>1970</td>
<td>4,158</td>
<td>1,138</td>
</tr>
<tr>
<td>1980</td>
<td>5,762</td>
<td>1,325</td>
</tr>
<tr>
<td>2000</td>
<td>7,832</td>
<td>1,356</td>
</tr>
<tr>
<td></td>
<td>High-cost estimate</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>4,448</td>
<td>1,262</td>
</tr>
<tr>
<td>1970</td>
<td>6,996</td>
<td>1,750</td>
</tr>
<tr>
<td>1980</td>
<td>10,390</td>
<td>2,212</td>
</tr>
<tr>
<td>2000</td>
<td>14,610</td>
<td>2,663</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Under present law in August 1952</th>
<th>Under H. R. 7800</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 1952</td>
<td>1960</td>
</tr>
<tr>
<td>Old-age (primary)</td>
<td></td>
<td>$43</td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td>44</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Wife’s</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Widow’s</td>
<td></td>
<td>36</td>
</tr>
<tr>
<td>Parent’s</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td>Mother’s</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Child’s</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>Lump-sum death</td>
<td></td>
<td>150</td>
</tr>
</tbody>
</table>

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 4½ to 7½ percent of payroll, or about the same as for the 1950 act; using a 2½ percent interest rate yields somewhat lower figures.

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife’s</th>
<th>Widow’s</th>
<th>Parent’s</th>
<th>Mother’s</th>
<th>Child’s</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low-cost estimate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>1.46</td>
<td>0.24</td>
<td>0.44</td>
<td>0.15</td>
<td>0.45</td>
<td>0.09</td>
<td>2.85</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2.10</td>
<td>0.31</td>
<td>0.41</td>
<td>0.17</td>
<td>0.49</td>
<td>0.11</td>
<td>4.02</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>2.62</td>
<td>0.33</td>
<td>1.07</td>
<td>0.17</td>
<td>0.51</td>
<td>0.13</td>
<td>4.92</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>3.31</td>
<td>0.34</td>
<td>1.17</td>
<td>0.18</td>
<td>0.52</td>
<td>0.14</td>
<td>5.68</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>3.99</td>
<td>0.36</td>
<td>1.12</td>
<td>0.19</td>
<td>0.53</td>
<td>0.15</td>
<td>5.78</td>
<td></td>
</tr>
<tr>
<td>Level premium:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 2 percent</td>
<td>2.73</td>
<td>0.29</td>
<td>0.42</td>
<td>0.01</td>
<td>0.48</td>
<td>0.13</td>
<td>4.78</td>
<td></td>
</tr>
<tr>
<td>At 2½ percent</td>
<td>2.67</td>
<td>0.29</td>
<td>0.39</td>
<td>0.01</td>
<td>0.46</td>
<td>0.13</td>
<td>4.66</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife’s</th>
<th>Widow’s</th>
<th>Parent’s</th>
<th>Mother’s</th>
<th>Child’s</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High-cost estimate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2.22</td>
<td>0.36</td>
<td>0.45</td>
<td>0.15</td>
<td>0.35</td>
<td>0.08</td>
<td>2.73</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2.62</td>
<td>0.45</td>
<td>0.84</td>
<td>0.14</td>
<td>0.31</td>
<td>0.10</td>
<td>5.24</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>4.00</td>
<td>0.60</td>
<td>1.14</td>
<td>0.12</td>
<td>0.27</td>
<td>0.12</td>
<td>7.09</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>6.44</td>
<td>0.46</td>
<td>1.31</td>
<td>0.11</td>
<td>0.24</td>
<td>0.14</td>
<td>8.97</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>7.53</td>
<td>0.72</td>
<td>1.34</td>
<td>0.11</td>
<td>0.16</td>
<td>0.16</td>
<td>10.11</td>
<td></td>
</tr>
<tr>
<td>Level premium:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 2 percent</td>
<td>5.35</td>
<td>0.57</td>
<td>1.03</td>
<td>0.12</td>
<td>0.26</td>
<td>0.13</td>
<td>7.45</td>
<td></td>
</tr>
<tr>
<td>At 2½ percent</td>
<td>4.18</td>
<td>0.56</td>
<td>1.00</td>
<td>0.12</td>
<td>0.22</td>
<td>0.12</td>
<td>7.21</td>
<td></td>
</tr>
</tbody>
</table>

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.

3 Level-premium contribution rate for benefit payments after 1960 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 $17.5 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 21/4-percent interest rate, which is about what the trust fund is currently earning.

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Contributions ¹</th>
<th>Benefit payments</th>
<th>Administrative expenses</th>
<th>Interest on fund ²</th>
<th>Fund at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$3,367</td>
<td>$1,885</td>
<td>$81</td>
<td>$417</td>
<td>$15,540</td>
</tr>
<tr>
<td>1952 ³</td>
<td>$3,763</td>
<td>$2,200</td>
<td>$88</td>
<td>$366</td>
<td>$17,381</td>
</tr>
<tr>
<td>1955</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1958 ³</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 61/4 percent for 1970 and after. The self-employed pay 1/4 of these rates.

² Interest is figured at 21/4 percent on average balance in fund during year.

³ See text for description of assumptions made for 1952.

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 $51/2 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 $92 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:

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Employee</th>
<th>Employer</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-52</td>
<td>13/4</td>
<td>13/4</td>
<td>31/4</td>
</tr>
<tr>
<td>1953-54</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>1955-56</td>
<td>31/4</td>
<td>31/4</td>
<td>31/4</td>
</tr>
<tr>
<td>1957-58</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>1959-60</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>1961-62</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>1963-64</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>1965-66</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>1967-68</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>1969-70</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Item</th>
<th>Level-premium cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of present law:</td>
<td>Percent</td>
</tr>
<tr>
<td>1950 estimate, using 2-percent interest</td>
<td>6.05</td>
</tr>
<tr>
<td>1959 estimate, using 2.4-percent interest</td>
<td>5.85</td>
</tr>
<tr>
<td>Current estimate, using 2.4-percent interest</td>
<td>5.35</td>
</tr>
<tr>
<td>Effect of proposed changes:</td>
<td></td>
</tr>
<tr>
<td>Increased benefits</td>
<td>+.40</td>
</tr>
<tr>
<td>Disability &quot;freeze&quot;</td>
<td>+.05</td>
</tr>
<tr>
<td>Liberalized work clause</td>
<td>+.05</td>
</tr>
<tr>
<td>Cost of program as amended by H. R. 7806, using 2.4-percent interest</td>
<td>5.85</td>
</tr>
</tbody>
</table>

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 2½ percent interest—is about 5½ 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 2\% 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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Amount (in millions)</th>
<th>In percent of payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Present law</td>
<td>H. R. 7800</td>
</tr>
<tr>
<td>1952</td>
<td>2,125</td>
<td>2,200</td>
</tr>
<tr>
<td>1953</td>
<td>2,342</td>
<td>2,630</td>
</tr>
<tr>
<td>1954</td>
<td>3,019</td>
<td>3,029</td>
</tr>
<tr>
<td>1955</td>
<td>4,119</td>
<td>4,504</td>
</tr>
<tr>
<td>1956</td>
<td>6,403</td>
<td>7,096</td>
</tr>
<tr>
<td>1957</td>
<td>8,658</td>
<td>9,426</td>
</tr>
<tr>
<td>1958</td>
<td>10,906</td>
<td>11,938</td>
</tr>
<tr>
<td>1959</td>
<td>13,390</td>
<td>13,390</td>
</tr>
<tr>
<td>Level premium:</td>
<td>5.56</td>
<td>5.58</td>
</tr>
<tr>
<td>At 2%</td>
<td>4.27</td>
<td>4.27</td>
</tr>
</tbody>
</table>

1 Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated fund at the end of 1953 or all 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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife's 1</th>
<th>Child's</th>
<th>Widow's 2</th>
<th>Parent's 3</th>
<th>Mother's</th>
<th>Child's</th>
<th>Total</th>
<th>Lump-sum death payments 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>2,345</td>
<td>653</td>
<td>69</td>
<td>463</td>
<td>20</td>
<td>206</td>
<td>804</td>
<td>4,512</td>
<td>473</td>
</tr>
<tr>
<td>1952</td>
<td>2,652</td>
<td>800</td>
<td>72</td>
<td>654</td>
<td>38</td>
<td>319</td>
<td>934</td>
<td>5,469</td>
<td>570</td>
</tr>
<tr>
<td>1960</td>
<td>3,238</td>
<td>1,055</td>
<td>83</td>
<td>1,117</td>
<td>53</td>
<td>346</td>
<td>1,018</td>
<td>7,255</td>
<td>637</td>
</tr>
<tr>
<td>1970</td>
<td>3,577</td>
<td>1,444</td>
<td>104</td>
<td>2,052</td>
<td>66</td>
<td>304</td>
<td>1,062</td>
<td>10,699</td>
<td>830</td>
</tr>
<tr>
<td>1980</td>
<td>3,776</td>
<td>1,700</td>
<td>122</td>
<td>2,748</td>
<td>76</td>
<td>372</td>
<td>1,062</td>
<td>14,261</td>
<td>1,044</td>
</tr>
<tr>
<td>1990</td>
<td>4,222</td>
<td>1,960</td>
<td>126</td>
<td>3,085</td>
<td>66</td>
<td>362</td>
<td>1,114</td>
<td>17,955</td>
<td>1,268</td>
</tr>
<tr>
<td>2000</td>
<td>4,754</td>
<td>1,968</td>
<td>108</td>
<td>3,046</td>
<td>62</td>
<td>398</td>
<td>1,186</td>
<td>19,994</td>
<td>1,470</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife's 1</th>
<th>Widow's 2</th>
<th>Parent's 3</th>
<th>Mother's</th>
<th>Child's 4</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>1.88</td>
<td>0.20</td>
<td>0.41</td>
<td>0.23</td>
<td>0.15</td>
<td>0.41</td>
<td>0.09</td>
<td>3.29</td>
</tr>
<tr>
<td>1970</td>
<td>2.76</td>
<td>0.40</td>
<td>0.83</td>
<td>0.83</td>
<td>0.15</td>
<td>0.40</td>
<td>0.11</td>
<td>4.28</td>
</tr>
<tr>
<td>1980</td>
<td>3.73</td>
<td>0.47</td>
<td>1.10</td>
<td>0.63</td>
<td>0.15</td>
<td>0.39</td>
<td>0.13</td>
<td>6.00</td>
</tr>
<tr>
<td>1990</td>
<td>4.83</td>
<td>0.61</td>
<td>1.24</td>
<td>0.63</td>
<td>0.15</td>
<td>0.39</td>
<td>0.14</td>
<td>7.27</td>
</tr>
<tr>
<td>2000</td>
<td>5.38</td>
<td>0.50</td>
<td>1.22</td>
<td>0.62</td>
<td>0.15</td>
<td>0.38</td>
<td>0.15</td>
<td>7.81</td>
</tr>
<tr>
<td>Level premium</td>
<td>3.98</td>
<td>0.43</td>
<td>0.97</td>
<td>0.62</td>
<td>0.15</td>
<td>0.38</td>
<td>0.13</td>
<td>6.66</td>
</tr>
<tr>
<td>At 2 percent</td>
<td>3.98</td>
<td>0.43</td>
<td>0.97</td>
<td>0.62</td>
<td>0.15</td>
<td>0.38</td>
<td>0.13</td>
<td>6.66</td>
</tr>
</tbody>
</table>

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.

Table 10 presents the estimated operation of the trust fund according to the intermediate estimate (using a 2%-percent interest rate) and is comparable to table 5 of the previous section.
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 6 1/2-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 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. 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.

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
social security act amendments of 1952

33

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) (i) (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**

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, or is more than $40 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 $168.75 or to 80 per centum of his average monthly wage, whichever is the lesser, but in no case to less than $40.

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; 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; 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 deduction is 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) 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, 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, $5,000 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.

(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, 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;

(ii) 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 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 (whether acquired before or after such day) 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, 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 15 per centum of the next $200 of such wage; except that, if his average monthly wage is less than $50, 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.

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$90 or less</td>
<td>$20</td>
</tr>
<tr>
<td>$91</td>
<td>$21</td>
</tr>
<tr>
<td>$92</td>
<td>$22</td>
</tr>
<tr>
<td>$93</td>
<td>$23</td>
</tr>
<tr>
<td>$94</td>
<td>$24</td>
</tr>
<tr>
<td>$45 to $49</td>
<td>$25</td>
</tr>
</tbody>
</table>

(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)) 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.]
SOCIAL SECURITY ACT AMENDMENTS OF 1952

(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.

<table>
<thead>
<tr>
<th>II</th>
<th>The primary insurance amount shall be:</th>
</tr>
</thead>
<tbody>
<tr>
<td>III</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
</tbody>
</table>

| If the primary insurance benefit (as determined under subsection (d)) is: | $10 | $20.00 | $30.00 | $40.00 | $50.00 | $60.00 | $70.00 | $80.00 | $90.00 | $100.00 | $110.00 | $120.00 | $130.00 | $140.00 | $150.00 | $160.00 | $170.00 | $180.00 | $190.00 | $200.00 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| $10 |
| $11 |
| $12 |
| $13 |
| $14 |
| $15 |
| $16 |
| $17 |
| $18 |
| $19 |
| $20 |
| $21 |
| $22 |
| $23 |
| $24 |
| $25 |
| $26 |
| $27 |
| $28 |
| $29 |
| $30 |
| $31 |
| $32 |
| $33 |
| $34 |
| $35 |
| $36 |
| $37 |
| $38 |
| $39 |
| $40 |
| $41 |
| $42 |
| $43 |
| $44 |
| $45 |
| $46 |
SOCIAL SECURITY ACT AMENDMENTS OF 1952

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be:</td>
<td>And the average monthly wage for purposes of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10</td>
<td>$85.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$11</td>
<td>27.00</td>
<td>40.00</td>
</tr>
<tr>
<td>$12</td>
<td>29.00</td>
<td>58.00</td>
</tr>
<tr>
<td>$13</td>
<td>31.00</td>
<td>60.00</td>
</tr>
<tr>
<td>$14</td>
<td>32.00</td>
<td>64.00</td>
</tr>
<tr>
<td>$15</td>
<td>36.70</td>
<td>67.00</td>
</tr>
<tr>
<td>$16</td>
<td>38.20</td>
<td>69.00</td>
</tr>
<tr>
<td>$17</td>
<td>39.50</td>
<td>72.00</td>
</tr>
<tr>
<td>$18</td>
<td>40.70</td>
<td>74.00</td>
</tr>
<tr>
<td>$19</td>
<td>42.00</td>
<td>76.00</td>
</tr>
<tr>
<td>$20</td>
<td>43.50</td>
<td>79.00</td>
</tr>
<tr>
<td>$21</td>
<td>45.30</td>
<td>82.00</td>
</tr>
<tr>
<td>$22</td>
<td>47.50</td>
<td>86.00</td>
</tr>
<tr>
<td>$23</td>
<td>50.10</td>
<td>91.00</td>
</tr>
<tr>
<td>$24</td>
<td>52.40</td>
<td>95.00</td>
</tr>
<tr>
<td>$25</td>
<td>54.40</td>
<td>99.00</td>
</tr>
<tr>
<td>$26</td>
<td>56.30</td>
<td>103.00</td>
</tr>
<tr>
<td>$27</td>
<td>58.00</td>
<td>120.00</td>
</tr>
<tr>
<td>$28</td>
<td>59.40</td>
<td>120.00</td>
</tr>
<tr>
<td>$29</td>
<td>60.80</td>
<td>139.00</td>
</tr>
<tr>
<td>$30</td>
<td>62.00</td>
<td>147.00</td>
</tr>
<tr>
<td>$31</td>
<td>63.30</td>
<td>155.00</td>
</tr>
<tr>
<td>$32</td>
<td>64.40</td>
<td>163.00</td>
</tr>
<tr>
<td>$33</td>
<td>65.50</td>
<td>170.00</td>
</tr>
<tr>
<td>$34</td>
<td>66.60</td>
<td>177.00</td>
</tr>
<tr>
<td>$35</td>
<td>67.80</td>
<td>185.00</td>
</tr>
<tr>
<td>$36</td>
<td>68.90</td>
<td>193.00</td>
</tr>
<tr>
<td>$37</td>
<td>70.00</td>
<td>200.00</td>
</tr>
<tr>
<td>$38</td>
<td>71.00</td>
<td>207.00</td>
</tr>
<tr>
<td>$39</td>
<td>72.00</td>
<td>213.00</td>
</tr>
<tr>
<td>$40</td>
<td>73.10</td>
<td>221.00</td>
</tr>
<tr>
<td>$41</td>
<td>74.10</td>
<td>227.00</td>
</tr>
<tr>
<td>$42</td>
<td>75.10</td>
<td>234.00</td>
</tr>
<tr>
<td>$43</td>
<td>76.10</td>
<td>241.00</td>
</tr>
<tr>
<td>$44</td>
<td>77.10</td>
<td>248.00</td>
</tr>
<tr>
<td>$45</td>
<td>77.10</td>
<td>250.00</td>
</tr>
</tbody>
</table>

(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 (b) 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.

(3) 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 12 1/2 per cent 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
43
SOCIAL SECURITY ACT AMENDMENTS OF 1952

primary insurance amount upon application of the provisions of subsection (a) (f) 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 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 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.

Recalculation 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 recomputed 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) (5) 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) Any recomputation under this subsection shall be effective only if such recomputation results in a higher primary insurance amount.

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 (6), 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 paragraph (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 (39 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 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 1965, 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 (5).

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 actual pay (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.

(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 (e)) 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 (c) (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 (1)), 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 (A) (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.

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.
SOCIAL SECURITY ACT AMENDMENTS OF 1952

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.

TITLE XI—GENERAL PROVISIONS

EARNED INCOME OF BLIND RECIPIENTS

Sec. 1109. Notwithstanding the provisions of sections 2 (a) (7), 102 (a) (7), 1002 (a) (8), and 1402 (a) (8), a State plan approved under title I, IV, X, or X11 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.

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 26, 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.
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.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 That this Act may be cited as the “Social Security Act Amendments of 1952”.

3 INCREASE IN BENEFIT AMOUNTS

4 Benefits Computed by Conversion Table

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

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be:</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10</td>
<td>$25.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$11</td>
<td>27.00</td>
<td>49.00</td>
</tr>
<tr>
<td>$12</td>
<td>29.00</td>
<td>53.00</td>
</tr>
<tr>
<td>$13</td>
<td>31.00</td>
<td>56.00</td>
</tr>
<tr>
<td>$14</td>
<td>33.00</td>
<td>60.00</td>
</tr>
<tr>
<td>$15</td>
<td>35.00</td>
<td>64.00</td>
</tr>
<tr>
<td>$16</td>
<td>36.70</td>
<td>67.00</td>
</tr>
<tr>
<td>$17</td>
<td>38.00</td>
<td>69.00</td>
</tr>
<tr>
<td>$18</td>
<td>39.30</td>
<td>72.00</td>
</tr>
<tr>
<td>$19</td>
<td>40.70</td>
<td>74.00</td>
</tr>
<tr>
<td>$20</td>
<td>42.00</td>
<td>76.00</td>
</tr>
<tr>
<td>$21</td>
<td>43.50</td>
<td>79.00</td>
</tr>
<tr>
<td>$22</td>
<td>45.00</td>
<td>82.00</td>
</tr>
<tr>
<td>$23</td>
<td>47.50</td>
<td>86.00</td>
</tr>
<tr>
<td>$24</td>
<td>50.10</td>
<td>91.00</td>
</tr>
<tr>
<td>$25</td>
<td>52.40</td>
<td>96.00</td>
</tr>
<tr>
<td>$26</td>
<td>54.40</td>
<td>99.00</td>
</tr>
<tr>
<td>$27</td>
<td>56.30</td>
<td>103.00</td>
</tr>
<tr>
<td>$28</td>
<td>58.00</td>
<td>108.00</td>
</tr>
<tr>
<td>$29</td>
<td>59.40</td>
<td>109.00</td>
</tr>
<tr>
<td>$30</td>
<td>60.80</td>
<td>109.00</td>
</tr>
<tr>
<td>$31</td>
<td>62.00</td>
<td>110.00</td>
</tr>
<tr>
<td>$32</td>
<td>63.30</td>
<td>115.00</td>
</tr>
<tr>
<td>$33</td>
<td>64.40</td>
<td>116.00</td>
</tr>
<tr>
<td>$34</td>
<td>65.50</td>
<td>117.00</td>
</tr>
<tr>
<td>$35</td>
<td>66.60</td>
<td>117.00</td>
</tr>
<tr>
<td>$36</td>
<td>67.80</td>
<td>120.00</td>
</tr>
<tr>
<td>$37</td>
<td>68.90</td>
<td>123.00</td>
</tr>
<tr>
<td>$38</td>
<td>70.00</td>
<td>125.00</td>
</tr>
<tr>
<td>$39</td>
<td>71.10</td>
<td>207.00</td>
</tr>
<tr>
<td>$40</td>
<td>72.20</td>
<td>213.00</td>
</tr>
<tr>
<td>$41</td>
<td>73.10</td>
<td>221.00</td>
</tr>
<tr>
<td>$42</td>
<td>74.10</td>
<td>227.00</td>
</tr>
<tr>
<td>$43</td>
<td>75.10</td>
<td>234.00</td>
</tr>
<tr>
<td>$44</td>
<td>76.10</td>
<td>241.00</td>
</tr>
<tr>
<td>$45</td>
<td>77.10</td>
<td>250.00</td>
</tr>
<tr>
<td>$46</td>
<td>77.10</td>
<td>250.00</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34 or less</td>
<td>$25</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26</td>
</tr>
</tbody>
</table>

(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 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
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 cov-
erage, excepting any quarter in such year in which such in-
dividual 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."

H. R. 7800—2
(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 (li) 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 Adminis-
trator.

"(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) dur-
ing 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 in-
dividual, while under such disability, files an application
for a disability determination. Except as provided in para-
graph (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
1. 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.

2. 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 Adminis-
trator, 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 pay-
able 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 Ad-
ministrator shall from time to time estimate the amount of
such additional costs through the use of appropriate account-
ing, statistical, sampling, or other methods.

“(5) For the purposes of this subsection, the term 'vet-
eran' 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 per­
formed 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 ex­
cluded 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 sub-
sections 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
§ (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 de-
dtermined 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."
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
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

May 20, 1952
SOCIAL SECURITY ACT AMENDMENTS OF 1952

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7809) 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:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
</table>
| The primary insurance amount shall be: | The average monthly wage for purposes of computing maximum benefit shall be: | Average monthly Primary insurance wage
| $10 | $25.00 | $45.00 |
| $11 | 27.00 | 45.00 |
| $12 | 29.00 | 45.00 |
| $13 | 31.00 | 45.00 |
| $14 | 33.00 | 45.00 |
| $15 | 35.00 | 45.00 |
| $16 | 37.00 | 45.00 |
| $17 | 39.00 | 45.00 |
| $18 | 41.00 | 45.00 |
| $19 | 43.00 | 45.00 |
| $20 | 45.00 | 45.00 |
| $21 | 47.00 | 45.00 |
| $22 | 49.00 | 45.00 |
| $23 | 51.00 | 45.00 |
| $24 | 53.00 | 45.00 |
| $25 | 55.00 | 45.00 |
| $26 | 57.00 | 45.00 |
| $27 | 59.00 | 45.00 |
| $28 | 61.00 | 45.00 |
| $29 | 63.00 | 45.00 |
| $30 | 65.00 | 45.00 |
| $31 | 67.00 | 45.00 |
| $32 | 69.00 | 45.00 |
| $33 | 71.00 | 45.00 |
| $34 | 73.00 | 45.00 |
| $35 | 75.00 | 45.00 |
| $36 | 77.00 | 45.00 |
| $37 | 79.00 | 45.00 |
| $38 | 81.00 | 45.00 |
| $39 | 83.00 | 45.00 |
| $40 | 85.00 | 45.00 |
| $41 | 87.00 | 45.00 |
| $42 | 89.00 | 45.00 |
| $43 | 91.00 | 45.00 |
| $44 | 93.00 | 45.00 |
| $45 | 95.00 | 45.00 |

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

"(2) In case the primary insurance benefit (as determined under 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) (g) of this subsection 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, if the amount so increased is higher, 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 (2) 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 (a) (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 amounts) 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 $500 of such wage; except that, if his average monthly wage is less than $45, his primary insurance amount shall be the amount appearing in column I of the following table on the line on which his average monthly wage appears."

"I Average monthly Primary insurance wage

$34 or less...........................................$25
$35 through $47.......................................$25
$48 through $57.......................................$26"

(2) Section 203 (a) of such act (relating to maximum benefits) is amended by inserting in lieu thereof "$180.75" 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 such 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 $10. The provisions of section 203 (a) of the Social Security Act, as amended by this section, and, for purposes of such section, as amended by this section (and, for purposes of subsection (c) of such section, as amended by this section), shall apply to such benefits as computed under the provisions of such section, as so amended, for purposes of such section, as so amended, for purposes of section 201 (f) of the Social Security Act.

Preservation of insurance rights of permanently and totally disabled

Sec. 3. (a) (1) Section 1213 (a) (2) (A) of the Social Security Act (defining quarter of coverage) is amended to read as follows:

"(A) any self-employment income of such individual in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage;"

(b) Section 215 (b) (4) of such act is amended by striking out subparagraph (A) (iii) and inserting in lieu thereof the following:

"(i) any self-employment income of such individual in a period of disability unless such quarter was a quarter of coverage;"

(c) Section 215 (c) of such act (relating to the insurance benefit for purposes of the insurance benefit for purposes of the 40-quarter period specified in clause (B) or (4) of this subsection, in computing an individual's average monthly wage, there shall not be taken into account—

(1) 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 (d) of such act (relating to primary insurance benefit for purposes of the 40-quarter period which ends with such quarter, and

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

(3) any self-employment income of such individual for any tax year all of which was included in a period of disability."
approved under the Vocational Rehabilitation Act (39 U.S.C., ch. 4) after having been requested to do so by the employee, whereupon the disability has ceased to exist and it shall be deemed to have ceased 3 months earlier than it did (but in no case more than 1 year earlier than the date of such application).

(c) Paragraph (2) of subsection (b) of section 215 of the Social Security Act (as added by section 202 of the Social Security Act for months after August 1952) and inserting in lieu thereof "$70."
this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be made with respect to the employment income closing date shall be 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 but prior to the quarter in which he filed such application are quarters of coverage.

(2) (A) A referendum by secret written ballot at any elementary or secondary school therein

(B) any policeman’s or fireman’s position or any elementary or secondary school teacher’s position; or

(C) any position covered by such retirement system at any time after such date and

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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and

(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 at any time after such date and

(C) any position covered by such system at any time after such date and
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 Mississippi (Mr. Dooughton) is entitled to 20 minutes and the gentleman from New York (Mr. Rees) is entitled to 90 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 in 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 430,000 claims 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 $55 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 level. 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 comparable treatment. 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 be properly 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 they will receive the benefits upon becoming age 65 or dying before as he was at the time he became so disabled.

Fifth, in considering the 1950 amendments we had a knot to problem in covering State and local government employees under social security. Where no retirement system of State or local government covered employment existed, a State plan approved under title X, the earned income so disregarded (but not in excess of the amount 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.

(b) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting "1952.

(c) In the case of an individual who died becoming age 65 or dying before then as a result of injury sustained in the course of employment under a contract of employment under title 13, the death or entitlement instead of the day after which he died or became entitled to old-age insurance benefits, whichever first occurred, shall affect the amount of the insurance benefits, whichever first occurred, are quarters of coverage, his wage earning period shall be the first day of such quarter of calendar year, or the last day of any calendar month, whichever first occurs, 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.

(d) (1) Section 5 (i) (6) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "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. (2) Section 5 (i) (1) (ii) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1950" and inserting "1952."

SEC. 8. Title XI of the Social Security Act (relating to general provisions) is amended by inserting after section 1002 (g) "or (e) after "section 1002 (a)"

EARNED INCOME OF BLIND RECIPIENTS

SEC. 1169. 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 amount 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.

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 the end thereof the following new section:

EARNED INCOME OF BLIND RECIPIENTS

"SEC. 1169. 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 amount 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."

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 the end thereof the following new section:

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 the end thereof the following new section:

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.
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 those 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.

Seventh. 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 security law should and will be made 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. 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, because of the rush with which it was manufactured.

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 the committee has done its job. 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—Mr. Speaker. I yield myself 9 minutes. 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, because of the rush with which it was manufactured.

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 the committee has done its job. 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

Mr. Speaker, this political bill, H. R. 7800, has been brought to the floor of the House without any hearings whatsoever, because of the rush with which it was manufactured.

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 the committee has done its job. 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—Mr. Speaker. I yield myself 9 minutes. 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, because of the rush with which it was manufactured.

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 the committee has done its job. 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—Mr. Speaker. I yield myself 9 minutes. 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, because of the rush with which it was manufactured.

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 the committee has done its job. 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—Mr. Speaker. I yield myself 9 minutes. 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, because of the rush with which it was manufactured.

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 the committee has done its job. 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—Mr. Speaker. I yield myself 9 minutes. Mr. Speaker, I yield myself 9 minutes.
How many doctors on the Federal pay- 
roll? 

What is the additional cost? 

No information was given the com- 
mittee on even these major questions. 

Before launching into the new field of 
socialized medicine without public hear- 
ings, without adequate information, our 
attention should be directed to correct- 
ing the inequities under the present sys- 
tem. 

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 fin- 
cancing of this system—these are mat- 
ters to which the attention of the Con- 
gress 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 proposi- 
tion.

Increased benefit payments, liberaliza- 
tion of the work clause, and other pro- 
visions should be brought up for con- 
sideration, 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 true 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 attrac- 
tive doctrine of more for nothing.

Third. The procedure: This is an indica- 
tion of the flood of protests which is 
coming in all over the country in op- 
position 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.:


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 regu- 
larize national basis for obtaining med- 
cical examinations; (2) to select and approve 
examiners of applicant; (3) to remunerate 
for examinations; (4) to refund expense of 
significant going to and from examination; 
and most powerful of all, (5) to deny appli- 
cation if applicant refuses to take indicated 
examinations under Vocational Rehabilita- 
tion Act.

This is socialized medicine and pages 12 
to 18 should be stricken from the bill in 
the interests of the American people. It 
gives Federal Security Administrator abso- 
late control over certain medical activities. 

2. In a democracy of freedom, 
Director, Washington Office, American 
Medical Association.

Fourth. I would read the language 
which is on pages 3 and 4 of this memo-
randum. 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 cor- 
rect 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 
practical approach to that problem in 
our country?

Mr. REED of New York. There is ab- 
solutely 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 
genleman yield?

Mr. REED of New York. Briefly.

Mr. CANFIELD. In reference to the 
earnings permitted without deduction, 
$10 per month, is not that a very un- 
realistic 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 in- 
duction when all is said and done, it comes 
to 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 
give his support for his amendment?

Mr. REED of New York. The Repub- 
licans voted, of course, for the increase.

Mr. JUDD. Mr. Speaker, will the gen- 
tleman yield?

Mr. REED of New York. I yield.

Mr. JUDD. It has been said here to- 
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 
in the length and scope of this one. But 
it was reported out on May 16, only last 
Friday. But if the American people, or even Members of Congress, examine it, 
come to considered conclusions, and reg- 
ister 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.

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 go-
prived of social-security benefits. I understand the Republican members of the Ways and Means Committee attempted to get this provision raised from $570 to $1,600, and the effect of that was 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. 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 average of all groups is entirely too loose with respect to existing retirement funds. This is in substantiation of the fact that many organizations throughout the country would be 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 bill is put together in such a manner that a silk flower and a 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. KEAN 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 reduced by his contribution towards his future retirement under the Old-Age and Survivors Insurance Act finds himself totally and permanently 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 the one asking. Unfortunately, not every doctor is completely honest, and if there was no check by representatives of the Federal Government fraud would be possible. Therefore, I have not listened to the objections 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 new law 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 the law. I have been requested to do so by the administration.

The objection to this provision is that the Medical Association does not feel that a man should be forced to rehabilitate 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, whatever the objection, this provision 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 fair and would accomplish the purpose. The buck to the Senate to see that the wording and details of the bill were in the best possible 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 and 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.

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 in earning retired under old-age and survivors insurance. 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 for which 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 do not believe that 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.

Is there another way to handle it? I do not know the answer.

Mr. JAVITS. The gentleman is to be commended for taking the lead in urging a careful study of this. If we have one-third of the Congress to vote for or against 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 laws as has been done on the social security program.

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. Altmeier, 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. Altmeier is the administrator of the Social Security Administration, is 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. Altmeier steadfastly and spitefully refused to do what he promised in his 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 always, 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 with an enormous vote. The fine hand of Mr. Altmeier 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 time before that he was in favor of the legislation—voted the bill. At that time the Democrats were greatly in the majority in the House but in spite of that fact, when we sought

Mr. JAVITS. The gentleman is to be 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. JENKINS. Mr. Speaker, I think you are confusing the bill. This provision is designed to give a rule, bring the bill here, let the gentleman from New York [Mr. DOUGHTON], for whom we all have the greatest respect, to compare him to the Veterans' Bureau, the Administrator, the bill. The Administrator shall provide that we passed in 1950. And what 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. We demanded our first opportunity, and we had a vote on it, and the vote was 10 to 15. The vote turned exactly on political lines, and we were defeated.

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 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. It 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 children one cent. You may say that you are not going to pass this legislation because of politics, how are you going to explain this $5 which is a pretty cheap sell-out for what they are trying to do here today.

So just as our good friend, the gentleman from Minnesota [Mr. Jenak] says, what harm could there be in letting this matter go? We do not say to do so that people will not have public hearings or 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.
to override the President’s veto, we only failed to do so by a few votes.

My very able and distinguished colleague from Ohio, Hon. William M. McCulloch, who was for years a very able member of the Judicary Committee of the House, submitted to me today a written inquiry which applies strictly to the bill under consideration. This is its inscription.

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 become a law today. It is my fear that if this legislation becomes a law, we are in danger of becoming the first step in the direction of socialized medicine. I am confident that the Members of the House understand our protest against this legislation and that this legislation will not prevail. We must prevent the Social Security Board from acting as though they had been given a blank check to do as they please.

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 very important that it should have not 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 full hearing. The House Committee on Ways and Means should have held several days’ 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 the average social security payment, will be acceptable to the House readily. If we pass the bill in its present form we are running into certain long delays 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 bill, if it is not passed today under suspension of the 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 are here considering 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 not be reported from the committee without hearings. I do not feel that we have fulfilled our legislative responsibility in proceeding in the manner that we are 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 others 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 actually 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 workless, and the tax-payers generally are told that OASI is an insurance program. That contention becomes not only false, but ridiculous in the light of the fact that the benefits are raised every 2 years just before election. I do not think that the insurance policy was ever intended 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 actually sound.

There are many injustices now done to our older people. Some people are getting benefits that do not need them and having their money paid to people who do not need them. There are other items in the bill 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 actually 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 workless, and the tax-payers generally are told that OASI is an insurance program. That contention becomes not only false, but ridiculous in the light of the fact that the benefits are raised every 2 years just before election. I do not think that the insurance policy was ever intended 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 actually sound.

There are many injustices now done to our older people. Some people are getting benefits that do not need them and having their money paid to people who do not need them. There are other items in the bill 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 actually 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.
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 $30 2 years ago and we are increasing it from $50 to $70 a month.

There are two schools of thought. One school 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 must yield further now.

Mr. Speaker, the pending bill, H. R. 7800, provides seven urgently needed changes in old-age and survivors insurance. They are selected these seven because of their importance 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 recently from a bill introduced by the distinguished gentleman from New Jersey (Mr. Kearl), 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 for a question?

Mr. COOPER. Very briefly.

Mr. JUDD. On page 16 the bill states:

Examinations authorized by the Administrator may also be performed by private physicians for whom the Administrator shall pay the fair and reasonable cost.

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 and I are in agreement that these provisions are identical to those now used by the Veterans' Administration in handling veterans' cases. There is no interference with the 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:

1. Benefit increases.
2. Liberalization of the retirement test.
3. Insurance protection for servicemen for the emergency period.
4. Promptage of immediate benefit adjustments necessary.
5. Correction of defects in benefit computation provisions.
6. Correction of defects in aid-to-the-blind provision.
7. 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 affect any changes in 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 makes immediate benefit adjustments necessary.

Mr. JUDD. $70 a month.

Mr. COOPER. That is correct. It applies to retired people under the Social Security Act.

Mr. JUDD. I do not know that the Administrator would pay the fair and reasonable cost.

Mr. COOPER. That is increased from $15 to $50 in 2 years time.

Mr. JUDD. That is correct. The average for a retired person would be $70 a month as this bill provides.

Mr. COOPER. Old-age and survivors insurance is not an annuity program and to avoid high costs we must keep the retirement test.

In any event we would allow the Administration to give from $70 to $70 would cost only one-twentieth as much or 0.05 percent of payroll.

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 not now necessary to have $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.

Under present wage levels $70 would allow them to be in part-time work and yet would not cost very much. Although removing the test would cost about 1 percent of payroll over a long period 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 urgent needed changes 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.

Fourth. Preservation of insurance rights for those permanently and totally disabled.

Fifth. Removal of barriers for coverage for certain persons under State and local retirement systems.

Sixth. Correction of defects in benefit computation provisions.

Seventh. Correction of defects 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, 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.

Mr. JUDD. It may disappear altogether.

Mr. COOPER. That is right. 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' benefits 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.

Just as it is possible to purchase a private disability waiver because he becomes permanently and totally disabled would keep the same status for retirement and survivors 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 matter of local retirement insurance policies. Long experience has demonstrated that such provisions can be administered without substantial difficulty.

The 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 other than teachers, 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 extended 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 both 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 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 retirement system has been 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 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 employer 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 a supplementary retirement system.

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 Kentucky.

Seventh. Correction of defect in aid to the blind provision.

The Congress has a right to be proud of our old-age and survivors insurance program. 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 to holding the decency of society 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 society, which we 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 implements the amendments to 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 intended to meet 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. To do this will mean fighting 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 included. 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 important that the insurance program has not heretofore allowed for the equivalent of a waiver of premium in cases of disability. I am concerned that 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 re-

habilitating 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 protection, and 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 if it is to keep 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 we have not yet established a 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 years. An increment for length of service should be included in the benefit formula, so that people who contribute to the program for 10 years will receive a more adequate retirement benefit. 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. And that is the time for 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. More and more of our fathers and 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 each 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 permanently 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 Representa-

ives 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, in view only of 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 is. 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 not 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 the current conflict.

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 show that the 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, strongly in favor of extending the period for which wage credits are given from the close of World War II until the end of 1953, as was done for 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. The benefits provided by H. R. 7800 would 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 examined by the Congress before that date.

The amendment to the bill concerning the coverage of State and local government employees who are under a retirement system from the Federal program. As the congressional committee on social security, I believe that the provision in the bill will be noncontroversial, as the compensation system of the State and local government systems is retained for policemen, firemen, and elementary and secondary school teachers. The bill would permit other groups covered under retirement systems to receive Federal old-age and survivors insurance coverage if coverage is desired.

The changes proposed by this bill have received the careful consideration of the Ways and Means Committee. Your
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, contains amendments, 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 would have had a much 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 for those who have come within its provisions. But, as such amendments cannot be offered or voted upon, under the procedure adopted, it is necessary to vote against the bill as reported. Under these circumstances I shall vote for the bill although I regret that the membership has already 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 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 any increase benefit increases imperative. While wages and money income have gone up for many groups since the outbreak of hostilities in Korea, yet the increases 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, or receive such insurance benefits as from this program. For most of them these monthly payments are their chief source of dependable income, and often their only source. Consequently, increased 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 immoral.

The increase provided in this bill is far too inadequate. It provides, generally speaking, a monthly increase of $5 or 121/2 percent, whichever is greater, but, as we are dealing with a situation 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 whereby 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-thirds vote. This would be most unfortunate as it would deny to these deserving old folks even the small increase provided in this bill.

LIBERALIZATION OF THE RETIREMENT TEST

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 a living wage because of the increased cost of living. This additional help to beneficiaries 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 urgent and necessary an adjustment in the present law to protect the rights of service men. In 1950 the law was amended to provide for credit of approximately $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 veterans 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 credits 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 keep the veterans 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 become disabled under the provisions for 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 not been made for this purpose. Some of these 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, 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 participants in such systems to additional funds beyond the meager amount the law stipulates and doom them to an unrealistic scale of living.

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 pension 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 $10 per month, more 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 more 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 impairing the fund by leaving it unencumbered. 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 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. BURK. 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 brought to the floor and considered on the 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 the procedure by which it is unnecessary restraints length of debate and prevents the adoption of amendments, which I feel the House would adopt after adequate debate.

Two occur to me off-hand—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. This would increase the cost of living which has increased enormously. The second, this bill incorporates a form of, to some extent, socialized medicine, which appears to me to be unsound and unwise.

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 amendment over existing social-security legislation. It is inadequate, 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, and 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 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 smoke screen raised by opponents to the social-security program who argue that this amendment will promote a system of socialized medicine in this country, will not be accepted by the beneficiaries. Private insurance companies recognize the necessity for a provision waiving premiums when the assure become totally and permanently disabled. Is it not paradoxical then, that some Member argue that such a provision in the Social Security 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 earn additional funds beyond the measure of their personal means. 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 work 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 adequate capital 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 that comes from peering into the lives of so many of our people.

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 reform of its creation, the much vaunted Quoted 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 provide increased benefits for the totally and permanently disabled and the blind, to move 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, to remove the present law bars coverage under old-age and survivors insurance of members of State and local retirement systems, to increase the amount of income which a recipient may earn and still receive the Federal payment, and to 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-
critic civilisation, as opposed to the In-

human Communist slave state regimen-
tation, then I cannot conceive why this great Nation of ours is making any
fight against communism at all. If we can use the economic security of our old-
er society, in the midst of the world that our democratic
process is more inherently Christian than their pagan godless state of ser-

vity.

What will be accomplished by the en-
actment of this measure is in no way
substantially different from the recog-
nized procedure followed by private in-
surance 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 So-

cial Security Act came up in August of
1953, in this House, there were made no
comprehensive changes had been
made in our social security laws since
the year of 1953 and I made the observa-
tion then that the accelerating economic
crisis in our modern society would
make it imperative for additional re-
visions to be enacted in the near future.
I had hoped that these sensible adjust-
ments we are considering now would be
adopted long ago, since 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 ap-
preciation of American life while at the
same time keeping our nerves psycholog-
ically on edge with the constant threat of
our military aggression. I say with pride
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.”

The current fact, adequate social security legislation is an even more sound
barrier, than military preparation, against the advancing scourge of Com-

munist propaganda and philosophy which is this minute eating away at the
foundation roots from which our country grew into its present leading world posi-
tion.

How much stronger, how much more vital, resistant to Communist intrigue
and entreatment our people will be when they are assured our great business sys-
tem and our Government, working har-
moniously together, have established a
dignified humane way to make them
eligible for that which every loyal citi-
tizen 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 legislation is an even more sound
and not from without.”

Is it ever destroyed it will be from within
security of wage earners. This
attitude is, I believe, based upon a mis-
taken 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 who have already voted
for candidates pledged to obstruct rea-
sonable progress toward real security,
particularly for the aged, blind, and
physically handicapped.

This bill certainly made what by any
standard were minor needed improve-
ments in the Social Security Act. These
were:

First. Benefit increases.

Second. Liberalization of the retire-
ment test.

Third. Wage credits for military ser-
vice 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 un-
derstand how anyone could oppose them.
The bill permits some pensioners to receiv-
ing old-age assistance. My bill to per-
mit 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 ex-
ample of what can be accomplished by
a free people through a free economic
system.

Mr. GROSS. Mr. Speaker, the pub-
lic 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 im-
portant legislation down the throats of
the American people. Under this pro-
sal to suspend the rules, the debate in
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 com-
ensation and raise the present limit on
earnings, but there are broad delega-
tions of power to the bureaucrats in this
administration. Legislation 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 sup-
port 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 immedi-
ately with a bill which we can consider
democratically 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 suspen-
sion that deals only with amendments
to the Social Security Act is entitled to the fair consideration of the Members of the House and is en-
titled to be open for amendments on
the floor. It is an important piece of
legislation and should be carefully con-
sidered.

I am in favor of most of the provisions
in this bill—those that provide for in-
creases in benefit amounts. It should be
remembered that the increases benefited
in this measure are small. It should also
be observed that the liberalization
provisions in this bill are smaller than
they appear.

The principal objection to the bill is
with regard to the provisions that border
closely on socialized medicine. Accord-
ing 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 medici-
ne. The proper thing, as I see it, with
regard 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 So-
cial 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 prob-
lem 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 other Deal doings. 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 a suspension of the rules by which we can all support without dragging in socialized medicine through the back door. If the Fair Dealers prevent this Republican minority 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 need for both a strong and good 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. Mr. Speaker, if majority party is handling this legislation.

There should have been several days hearings before the Ways and Means Committee where expert insurance actuaries could have been available 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 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 leaders, 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. And 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 even the administration leaders could have voted for it.

and for those who will pay into it in the future. I will not sacrifice the principle involved here and become a party to denying 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 does not have the right and dangerous part inaugurating socialized medicine features, providing for the needed increases in social security. The 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 other Deal doings. 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 a suspension of the rules by which we can all support without dragging in socialized medicine through the back door. If the Fair Dealers prevent this Republican minority 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 need for both a strong and good 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. Mr. Speaker, if majority party is handling this legislation.

There should have been several days hearings before the Ways and Means Committee where expert insurance actuaries could have been available 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 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 leaders, 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. And 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 even the administration leaders could have voted for it.

and for those who will pay into it in the future. I will not sacrifice the principle involved here and become a party to denying 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 does not
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 in 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 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. A provision in the bill will be a real benefit to 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 no social-philosophical statement in this connection, for I think 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. A provision in the bill will be a real benefit to some Members that certain provisions of this bill move in the direction of socialized medicine.

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 ascertained the true condition of the individual 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 or any 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. The resulting 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 provisions for its benefits, such as to maintain the relation of security they deserve. This does not make sense, but that is 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—yeas 86, nays 91.

Mr. MCCORMACK. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

As the Clerk called the roll; and there were—yeas 151, nays 141, not voting 139.

[Roll No. 79]

YEAS—151

Allen, Calif.  Forand  Ponder
Allen, La.  Fulton  Peterson
Andrews  Purcell  O'Brien, Ind.
Aspinall  George  Perkins
Ayres  Graham  Polk
Barrett  Granum  Polk
Battle  Green  Poland
Bennett, Mich.  Hand  Prickett
Belin, Del.  Helvenston, Va.  Pullman
Boggs, La.  Hart  Rainey
Boling, Okla.  Haynes, Ohio  Ramsey
Brown, Ga.  Hays, Okla.  Rankin
Bryan  Hershberger  Redd
Buchanan  Holmes  Redfield
Burris  Hornan  Redmon
Burnside  Illinois  Redwine
Burton  Jones, Ala.  Redwood
Byrnes  Jones, Ala.  Reighard
Cannon  Jones, Ala.  Reuss
Carroll  Jones, Ala.  Roosevelt
Carroll, Ga.  Jones, Ark.  Rose
Carriker  Karsten, Mo.  Ross
Case  Kean  Ross
Celot  Kennedy  Roche
Chadoff  Keenes  Rogers
Clemente  Keating  Rogers, Fla.
Cooper  Keene  Rogers, N. Y.
Corbett  Keeler, Pa.  Rogers, Okla.
Crosier  Lanham  Rogers, Va.
Dague  Lantaff  Ross
Davies  Lane, Ala.  Rotan
De Graffenried  Linder  Rosten
Demsey  McCarthy  Roth
Denny  McCormack  Rutledge
Denton  McDougal  Rutledge, S. C.
Dougherty  McDonough  Rutledge, S. C.
Donohue  McGuire  Rutledge, S. C.
Donovan  McKillip  Rutledge, S. C.
Doughton  Mckinney  Rutland
Doak  Mckinney  Rutland
Dodge  Mckinney  Rutland
Echelbarth  Magee  Rogers, Tex.
Elliot  Marko  Roys
Evans  Marlow  Roybal
Flaven  Marlow  Roybal
Floyd  Morrison  Zablocki
The Clerk announced the following pairs:

Mr. Martin of Massachusetts with Mr. Babaut.
Mr. Leonard W. Hall with Mr. Thompson of Texas.
Mr. Herter with Mr. Ribicoff.
Mr. Bender with Mr. Cooley.
Mr. Frouty with Mr. Secret.
Mrs. St. George with Mr. Murphy.
Mrs. Harden with Mr. Keller.
Mr. Osterberg with Mr. Mitchell.
Mr. Bramblett with Mr. Jackson of Washington.
Mrs. Bolton with Mr. Vinson.
Mr. Vorys with Mr. Faasan.
Mr. Werdell with 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. Engel.
Mr. Coudert with Mr. Rosevelt.
Mr. Brownson with Mr. Hibert.
Mr. Cunningham with Mr. Kennedy.
Mr. Lovre with Mr. Lesinski.
Mr. Nelson with Mr. Dawson.
Mr. Potter with Mr. McKinnon.
Mr. Osmers with Mr. Mansefield.
Mr. Patterson with Mr. Marshall.
Mr. D'Evett with Mr. Fogarty.
Mr. Poollson with Mr. O'Neil.
Mr. McIntleur with Mr. Preston.
Mr. Riehman 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. Havener.
Mr. Hoffman of Illinois with Mr. Hollifield.
Mr. Van Pelt with Mr. Howell.
Mr. Amandani with Mr. King of California.
Mr. Hunter with Mr. Camp.
Mr. Armstrong with Mr. Anfuso.
Mr. Jackson of California with Mr. Hepferman.
Mr. Wharton with Mr. Buckley.
Mr. Bakewell with Mr. Keogh.
Mr. Wiglesworth with Mr. Klein.
Mr. Johnson with Mr. Dollinger.
Mr. Balli with Mr. Fine.
Mr. Jonas with Mr. Garmatz.
Mr. Latham with Mr. Granger.
Mr. King of Pennsylvania with Mr. Morris.
Mr. Kibbourn with Mr. Gary.

Mrs. Roesch of Massachusetts changed her vote from "nay" to "yea."

Mr. Burnick changed his vote from "nay" to "yea."

Mr. Larpade changed his vote from "nay" to "yea."

Mr. Scudder changed his vote from "yea" to "nay."

Mr. Barr 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.
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 pitance 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 12 1/2 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.
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 permanent-ly 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 suspended 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 time of the introduction 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 precedent 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 that amendment.

The SPEAKER. The Chair would not recognize any other Member to make that motion.

Mr. HALLECK. Mr. Speaker, by any other Member to make a 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 those 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. Mr. Speaker, 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. MCCONNELL. 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. 1058]

Aaenahl Goodwin Miller, Md.
Abbitt Granahan Morgan
Albers Morris
Addison Greenwood Morrison
Albert Gwinn Morton
Anfuso Thrall Murphy
Armstrong Leonard W. Noeb
Aspinahl Hardy O'Brien, N. Y.
Bates, Ky. Harvey O'Neill
Beale, Tex. Hare, Colo. Oemis
Becker Heffeman Paine
Beckwith Beuer, N. Y. Palman
Bender Bennett, Ohio Penfield
Botnin Hoffman, Ill. Potter
Bow Hoinfield Powell
Buckley Hooton Redden
Burdick Jackson, Wash. Redden
Burtwistle James Reed, Ill.
Burston Jenia Richards
Butler Jones, Miss. Rogers, Colo.
Candicf Brantil C. Rogers, W. Va.
Cannon Judd Scott, Hardie
Cargile Kerley, Pa. Sheffield, N. Y.
Carnahan Kelley, N. Y. Shellan
Case Kennedy Sheley
Celtner Kissel Sheley
Chaston Kistin, Wis. Shier
Chudoff Kilburn Sigler
Church Kissel Tiskir
Corbett King, Pa. Tackett
Coudert Kison Taylor
Crombacher Klein Teissel
Dawson Kiczynski Theobald
Dempster Leam Yewel
Dollinger Lucas Yorres
Drake Lyons Zanich
Dreher Wats, H. M. Zell
Durrell Waterman Whelch
Ellsworth McConnell Welch
Eston McKean Wilkinson
Evins McKissal White
Fallon Macrowsich Wickersham
Farrington Mack, Ill. Whitney
Farrington Mack, III. Whitten
Fink Madden Wilson, Ind.
Floyd Mansfield Wolcott
Gamble Massol Wythe, Va.
Garnets Mender Zapolski
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:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td>$25</td>
<td>$41</td>
</tr>
<tr>
<td>$11</td>
<td>$27</td>
<td>$43</td>
</tr>
<tr>
<td>$12</td>
<td>$29</td>
<td>$45</td>
</tr>
<tr>
<td>$13</td>
<td>$31</td>
<td>$47</td>
</tr>
</tbody>
</table>

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:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td>$25</td>
<td>$41</td>
</tr>
<tr>
<td>$11</td>
<td>$27</td>
<td>$43</td>
</tr>
<tr>
<td>$12</td>
<td>$29</td>
<td>$45</td>
</tr>
<tr>
<td>$13</td>
<td>$31</td>
<td>$47</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td>$25</td>
<td>$41</td>
</tr>
<tr>
<td>$11</td>
<td>$27</td>
<td>$43</td>
</tr>
<tr>
<td>$12</td>
<td>$29</td>
<td>$45</td>
</tr>
<tr>
<td>$13</td>
<td>$31</td>
<td>$47</td>
</tr>
</tbody>
</table>
be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of title II and not withstanding the provisions of subsection (e) or (g) of this section; except that, if such 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 in which column I appears his average monthly wage:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly wage</td>
<td>Primary insurance amount</td>
</tr>
<tr>
<td>$34 or $35</td>
<td>$25</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26</td>
</tr>
</tbody>
</table>

(b) Section 203 (a) of such act (relating to maximum benefits) is amended by striking out “shall be the amount appearing in column II of the following table on the line in which column I appears his average monthly wage” and inserting in lieu thereof “$168.75 and $45,” respectively.

Effective dates

(c) The amendments made by subsection (a) shall take effect on August 1952.

(2) In the case of any individual who is entitled to any benefit under title II, the amendments made by subsection (a) shall apply to any benefit which would be payable on August 1952, increased, if it is

(d) (1) Where-...

(2) No increase in any benefit by reason of paragraph (2) of subsection (c) of this section shall be computed under the preceding provisions 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 entitled to an Old-Age, Survivors, and Disability Insurance benefit under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual was entitled to a benefit under such title on the basis of the same wages and self-employment income, to a benefit under such title to which he was 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, was included in a period of disability, which was included in a period of disability, other than the initial quarter of such period.

(2) Section 213 (a) (2) (B) (1) of such act is amended to read as follows:

(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 be a quarter of coverage.”

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

(2) Four quarters of coverage, 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.

(c) (1) Section 216 (i) of the Social Security Act (defining fully insured individual) is amended by inserting after “subparagraph (a)” the following paragraph and inserting in lieu thereof the following:

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

(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 any quarter which occurred during the year of any individual who 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.

(2) No increase in any benefit by reason of the amendments made by this section, which was included in a period of disability, other than the initial quarter of such period.”

(b) (1) Section 216 (a) (2) (B) (1) of such act is amended by striking out “shall be a quarter of coverage” and inserting in lieu thereof “shall be a quarter of coverage.”

(b) (1) Section 216 (a) (2) (B) (i) of such act is amended by striking out “shall be a quarter of coverage” and inserting in lieu thereof “shall be a quarter of coverage.”

(b) (1) Section 216 (a) (2) (B) (i) of such act is amended by striking out “shall be a quarter of coverage” and inserting in lieu thereof “shall be a quarter of coverage.”

(b) (1) Section 216 (a) (2) (B) (i) of such act is amended by striking out “shall be a quarter of coverage” and inserting in lieu thereof “shall be a quarter of coverage.”

(b) (1) Section 216 (a) (2) (B) (i) of such act is amended by striking out “shall be a quarter of coverage” and inserting in lieu thereof “shall be a quarter of coverage.”

(b) (1) Section 216 (a) (2) (B) (i) of such act is amended by striking out “shall be a quarter of coverage” and inserting in lieu thereof “shall be a quarter of coverage.”

"(B) such benefit for August 1952; or

(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 of such individual shall be increased to the next higher multiple of $0.10, or the amount which was used in determining such benefit for August 1952.

(d) (1) Where-...

(2) No increase in any benefit by reason of paragraph (2) of subsection (c) of this section shall be computed under the preceding provisions 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 entitled to an Old-Age, Survivors, and Disability Insurance benefit under title II of the Social Security Act, beginning with the first month after August 1952 for which (i) another individual was entitled to a benefit under such title on the basis of the same wages and self-employment income, to a benefit under such title to which he was 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, was included in a period of disability, which was included in a period of disability, other than the initial quarter of such period.

(2) Section 213 (a) (2) (B) (1) of such act is amended to read as follows:

(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 be a quarter of coverage.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"(B) such benefit for August 1952; or

(2) No increase in any benefit by reason of paragraph (2) of subsection (c) of this section shall be computed under the preceding provisions of section 215 (f) of the Social Security Act, as amended by this act.
therein except that, for purposes of para-
graphs (1) and (2) of subsection (c) of para-
graph (4) of paragraph (a), any quarter prior to 1951 any part of which was included in a period of or a substitute for, periodic pay-
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 con-
tractions which shall be deemed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
reduced to 5° or less concentric con-
tact with any disability shall be de-
emed to have been paid wages (in
addition to such earnings) which is based, in whole or in part,
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) in the line of duty, for a military or naval offense.

(b) Section 205 (o) of the Social Security Act (relating to crediting of compensation under Title VII for purposes of Title II) is hereby amended by striking out "section 217 (a)" and inserting in lieu thereof "subsection (a)" or "subsection (b)" as the context may require.

(c) The amendments made by subsections (a) and (b) shall apply with respect to months benefits under section 202 of the Social Security Act filed 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 death was filed by or on behalf of such individual, or any other individual, entitled to benefits under such section 202 on the basis of the self-employment income, and (B) only with respect to such benefits for months after whichever of the following is later: August 1952 or the seventh month after 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 218 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 the Social Security Act is hereby amended by striking out "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 benefits application under this title to service in any of the following:

"(a) A retirement system with respect to the employees of the State, a political subdivision thereof, or any political subdivision thereof the insurance system established by this title has not been extended before such date because the position was covered by such retirement system.

"(b) Any employment covered by such 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 there shall be deemed to be an elementary or secondary school teacher.

(2) The termination 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 a political subdivision of the State, then, for purposes of the preceding paragraphs of this subsection, the term "State," if the State so desires, shall 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 a political subdivision of the State, there shall be deemed to be a separate retirement system with respect to the State.

Subsection (f) of section 218 of the Social Security Act (relating to effective dates of amendments 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 who has not been covered by an insurance system, the Administrator shall recomputed the primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) of section 215 (o) of this title were made (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 were creditable 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 recomputed 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 subparagraph (B) 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 (2).

"(B) All employees in positions which were covered by such retirement system on the date the agreement was made applicable to such system;"
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 render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

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

(1) The Secretary shall, as soon as practicable after May 19, 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-earning status shall be the first day of such quarter of death or entitlement instead of the day specified in section 215 (b) (5) of which he is a part, but only if it would result in a higher primary insurance amount for such individual.

(2) Such recomputation shall not be required to the extent that any payment certified by the Administrator prior to the effective date of the recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

(3) In the case of an individual who died on or after the amendment which is now being offered shall be effective for and shall make in section 3 of the bill by the amendment which is now being offered shall be effective for and shall make in the manner provided in the preceding subsection of this section (other than subsection (b) (4)) such recomputation of such amount except that (A) the self-employment income closing date shall be the day following the quarter in which such person who filed such application for recomputation was entitled to such monthly benefits.

Such recomputation shall be effective (A) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective for and shall make in the manner provided in the preceding subsection of this section (other than subsection (b) (4)) the amount specified in section 1002 (a) (8) of the Social Security Act provides in section 3 where this amendment is to be effective is the amount 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. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas.

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. The vote was for 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 motion today and the motion which was made on May 19 last. Members have been offered the opportunity of studying the bill (H. R. 7830) since May 19, and the Members have been supplied with copies of the committee print on H. R. 7800 which discloses the amendments 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 expressed the opinion that the amendment which is contained in section 3 where this amendment is to be effective is the amount 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 there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that a second be offered in connection with the bill today, or will pay the fee of a doctor for making the examination. Certainly, 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 anyone of them. The amendment which is now being offered 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 anyone of them.

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, and what he thought he would be doing, and the ultimate result was that no one 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
Mr. Speaker, that would in any way become disabled each year.

I want to warn you today that what you are doing is going contrary to the

I certainly hope the Members of the House will call this bill with this amend-

I would not do it to lawyers or anyone else. I am just as op-

Mr. Speaker, let no person on this floor be deceived. You have the same old

As I have said, instead of deleting the socialized-medicine provisions, it gives

The offered amendments simply delete from the measure (a) the specific admin-

I want to warn you today that what you are doing is going contrary to the

I certainly hope the Members of the House will call this bill with this amend-

I want to warn you today that what you are doing is going contrary to the

I certainly hope the Members of the House will call this bill with this amend-

I want to warn you today that what you are doing is going contrary to the

I certainly hope the Members of the House will call this bill with this amend-

I want to warn you today that what you are doing is going contrary to the

I want to warn you today that what you are doing is going contrary to the

I want to warn you today that what you are doing is going contrary to the

I want to warn you today that what you are doing is going contrary to the

I want to warn you today that what you are doing is going contrary to the
benefit increases. It should demand a clean bill—one entirely devoted to giving needed increases to old-age benefit recipients and increasing the amount by which these people can earn. Under the Republican bill, H. R. 7922, which is opposed by the Democrats the retired worker could draw $100 in salary, which would permit him at least to permit him to earn the equivalent of $5 a month. The only purpose of the dressed-up H. R. 7800 is to perpetuate the policy of the work clause. 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 imprisonment.

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 to control 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 was being added. Those advocating amendments in our social-security system should have been permitted.

The third reason was the strong resentment by Members of the House against the fact 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? They say that the unemployed cannot produce or support themselves. The purchasing power of the $43 is of course reduced by inflation to about $22. What do the leading economists say? They say that the unemployed cannot produce or support themselves. The purchasing power of the $43 is of course reduced by inflation to about $22. What do the leading economists say? They say that the unemployed cannot produce or support themselves.

Let me show you what I mean. The proposed amendments strike from the bill the following language:

Sect. 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 period of disability. Examinations authorized by the Administrator may be performed in existing facilities of the Federal Government or by independent contractors. Examinations authorized by the Administrator may 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 sweeping powers to control the medical profession of our country, the amendments make no provision whatsoever 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 determinations and his own rulings. This is exactly what the President desires. The House passed 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 Administration determines who shall be disabled and 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 it 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 substantial improvements. We should set aside 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 the $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. 7209 is 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, which has been stripped of the controversial section 3, 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 effects of socialized medicine. The 5-percenter, 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 mission 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:

I swear to give my undivided attention to the art of medicine: of this section; and H. R. 7800, also amendment 7209.

Whereas Congressman Dooughton, Demo­ crat of New York, has 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 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 imple­ mentation could result in the discreditation of the medical profession itself as much as it would provide that the Federal Security Administration should (a) determine what con­ stituents 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 phy­ sicians and agencies (institutions); and (e) establish the fees; (f) be authorized to pay travel expenses and subsistence incident to the taking of such physical ex­ aminations; (g) have power to curtail Old Age and Survivors' Insurance benefits because of noncompliance with regulations of this section.

Whereas the American Medical Association strongly protests against its adoption within or without complete hearings with respect to the controversial provisions of section 3 of the bill; and

WHEREAS following the rejection of the bill May 19 by the House of Representa­ tives, certain amendments were made to the bill by the House Ways and Means Com­ mittee which purport to eliminate the objec­ tible features of section 3; and

WHEREAS notwithstanding certain deple­ tions from contrary reports and published pur­ pose of this bill to extend the power and authority of the Federal Security Adminis­ tration remains unchanged, and the deletions which have been made are only another at­ tempt to hoodwink the public into believing the section is completely altruistic; and

WHEREAS the American Medical Association strongly protests against its adoption without complete hearings with respect to the controversial provisions of section 3 of the bill; 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 railroad through a provision to aid in the socialization of medicine, which could not possibly be adopted if considered openly and fairly; and

RESOLVED, That the American Medical As­ sociation 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

RESOLVED, That the American Medical As­ sociation urges that Congress refer this bill to the committee where it should be subject to the ordinary democratic processes of legislation.

NEW YORK, N. Y., June 16, 1952.

DANIEL A. REED,
House of Representatives,
OFFICE BUILDING,
WASHINGTON, D. C.:

Medical Society of the State of New York urges H. R. 7800 to be referred to committee for study and public hearings. We object to its extending power of Federal Security Admin­ istrator regarding medical matters. J. STANLEY KENNETT, M. D.,
Chairman, Legislative Committee.

NEW YORK, N. Y., June 16, 1952.

HON. DANIEL A. REED,
House of Representatives,
WASHINGTON, D. C.:

Am unalterably opposed to passage of so­ cialized-medicine bill.

STEPHEN P. CONNELLY,
Rt. Rev. STEPHEN P. CONNELLY,
Livingston County Medical Society, 44
members, unanimously opposed to social­ ized medicine; bill introduced in House Mon­ day.

V. L. BONAPFEE, M. D.,
Secretary.

NEW YORK, N. Y., June 15, 1952.

HON. DANIEL A. REED,
House of Representatives,
WASHINGTON, D. C.:

Am opposed to passage of socialized-medic­ ine bill.

STEPHEN P. CONNELLY,
Rt. Rev. STEPHEN P. CONNELLY,
Livingston County Medical Society, 44
members, unanimously opposed to social­ ized medicine; bill introduced in House Mon­ day.

W. S. HUNN, M. D.
PORTLAND, ORE., June 7, 1952.

HON. DANIEL A. REED,
House of Representatives, Office Building,
WASHINGTON, D. C.:

Understand attempt being made to intro­ duce H. R. 7800 under suspended rules. Section 3 this bill socialized medicine bill should be committed to committees for study hearings and introduction through regular procedure. Urge you again oppose section 3 and bills introduction under sus­ pended rule tactics your past help deeply appreciated.

OSCEON STATE MEDICAL SOCIETY.

NEW YORK, N. Y., June 7, 1952.

DANIEL 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 pur­ view.

BOARD OF TRUSTEES,
AMERICAN MEDICAL ASSOCIATION.
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 passing the bill on its merits.

**AMA AND REPUBLICANS IN CONCERT**

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 make it 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 selector. 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 equitable and make its application and use is commonly accepted by all line insurance companies. Then all of a sudden the day H. R. 7800 was reported it was a different light idea. By wantonly misconstruing the larger and intent of one portion of this bill the AMA was able to see it in socialized medicine. I dare say this novel interpretation of the bill did not go unheeded in the Washington office of the AMA was much a surprise to the opposition Members of this House as it was to the majority Representatives. Certainly, when Mr. Kingstong, 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 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 ignominious protests. Then the Republican Party lined up with the AMA to back 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.

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 8 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 statement by a speaker 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 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 remote similarity between this interpretation of the bill and its true content, I challenge him to go on 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...
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 for years, their families have been burdened by the fact that 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 last 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—and with them their orphans and widows. They have been eying 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. It is equally significant for two reasons.

**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 providing the permanently disabled with a public insurance program, but opposes, 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 is not concerned about the medical aspects of disability insurance. It is the administration. It is time we worried about the medical aspects of disability insurance.

Secondly, Dr. Bauer's statement makes it clear that the AMA is not concerned about the medical aspects of disability insurance, and the AMA'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 in H. R. 7800. Apparently there is no control of doctors over the State workers' compensation programs or the State 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 of the State 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 its desire 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 aspects of disability insurance, but 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 governmental policy of the house of delegates has been mired by a distortion of the facts and by an unseemly and frenzied fear on the part of its leaders that anything that strengthens 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 flatly repudiated 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. In addition, we have received reasonable 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 improvements. I urge you to adopt all these 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 an envious partner in the American Medical Association, the American Medical Association at its meeting in Chicago, and he made the most of his opportunity. He charged, with eminent reason, that the outgoing president of the AMA, Dr. John W. Cline, "has done more to harm the AMA public relations and American medicine 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'—with a capital 'M'—a bill that is, at base of it, a part of the second most impressive program for compulsory health insurance. And we are going to fight it all the way or you and the people of America will be subject to the same kind of propaganda as that which the AMA has used on the Ewing plan for compulsory health insurance.

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 an envious partner in the American Medical Association, the American Medical Association at its meeting in Chicago, and he made the most of his opportunity. He charged, with eminent reason, that the outgoing president of the AMA, Dr. John W. Cline, "has done more to harm the AMA public relations and American medicine 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'—with a capital 'M'—a bill that is, at base of it, a part of the second most impressive program for compulsory health insurance.

We are going to fight it all the way or you and the people of America will be subject to the same kind of propaganda as that which the AMA has used on the Ewing plan for compulsory health insurance.

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.
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. Dondero) introduced H. R. 7800, and I cannot prove this, but I dare say that 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 300,000 state employees were not 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 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. I 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 social-security payments. 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 at all.

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 the confusion of discussion on each side. I am much in favor of the five provisions in this bill, but it must be remembered that not one penny of that money is going to the same to 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. Rea 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 socialization in it. I believe it 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 the words came 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 was so well 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, 1932**

**RESOLUTION**

Whereas Congressman Doughton on May 16 introduced in the Congress an omnibus social security bill, the Ways and Means Committee, providing for various amendments to title II of the Social Security Act, which bill was referred to the Ways and Means Committee of the House of Representatives on May 18 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-medical field; whereas its implementation could result in the socialization of the medical profession inasmuch as the Social 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) authorize, by regulation, examining physicians or agencies; (e) authorize, by regulation, examining physicians or agencies. Willis F. Rea and his colleagues advocate that the American Medical Association strongly protests against its adoption without full and complete hearings with respect to the controversial provisions of section 3; and

Whereas notwithstanding certain deletions from sections 3 and 4, the fundamental provisions of this bill to extend the power and authority of the Federal Security Administration 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 19) 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 triumph of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

Whereas the defeat of H. R. 7680, depriving social-security beneficiaries of numerous additional benefits, was a direct result of the Administration’s permanent and total disability scheme, in which socialized medicine is intertwined; and

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; but it be further

Resolved, That the American Medical Association urges the Senate to extend 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 reached the age of retirement or when they would become inoperative; and whereas the State’s employees, the faculty of the State’s funds 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 up this week. Please, on Wednesday, for vote on the House floor.

Section 8 of this legislation denies the money over $100,000,000 to the State of Ohio and of all units of local government. We contend this protection from indiscriminate social-security extension that is provided for Federal agencies, for the States and for police personnel. We contend this is discriminatory and we urge that you insist on the deletion of section 8; and

It is further necessary 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 the American Medical Association in its entirety but only to section 8, 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 col-

pagers, as will social security, for our funds day and Thursday and hope to be able to delete or modifying objectionable sec-

report to our membership your support in

doing so. We have requested, the Ways and Means Committee to have hearings on this bill be held which is not contemplated, we understood, because of specific House Rule.

W. D. Wixon, M. D.,
President, Ohio State Medical Associa-

tion.

The following is a telegram that I re-

ceived from Mr. Howard, president of the Ohio Association of Public School Em-

ployees:

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 believe is the unreasonable demands of the American Medical Association. There are approximately 200,000 public employees in Ohio who could have medical examinations submitted to results of this legislation on which they haven't even had the opportunity to be heard.

Harold L. Howard, President, Ohio Association of Pub-

lic 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 considera-

tion 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 $200,000-

000 a month to our people, most of whom are very deserving. Second, it will give

Mr. Altmeyer and Mr. Cohen and Mr.

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) on social-security matters.

Mr. EBERHARTER. Mr. Speaker, I am wholeheartedly in favor of the social security bill we are considering today. The bill provides for increasing the in-

surance benefits of nearly 5,000,000 per-

sons. It liberalizes various provisions. It preserves the insurance rights of per-

sons who become disabled. I want to say that the amendments which have been offered to the disability section of the bill are really self-defeating. 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 right of those persons who become permanently and totally dis-
abled. They do not take away any of the basic administrative responsibility of the Social Security Administration to see that the rights of those who are totally disabled are fully protected and that the Federal Government is properly protected at the same time.

The leadership of the American Med-

ic Association has made, and is con-

tinuing to make, unsubstantiated charges about this one section of the bill. The amendments offered by Chairman Dowhower would delete the sections which related to examinations and phy-

icians and would not continue to dis-

tort and misrepresent the effect of this provision of the bill.

However, it should be clear to everyone that not one bit of administrative change from the Bureau of Old-Age and Survivors Insurance to see to it that only persons who are bona fide permanently and totally dis-
abled 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 dis-

cability. The bill now recognizes that the disabled person shall be determined.

The bill does not create any authority to establish socialized medicine or pro-

vide continuing medical care to anyone. Medical examinations obviously have a very desirable and important part in making a finding of disablement.

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 doc-

 tors throughout the United States do not share this unwarranted demand of the American Medical Association.

But we have eliminated some of the superfuzzulous language so that 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 med-

ical 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 always must aloud claims in the evidence which the worker submits does not clearly establish the disability. By authorizing additional tests and exami-

inations 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
The recent action of the Republicans in opposing necessary improvements in the social-security program 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 insurance program, 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, embarrass, 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 the House Committee on Ways and Means reported out the old-age insurance provisions of 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 economic conditions, and might in fact retard economic recovery.
Third. It would impose a crushing burden upon industry and upon labor.
Fourth. It would destroy old-age retirement systems set up by private industries.
Fifth. It would destroy in the field of insurance in competition with private business.
Sixth. It is part of the 20-year campaign of the Republicans to delay, embarrass, and defeat the Democratic effort to improve the social security protection of the American people.

The recent action of the Republicans in opposing necessary improvements in the social-security program 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 insurance program, 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, embarrass, and defeat the Democratic effort to improve the social security protection of the American people.

When the Democratic members of the House Committee on Ways and Means reported out the old-age insurance provisions of 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 economic conditions, and might in fact retard economic recovery.
Third. It would impose a crushing burden upon industry and upon labor.
Fourth. It would destroy old-age retirement systems set up by private industries.
Fifth. It would destroy in the field of insurance in competition with private business.
Sixth. It is part of the 20-year campaign of the Republicans to delay, embarrass, and defeat the Democratic effort to improve the social security protection of the American people.

The recent action of the Republicans in opposing necessary improvements in the social-security program 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 insurance program, 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, embarrass, and defeat the Democratic effort to improve the social security protection of the American people.

When the Democratic members of the House Committee on Ways and Means reported out the old-age insurance provisions of 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 economic conditions, and might in fact retard economic recovery.
Third. It would impose a crushing burden upon industry and upon labor.
Fourth. It would destroy old-age retirement systems set up by private industries.
Fifth. It would destroy in the field of insurance in competition with private business.
Sixth. It is part of the 20-year campaign of the Republicans to delay, embarrass, and defeat the Democratic effort to improve the social security protection of the American people.

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 12 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 8 opposed. Five of the six opposition votes were Republicans.

Some influential representatives of insurance companies and business interests supported Senator Hastings' 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 passed this proposal. 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 Act. 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 1937. Governor Landon, as the Republican candidate, who 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 Q. Whiting, 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 staffers 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 during the last week in October 1936, it would be a difficult job for the Republicans. They were more interested in helping big business. They did not have time to pass legislation for the people of the United States.

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.

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 was an amendment to include all of the 500,000 to 700,000 salesmen under the insurance program. The Democrats showed that they were concerned with the welfare of these people. Each man paid his taxes. They then started a campaign to freeze the payroll taxes which provide the income for the payment of the insurance benefits. They were more interested in helping big business. They did not have time to pass legislation for the people of the United States.
1952

Congression Record - House 7303

1949-50

With the election of a Democratic President and Congress, steps were taken immediately to establish early in 1949 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—Butler, Mason, and Briggs—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 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 BYRNE. The motion was defeated by a close vote, 166 to 165.

On the vote 4 weeks ago on the social-security bill only three of the Republican members of the Ways and Means Committee voted opposed H. R. 7800. One of the nine voting Republican members of the Ways and Means Committee who voted opposed the Members of the House an opportunity to vote to improve the bill. The three Republican members—REED, Woodruff, and Jenkins—of the Ways and Means Committee who voted opposed H. R. 7800-17 years later.

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 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, and H. R. 7800 on May 19, 1952, voted against the entire social-security bill in 1955. 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 fighting for social security but have the 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 poornoose. 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 them 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 social-security program 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 (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, but 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 taxpayers and employees of social security. Nevertheless, the bill was reported favorably by a majority of the committee after discussion with proponents of the legislation from the administration.

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 sleight of hand 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 department could issue regulations which those who 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 Secretary of Agriculture is to say the bill is out, but this was objected to in the telegram which we all received from the Washington representative of the American Medical Association. By urging passage of H. R. 7800, the Administration has moved to raise the point of order 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, a compromise has been arrived at, and it is to be presented to you today.

How now does this leave the situation? To our reference to administration 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." The same 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. By what authority? You would not ask that it be done by the Social Security Board. The House of representatives did it, but this was objected to in the telegram. 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 distasteful, 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 this inequality created by which those who become totally and
permanently disabled or blind after hav-
ing 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 or lack policy.

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 is entitled to collect 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—humanitarian, economic, psychological—points to the urgent importance of eliminating this wage-ceilings 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 this arbitrary ruling. 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 their opportunity to live the happy retired life, the spirit, 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 actuarial experts have estimated 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. Commissioner Condon, special 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 product by about $1,000,000,000 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.

Is less than one-sixth of the amount we are now planning to give to foreign governments during the next fiscal year.

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 is entitled to collect 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—humanitarian, economic, psychological—points to the urgent importance of eliminating this wage-ceilings 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 this arbitrary ruling. 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 their opportunity to live the happy retired life, the spirit, 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 actuarial experts have estimated 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. Commissioner Condon, special 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 product by about $1,000,000,000 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.

Is about one eighty-fifth of this year's budget.

The Social Security Administration takes the position that the removal of the wage ceiling would be expensive. Yet the history of this program is that it has consistently raised 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 supplemental 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 working.

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 extracted from the hands of the citizen by the wage ceiling and the medical practitioners of this community. Could anything be more cynical, more misguided, or more irresponsible?

To 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 legal rights. To esti-
mately 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. RADVAN. Mr. Speaker, I want to join with the distinguished gentle-
men 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 always have been, a strong adherent of the use of the 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 in-
crease, a needed increase in social se-
curity benefits. Some say that increase is not enough and this I say, Mr. Speak-
er, 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. Oveta Culp Hill) in opposing the present work clause in the bill before us. I agree also with the gentleman from New York (Mr. Reaf) 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 to 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. Reaf), 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 efforts.

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 Tennessee (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 and deservc actioh now. They will not require any amendment of the present contribution schedule, nor will thc 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 income 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 below normal retirement age, it is possible 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 the present $50, 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 $30 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 who are not dependent and to 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 urgent-ly 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 service or active naval service as World War II. Also credit was provided for any month after the end of World War II. The millions of men and women who 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 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 given, 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 State or local retirement 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 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 enterprise. 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 and employers.

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. This bill therefore makes coverage of retirement systems subject to a favorable vote of the members of the sys-
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 not in the past. 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 would 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 $2,000. The average in 1951, probably somewhat below current experience.

The program as outlined in these amendments has been adopted in an effort to modernize the social security system and to bring it up to date. These amendments have also eliminated the possibility of abuses of the system especially in the disability section. This will eliminate the practice of some employers of deliberately insuring 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 program, 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 recently-retired man is about $90 a month. For an aged couple, both man and wife are retired, the average is $70; for an aged widow it is $38. 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 the cost-of-living adjustment amendments were based, to 1951, wages increased 20 and 25 percent. We must move immediately to increase old-age and survivors insurance benefits and restore the program to normal.

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 on the basis of benefits 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 action. 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 provisions for members of the Armed Forces between July 1949 and January 1954 as it does to the veterans of 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 permanent and totally disabled. In 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 against the risks of old age and death. There is 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 protection against the risks of ill health, is cruel and 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 wages and self-employment income. 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 becomes insured by 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 for the provision which is not available under other disability programs.

Our social-insurance system must be so sound and strong that it can safeguard not only all the security of every American dependent on the earnings of one or more members of families, but it must also be responsive to the pressures of economic development. The program as outlined in these amendments has been adopted in an effort to make sure 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 volume of goods and services we have been selling 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 people in the country. 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 payroll. 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 getting only regular rather than increased 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.

It is true that the social-insurance program may have 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 re-
tired. Benefits are so much lower than
earnings that there is no real induc-
tion to retirement. The present $50
restriction on earnings, however, prob-
ably does discourage some of those who
are retired from their regular jobs in
making the contribution to production
through part-time employment that they
are capable of making. This bill, there-
fore, provides for an increase from $50
to $70 in the amount which tests retire-
ment 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 in-
surance if the State wants this coverage
and if a two-thirds majority of those un-
der the retirement system want it. This
will permit coordination of old-age and
survivors insurance with staff systems
for public employees. It will afford pub-
lic 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 pro-
grams. This amendment will correct an
injustice in the treatment of certain
blind people under the present and corre-
late with the improvements which we adopt 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 the old law
it was not clear that where another person
in the family, for ex-
ample, the man's wife, is also getting as-
sistance, that $50 does not have to be
counted. Under this provision, 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.

Benefits 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.

There are several important amend-
ments to this bill which many Congress-
men believe would benefit the workers
of this country as well as the entire
American people. I would like to men-
tion just two such changes that should be seri-
ously considered by this body.

This bill will allow social-security re-
icements 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
country would wish to see 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,
but also reduce the productive capaci-
ty 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.

The other changes which should be
given a complete hearing, but as long
as the leadership refuses to hold com-
mittee hearings, and refuses to allow
amendments from the floor, the will of
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 the gag rule. Surely 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 Com-
mittee in bringing this legislation to the
floor under the suspension rule, which
prevents any attempt before the offer
of amendments which might alleviate
some of the present inequities in the So-
cial 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 clarifica-
tion. Under the present law, many types
of agricultural workers who are required
to participate in the program are not
employed on a transient basis. They are
very much confused about the purpose
of social-security deductions, and appar-
ently, in many cases, they are not being
properly informed of the benefits to
realize 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 pres-
ent language of the bill in regard to
present agricultural coverage could be
revised to make some type of agricul-
tural labor coverage on a permissive
basis, or at least under terms where
there would be no question of the bene-
fits being eventually returned to the em-
ployee. The entire social-security pro-
gram 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 am-
endment, but it would not prevent me from
bringing a decision on the floor of the
House about the necessity of re-
viewing 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 con-
sideration 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 pre-
vent the immediate passage of this bill,
but if it will not prevent properly consti-
tuted efforts to bring the whole social-
security law before the Congress for re-
view.

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 provi-
sions 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

June 1926

CONGRESSIONAL RECORD — HOUSE

7308
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 45 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 inconsiderate. 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 earn as much as the rules restrict 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 on the single men's minimum of $70 per month, particularly if he experiences ill health, or has other unexpected expense.

I think that the law should be amended so that 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 should 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 certify is not a social-security benefit.

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, discussed, and voted upon.

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. For example, there needs to be 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 speaking of them and pointing out 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 a matter which is in the interest of the public.

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 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, therefore, the plan 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 thousands of 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 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. He would be neither the 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 the social-security recipient who 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 is nothing in the existing law which is 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 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 relief to underprivileged people, but if they are anxious for a better program for the older citizens. By the same token a vote against this measure cannot 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 second the motion to suspend the rules, 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 support for the provisions of 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 change 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 $6 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 receive a benefit for one year after 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, extending 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 $35 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 hope to thousands of people without 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 said today, discharge 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 was 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 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, quite inadequate benefits are the prime weaknesses in the Social Security Act.

It is my contention Mr. Speaker, that Congress should adopt the 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. ANCELL] and I to cosponsor the Townsend pension bill—H. R. 2678, 2679—a bill which would give real security to our seniors by converting partial dependency 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 has now been signed by over 180 Members of the House. I maintain that the only final and satisfactory solution of this 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 already done so to sign discharge petition No. 4 to do 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 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—themselves pay the taxes they pay during their 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.

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 their 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 and so-called adequacy of the present social-security income by accepting employment is unfair and unjust because the beneficiary has earned his annuity by paying into the fund and there should be no limit at all on his additional earnings, if he chooses to remain in employment.

Even then the restriction was unfair. It is more so now. It will help to increase the amount a beneficiary may earn, but if one is 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 into the fund 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 wages and the self-employed person's earnings from his trade or business, along with equal contribution from the employer, the Government has no means of 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 up 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 as this legislation is.

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 communist slave state regimenation. 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 communist propaganda. How much stronger now must more vitaliy be our defense. Communist intrigue our people will be assured we are our great free-enterprise system and our Government, working harmoniously together, have the strength and the numbers to make them eligible for that which every loyal citizen of this great democracy is entitled to receive, namely, security in time of adversity and need. In this right direction, Mr. Speaker, I do hope that in the next consideration of the Social Security program that this bill increases the 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 age should be lowered from 65 to 60 years. I know many people in the districts that I represent 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 energies will permit, certainly up to the age of 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, they would give employment to younger men, thereby benefiting both the older 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 lower the burden of the taxpayers the better and the Social Security legislation 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 age 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.

The increased benefits. The 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 lessen 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 liberalized test under which military personnel serving in the 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 introduced at this time. Moreover, 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 sectors 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. 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 and without opportunity to consider any amendments to the bill as so presented to us.

H. R. 7800 was introduced by Congressman Doonorow 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 necessary two-thirds vote.

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 to consider the rules of the House 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 the bill is an improvement on the 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 average 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 insurances for the person who becomes permanently and totally disabled or other help 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 manner would make several changes in language. Section 220 of the bill and the proposed newsubsection 216 (i) (4) of the act would be eliminated. These were the two principal provisions 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 provides the previously acquired benefit rights of the 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 years may lose all 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 provisions need improvement in that 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 establish procedures and a panel by which examinations are performed, or they obtain examinations on a fee-for-service basis from local private physicians and 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 in some border-line cases 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 or express any opinion 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 so ill that the attending physician 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 arrangements with the Government. Doctors would in no way be controlled or socialized. The examinations would be confidential details which are held 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 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 present bill as proposed 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 medical expenses and 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 the program. It is the policy of the administration to make the provisions of this bill as clear as possible.

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 give 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. Sensenbrenner presenting the official statement of the American Medical Association on the disability provisions in the Senate Ways and Means Finance Committee on February 28, 1950 complained that—

If in a border-line case, and certainly many such cases will arise, the physician resol...
I hope you'll do all in your power to try to get this brutal clause knocked out soon, as early as you can, with five Saturdays in it, and I don't want to face the next starvation week without being permitted to work that one day, without losing my pitiful $70 a month.

I will appreciate everything you can do for me in this hour of dire need. I brought the statements in this letter to your attention 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 to tell you that our State department will endorse you for re-election 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 Ceiling

(By Sylvia Porter)

There's a 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, for whatever he holds or gets a job paying over that piddling sum, he forfeits his old-age pension. And we have been told for years by older folks, including the late President, that this is a cruel clause, and this is why we've outdone ourselves in this era of living costs, in attempts to improve our income security system.

Remember that we have been told that our increased old-age and survivors insurance benefits provided in H. R. 7800 are 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 times 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 surged. 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 18.9 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 $5 or 121/2 percent and annual payments, and this will 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. The idea of less 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 has to do is to freeze the benefits that come 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 benefit rates for old-age and survivors insurance. There is no reason why this cause for low benefit rates cannot be eliminated along with the rest of our national hardship it creates.

The provision for freezing wage credits for veterans of the Korean conflict to cover the time they spend in the Armed Forces and therefore outside the coverage of the social-security law 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 survivors of such a veteran.

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, retirement or disability. 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 be taken unless the members of the system want it, and this bill will make it unnecessary. State and local government employees, like those in private industry, should be given the opportunity to get 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 to increase 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. BUSBEY. 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 moderate increases in benefits are certainly needed by the 6 million of retired workers covered by the bill, 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 outfile 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, support the AMA in its struggle against socialized medicine but who know exactly what this bill now provides and excludes, are supporting the pending 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 control of their unions.

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 prevent evasion of the law.

Wage credits for military service, and correction of defects in computation provisions, together with the other good features in this bill outweigh its deficiency. The latter is one more proof of the manner in which the administration is bringing up the bill under gag rules that permit no amendments. 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. Rees), would be adopted increasing the work clause from $85 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 House would vote unanimously for this legislation.

Mr. Speaker, the reason the Democrats rejected this amendment on the floor 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. Under this proposition, 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 think it is in the program of the administration to start the administration's program of socialized medicine. Then, 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 honor 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 present mess. 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 is a result of 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.

The only reason the Democrats cooked up this legislation to be brought out under suspension of the rules is in order to create a situation to test the will of the Congress on the floor. They are looking for a test of the Democrats' strength against the Republicans. They are bringing up this bill in order to bring out the Democrats' stands on the old-age and survivors insurance funds.

I am voting for the bill because it increases the benefits in the old-age and survivors insurance funds.
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 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 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 committee to report a bill to 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 benefits, instead of a bill, such as 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, then they vote down H. R. 7800 and at the proper time, vote for the Reed bill.

The Democrats tell us, on page 3 of H. R. 7800, starting with line 13, that 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, the security of existence thereof as may be required by regulations of the Administrator.

They struck out the language "required by regulations of the Administrator" and substituted the words "security of existence". The Members of the 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, then they vote down H. R. 7800 and at the proper time, vote for the Reed bill.

As it stands, the old people will have their benefits reduced by $42 a month, and in some cases, their benefits will be stopped altogether 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 pawn for the Democrat administration to foist socialized medicine upon the Nation.

Mr. REED of New York. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ST. GEORGE].

Mr. ST. GEORGE. Mr. Speaker, I also 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 us who are trying to give 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 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 that 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 balance 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 I had some 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 personnel. As I understand the way 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 the old-age retirement benefit from $10 to $15 per month, 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 the so-called "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, we must earn more than $50 a month by self-employment or otherwise—or else lose our benefits. I think that since Congress did nothing else to increase the social-security 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 retires under the social-security system, pays his taxes which 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 benefits to the 25 million persons covered under 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 increasing 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 $3,900 received by employees. This withholding tax is paid one-half by employee and one-half by employer. You might be interested to know that this 3.5 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 benefits made to the beneficiaries.

In view of the fact that living expenses rise in this country, 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 checks. 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 people who make a contribution 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. Since we cannot amend this bill as a matter of right to such payments.

It if be a fact that those who administer the social-security fund say that this increase in additional benefits can be made without decreasing the solvency and 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, whereby we might give some consideration to this bill. I have no doubt that the social-security fund is solvent and that 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 do this than by providing 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 are disabled, 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 important for me to add little time remaining in which to express my views touching this legislation.

H. R. 7800 was considered in the House on May 19, 1953, 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 passed in this bill at the request of the gentleman from New Jersey (Mr. Keenan) 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 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 Railroad Retirement Board, the Railroad Retirement Board and various State compensation laws have for years dealt with the problem of disability determination. It removes an inequity of the present 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 the benefits they receive.

If I were called upon to name the one piece of legislation which I have sponsored in my more than four decades of service that 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 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 friends of being an anti-social security bill. Mr. Speaker, the gentleman from New York (Mr. Rea), 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 legislation. Notwithstanding my record of work for and devotion to the great cause of social security legislation, I am accused by my friends of being an anti-social security 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 judge me and my 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 to 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 that 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 social security system 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 brought up in the committee providing for amendments to the social security laws. The gentleman from New York 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 written to me and I am sure that if I met him in the road I would not know him. I have never heard a word from him. He has never written to me and I am sure that if I met him in the road I would not know him.

The facts as to H. R. 7800, the bill which is being considered, 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. FISHKIND], the gentleman from California [Mr. CHOATE], the gentleman from New Jersey [Mr. Kean], and the gentleman from Wisconsin [Mr. BRYNKS], 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 hearing 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 1930 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 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 consideration of the committee report on 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 there were 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 had sent a volley of telegrams to the Members of the House that anyone even thought such a charge as socialized medicine could be made in the provision. 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 benefit to the lot of permanently and totally disabled. Blind persons are included in this provision. This provision is the same as that included in section 105 of Mr. Kean's bill, H. R. 7549.

For and against, the votes in favor of social security 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. Reuss 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 to protect 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 people complimenting me on its introduction, and expressing their appreciation for my interest in their lot.

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 mentions socialized medicine when we are considering this bill. However, when the bill was considered on May 19, 1952, the gentleman from New York was greatly distressed about the medical approach to socialized medicine which purportedly was contained in section 3. It strains one's credulity to believe that there was nothing to improve the lot of the disabled than oppose this effort to alleviate the lot of the permanently and totally disabled. It will not cost the tax-payers one cent, as would an increase in benefits under the public-assistance titles.

It strains one's credulity to believe that there was nothing to improve the lot of the disabled than oppose this effort to alleviate the lot of the permanently and totally disabled. It will not cost the tax-payers one cent, as would an increase in benefits under the public-assistance titles.
motive 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.
SPECIAL ORDER CALL 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, no 1.

The yeas and nays were ordered.

Mr. ROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The result of the vote was announced by the Clerk. The roll was taken.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill 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. Sarascur with Mr. Burdick.

Mr. Bates of Kentucky with Mr. Winn.

Mr. Feen with Mr. Wills.

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. Harris, who if present would vote "aye." I therefore withdraw my vote of "no" and vote "present."

The result of the vote was announced as below recorded.

Mr. ROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The yeas and nays were ordered.

The question was taken; there were—yeas 361, nays 22, answered "present" 2, no 1, not voting 46, as follows:

[Roll No. 106]

YEAS—361

Abbeit, Bette 10

Adcock, Beall 12

Allen, Calif. 3

B. H. Allen, Ill. 10

Allegri, Bennett 10

Anderson, L. B. 10

Anderson, B. M. 10

Bennett, M. M. 10

Bennett, Nat. 10

Biscan, B. M. 10

Biscan, Nat. 10

Brittain, B. M. 10

Bryson, B. M. 10

Butler, B. M. 10

Byron, B. M. 10

Cavender, B. M. 10

Cavender, Nat. 10

Cay, B. M. 10

Cooper, B. M. 10

Corbett, B. M. 10

Cotter, B. M. 10

Coudert, B. M. 10

Cox, B. M. 10

Crosser, B. M. 10

Crumpacker, B. M. 10

Cunningham, B. M. 10

Curta, M. 10

Dague, B. M. 10

Davis, Tenn. 3

Davis, W. 10

Deane, B. M. 10

DeGraffenreid, B. M. 10

Deinley, B. M. 10

Dempsey, B. M. 10

Denny, B. M. 10

Dent, B. M. 10

D'Earl, B. M. 10

Dingell, B. M. 10

Dolliver, B. M. 10

Dondero, B. M. 10

Donovan, B. M. 10

Dorn, B. M. 10

Doughton, B. M. 10

Doyle, B. M. 10

Barrett, B. M. 10

Barrett, Nat. 10

Beck, B. M. 10

Boggs, Del. 10

Boyle, B. M. 10

Boykin, B. M. 10

Baker, J. E. 10

Baker, G. E. 10

Baker, V. E. 10

Badger, B. M. 10

Baring, B. M. 10

Bates, Mass. 10

Brown, Ohio 10

Combs, B. M. 10

Cooley, B. M. 10

Curtis, N. B. 10

Davis, Ga. 10

Davis, Wash. 10

Davis, W. 10

Dawson, J. 10

Deane, J. 10

Deese, J. 10

Dempsey, J. 10

Denny, J. 10

Dent, J. 10

D'Earl, J. 10

Dingell, J. 10

Dolliver, J. 10

Dondero, J. 10

Donovan, J. 10

Dorn, J. 10

Doughton, J. 10

Doyle, J. 10

Barrett, J. 10

Barrett, Nat. 10

Beck, J. 10

Boggs, Del. 10

Boyle, J. 10

Boykin, J. 10

Baker, J. E. 10

Baker, G. E. 10

Baker, V. E. 10

Badger, B. M. 10

Baring, B. M. 10

Bates, Mass. 10
I strongly favor removing entirely this income limitation, or at least raising it to $100. I also 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 exert 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. It is under the control of the Federal Security Agency which is the right of every Member of Congress to be allowed to submit his views in the Senate. The Senate will have extensive hearings and bring out a more equitable 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. It is under the control of the Federal Security Agency which is the right of every Member of Congress to be allowed to submit his views in the Senate. The Senate will have extensive hearings and bring out a more equitable legislation which will provide adequate benefits for our aged.

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 35-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 pen-
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 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 Administrator 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 capacity 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:

LASING, 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 Dougherty, 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.
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. 7600 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 em-
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.
needed, and they are needed now. They are all necessary and desirable changes. Therefore, we want to do 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. Yet, it 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 not kept pace with the inflation resulting from 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 to promote the objective that 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. The benefits of the old-age and survivors insurance program are increased satisfactorily from any standpoint. The dissolution of some retirement systems as in my own State of Utah, has been brought about because those concerned wanted increased wage credits 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 was wanted, but the people 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 are not prevented from having it. 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 systems are voted in favor of it by a two-thirds vote 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 this 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. But it is important to note that 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 called “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 has arisen 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. It was intended that the least possible 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 Recoa never be perfectly clear on our intent, I 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 all reasonable cases.

The provision in this bill for the disability "waiver" is a very important and necessary one. It will be of benefit to both 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 provisions 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 worker’s compensation programs and other agencies which have to make adjudications on the facts of permanent total disability.

The caseload 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 we have 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 any existing statutory authority to do a careful job of administration.

Finally, the bill makes certain technical changes in the benefit-computation provisions to make 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 the beneficiaries in 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 manner a year later. These provisions are a further reason why we should not delay action on this bill.
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.

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.
forded 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

Social Security Bill

EXTENSION OF REMARKS

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 af-
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 socialist 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 $45 and $42 per month, and H. R. 7800 provides for a $5 or 12'/2-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 has 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.
CONGRESSIONAL RECORD — APPENDIX

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 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 over-simplification and over-statement should 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 needs, 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 intro-roads into their legitimate professional powers. As 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 was told recently 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 perma-nently 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 companies. Under the present law a per-son who has contributed to the old-age and survivors insurance system for many, many years may lose all protec-tion or have it greatly reduced if he be-comes blind, goes 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 another 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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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 another 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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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.

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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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.

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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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.

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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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.

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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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.

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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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.

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 re-tirement system, the Railroad Retirement Board, the Federal employees' retirement system, and the Social Security Administration will determine eligibility. Doctors would in no way be controlled in making disability determina-tions or have it greatly reduced if he be-comes blind, goes 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.
**CONGRESSIONAL RECORD — APPENDIX**

strongly urge that the House pass H. R. 7800 today.

[From the Louisville (Ky.) Courier-Journal of May 31, 1952]

**SOCIALIZED MEDICINE STILL A HARDY CLARION**

Time flies, and it is significant that 2 years have passed since the abort of a bill to place the coast of scalep of two Senators hanging at the belt of the American Medical Association, Claude Pepper in Florida and Robert L. Caro- liana had been undone after campaigns in which the issue of socialized medicine was raised against both.

A scalep has been added, seized hold of in confusion created by fearsome Social Security Act is proposed. Florida and Frank P. Graham In North Caro-

ina had been undone after campaigns in people in Its fight against compulsory medi-

cine. Claude Pepper in this Senators hariginC: at the belt of the Amcrn-

can Medical Association. We believe the AMA was poorly advised in

This provision had to do with disabled totally disabled, a feature similar in effect to the charges made by House Democrats and sold them the Idea that one of the clauses in the bill on account of one possibly objectionable clause seems a good deal like “throwing the baby out with the bathwater.” If Congressmen were sincerely worried about the Ewing clause, they had the alternative of passing the bill and offering the Administrator 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 strate-

**clarity Administrator, guard against fraud, this section authorized,**

**sion, E veryboy's theo pdolitical thing that will save the day—save the day ind for the party conventions and thpoica for us. that**

**Medicine Still a Hardy Clarion**

The act to increase social-security pensions in order to cover that they have had their last chance to vote some justice into the social security system. A number of them would raise to $100 the amount a retired person may earn on the side without jeopardizing his pension. Many of them had been clamoring for the same thing for a long time. In fact, Representative Daniel A. Rez, 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 extending the Social Security Act. They voted (99-to-51) against passage. The bill won a favorable vote, 149-to-140, but it needed 21 more to have been passed by a simple majority. The tinny edges of its vote 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, this measure had a slim majority of 10 but, under the rule which brought it to the floor, re- quired 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, the less required no increase in pres-

nt social-security taxes and was an effort to increase social-security benefits to a limit which would not meet the increased cost of living. Why, then, was the bill defeated? Despite the charges made by House Democrats and Republicans, the American Medical Soci-

**of May 20, 1952**

**MUCH AD0 ABOUT NOTHING**

The act to increase social-security benefits and to pay up Federal Insurance of totally disabled workers until age 65 can and should be amended and passed.

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.

**Medicare still a hardy clarion**

The American Medical Association's objec-

**Action in that field. The Colorado State Medical Society committed that error in object-

**Act to increase social-security benefits and to pay up Federal Insurance of totally disabled workers until age 65 can and should be amended and passed.**

**Why did the Republicans give them the op-

**Why did the Republicans give them the op-

**The latter course, if provided In the new law, should meet the objections of those who**

**Medicare still a hardy clarion**
Meanwhile paying up the disabled person's insurance out of social security funds, at a rate whose main purpose was to raise monthly social-security checks, even if he is relieved 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, even if he is relieved from the labor force, will not cost the general taxpayer a dime.

Representative Frazee of the Third Tennessee District was among four Tennessee Congressmen who gave their vote in favor of the bill, because he gave as his reason that it had a "socialized medicine" clause. He said that he expected some 1,000,000 old-age and survivors beneficiaries to apply for the retirement checks, and that the funds the social-security administration intended to establish would be available in the social-security fund to pay it.

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 result, a $500,000 old-age and survivors benefit would be reduced to $50 a month, or 12 1/2 percent, whichever was greater.

Not only did the American Medical Association object to the "socialized medicine" clause, it fought the bill to death, using its full strength, as its leaders demonstrated by voting down the bill in the House of Representatives. It was this last "waiver premium" provision that led the AMA to defeat the bill.

**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, a $500,000 old-age and survivors benefit would be reduced to $50 a month, or 12.5 percent, whichever was greater. The House of Representatives defeated a bill granting the social-security increases in social-security benefits, and it is used by every big insurance company in the examination for applicants for life insurance. It happens that the Congressmen who voted the measure into law are generally opposed to the "socialized medicine" clause. He rightly says: "If the Medical Association keeps crying about the socialized medicine clause, the Congressmen will listen to the AMA lobby spokesmen and hire private doctors to make the examinations. We want to keep the bill alive, 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 provision 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 of the measure were seeing "burglars under the bed." The delay was totally unnecessary. The delay was totally unnecessary.

**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 feels to speak, apparently, is even against that. But the American Medical Association declared that this provision a trick intended to establish a foothold for socialized medicine. As a result, the whole Charltona 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 Administration 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 provision 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 of the measure were seeing "burglars under the bed." The delay was totally unnecessary.

**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 political 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 interest is in the provision that would permit veterans to receive 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 interest is in the provision that would permit veterans to receive social-security benefits.

The delay was totally unnecessary. The delay was totally unnecessary.

**APPENDIX A3779**

CONGRESSIONAL RECORD — APPENDIX

A3779

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, a $500,000 old-age and survivors benefit would be reduced to $50 a month, or 12.5 percent, whichever was greater. The House of Representatives defeated a bill granting the social-security increases in social-security benefits, and it is used by every big insurance company in the examination for applicants for life insurance. It happens that the Congressmen who voted the measure into law are generally opposed to the "socialized medicine" clause. He rightly says: "If the Medical Association keeps crying about the socialized medicine clause, the Congressmen will listen to the AMA lobby spokesmen and hire private doctors to make the examinations. We want to keep the bill alive, 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 provision 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 of the measure were seeing "burglars under the bed." But the AMA was not 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 provisions saved by the AMA will finally get their votes. But Members of Congress are getting anxious to wind up their sessions and the bill may now get caught in the closing jam.

The delay was totally unnecessary.

**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 political 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 interest is in the provision that would permit veterans to receive 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 interest is in the provision that would permit veterans to receive social-security benefits.

The delay was totally unnecessary. The delay was totally unnecessary.

**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 political 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 interest is in the provision that would permit veterans to receive 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 interest is in the provision that would permit veterans to receive social-security benefits.

The delay was totally unnecessary. The delay was totally unnecessary.
The increases would not have required any boost in social-security tax premiums. The main purpose was to raise the monthly payments by $5, which, as has been pointed out, was needed by the old folks now on the retired list. And the particular provision that stirred the ire of the lobbyists of the American Medical Association is its tendency to cut out many American citizens from losing their already-paid-pandums because of physical disability.

In the eyes of the AMA—merit the strongest possible rebuke from the American people for this hand-in-hand conspiracy to protect many American citizens from losing needed by the old folks now on the retired list. Fortunately, they have entailed, or on similar practical ties on a Social Security measure and could not deserve such description. But slogan thinking on a single point has defeated 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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

The defeat yesterday of the bill designed to raise the monthly payments by $5 monthly, but it also provided certain changes in disability regula-

This social-security measure was designed to privilege the already-paid-premiums to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled.

The main purpose was to raise the monthly payments by $5, which, as has been pointed out, was needed by the old folks now on the retired list. And the particular provision that stirred the ire of the lobbyists of the American Medical Association is its tendency to cut out many American citizens from losing needed by the old folks now on the retired list. Fortunately, they have entailed, or on similar practical ties on a Social Security measure and could not deserve such description. But slogan thinking on a single point has defeated 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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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 

The increase or $5 in old-age insurance and retirement benefits to some 4,500,000 of our older citizens, and survivors insurance rights of persons totally and permanently disabled. The only reason why 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 so-

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.
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 eliminate 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 older 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.
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 Representa-
tives 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:

<table>
<thead>
<tr>
<th>&quot;I&quot;</th>
<th>&quot;II&quot;</th>
<th>&quot;III&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be:</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10</td>
<td>$25.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$11</td>
<td>$27.00</td>
<td>$49.00</td>
</tr>
<tr>
<td>$12</td>
<td>$29.00</td>
<td>$53.00</td>
</tr>
<tr>
<td>$13</td>
<td>$31.00</td>
<td>$56.00</td>
</tr>
<tr>
<td>$14</td>
<td>$33.00</td>
<td>$60.00</td>
</tr>
<tr>
<td>$15</td>
<td>$35.00</td>
<td>$64.00</td>
</tr>
<tr>
<td>$16</td>
<td>$36.70</td>
<td>$65.00</td>
</tr>
<tr>
<td>$17</td>
<td>$38.20</td>
<td>$69.00</td>
</tr>
<tr>
<td>$18</td>
<td>$39.50</td>
<td>$72.00</td>
</tr>
<tr>
<td>$19</td>
<td>$40.70</td>
<td>$74.00</td>
</tr>
<tr>
<td>$20</td>
<td>$42.00</td>
<td>$76.00</td>
</tr>
<tr>
<td>$21</td>
<td>$43.50</td>
<td>$79.00</td>
</tr>
<tr>
<td>$22</td>
<td>$45.30</td>
<td>$82.00</td>
</tr>
<tr>
<td>$23</td>
<td>$47.50</td>
<td>$86.00</td>
</tr>
<tr>
<td>$24</td>
<td>$50.10</td>
<td>$91.00</td>
</tr>
<tr>
<td>$25</td>
<td>$52.40</td>
<td>$95.00</td>
</tr>
<tr>
<td>$26</td>
<td>$54.40</td>
<td>$99.00</td>
</tr>
<tr>
<td>$27</td>
<td>$56.30</td>
<td>$103.00</td>
</tr>
<tr>
<td>$28</td>
<td>$58.00</td>
<td>$107.00</td>
</tr>
<tr>
<td>$29</td>
<td>$59.40</td>
<td>$109.00</td>
</tr>
<tr>
<td>$30</td>
<td>$60.80</td>
<td>$113.00</td>
</tr>
<tr>
<td>$31</td>
<td>$62.00</td>
<td>$115.00</td>
</tr>
<tr>
<td>$32</td>
<td>$63.30</td>
<td>$117.00</td>
</tr>
<tr>
<td>$33</td>
<td>$64.40</td>
<td>$119.00</td>
</tr>
<tr>
<td>$34</td>
<td>$65.50</td>
<td>$121.00</td>
</tr>
<tr>
<td>$35</td>
<td>$66.60</td>
<td>$123.00</td>
</tr>
<tr>
<td>$36</td>
<td>$67.80</td>
<td>$125.00</td>
</tr>
<tr>
<td>$37</td>
<td>$68.90</td>
<td>$127.00</td>
</tr>
<tr>
<td>$38</td>
<td>$70.00</td>
<td>$129.00</td>
</tr>
<tr>
<td>$39</td>
<td>$71.00</td>
<td>$129.00</td>
</tr>
<tr>
<td>$40</td>
<td>$72.00</td>
<td>$131.00</td>
</tr>
<tr>
<td>$41</td>
<td>$73.10</td>
<td>$133.00</td>
</tr>
<tr>
<td>$42</td>
<td>$74.10</td>
<td>$135.00</td>
</tr>
<tr>
<td>$43</td>
<td>$75.10</td>
<td>$137.00</td>
</tr>
<tr>
<td>$44</td>
<td>$76.10</td>
<td>$139.00</td>
</tr>
<tr>
<td>$45</td>
<td>$77.10</td>
<td>$141.00</td>
</tr>
<tr>
<td>$46</td>
<td>$77.10</td>
<td>$143.00</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34 or less</td>
<td>$25</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26\textsuperscript{1}</td>
</tr>
</tbody>
</table>

(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 indi-
vidual 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 in-
come, 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."

H. R. 7800—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;".

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 dis-
ability determination after March 1953, and before January
1955, with respect to a disability which began before April
1953, and continued without interruption until such applica-
cation 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 Adminis-
trator, 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 pay-
able 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 Ad-
ministrator shall from time to time estimate the amount of
such additional costs through the use of appropriate account-
ing, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'vet-
eran' 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 re-
leased 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 in-
cluding service in such positions under an agree-
ment 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 cov-
ered by the same retirement system on the date the
agreement was made applicable to such system;

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

"(C) All employees in positions which were cov-
ered 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 posi-
tions 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
everendary or secondary school teacher's position; or

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

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

"(5) If a retirement system covers positions of employ-
ees 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 sub-
section, 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 re-
tirement 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 (1) (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.
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), 1953
Read twice and referred to the Committee on Finance
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 pre-judge 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.

<table>
<thead>
<tr>
<th>Present old-age insurance benefit, from present conversion table</th>
<th>Old-age insurance benefit as increased under table in bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>30.00</td>
<td>35.00</td>
</tr>
<tr>
<td>40.00</td>
<td>45.00</td>
</tr>
<tr>
<td>50.00</td>
<td>56.30</td>
</tr>
<tr>
<td>60.00</td>
<td>67.50</td>
</tr>
<tr>
<td>68.50</td>
<td>77.10</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Average monthly wage</th>
<th>Retired worker alone</th>
<th>Retired worker and Aged widow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Present law</td>
<td>H. R. 7800</td>
</tr>
<tr>
<td>$50.00</td>
<td>$25.00</td>
<td>$27.50</td>
</tr>
<tr>
<td>$100.00</td>
<td>50.00</td>
<td>55.00</td>
</tr>
<tr>
<td>$150.00</td>
<td>57.50</td>
<td>62.50</td>
</tr>
<tr>
<td>$200.00</td>
<td>65.00</td>
<td>70.00</td>
</tr>
<tr>
<td>$250.00</td>
<td>72.50</td>
<td>77.50</td>
</tr>
<tr>
<td>$300.00</td>
<td>80.00</td>
<td>85.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average monthly wage</th>
<th>Widow and 1 child</th>
<th>Widow and 2 children</th>
<th>Widow and 2 children</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Present law</td>
<td>H. R. 7800</td>
<td>Present law</td>
</tr>
<tr>
<td>$50.00</td>
<td>$37.60</td>
<td>$41.40</td>
<td>$40.00</td>
</tr>
<tr>
<td>$100.00</td>
<td>55.00</td>
<td>58.80</td>
<td>59.00</td>
</tr>
<tr>
<td>$150.00</td>
<td>57.20</td>
<td>60.80</td>
<td>61.00</td>
</tr>
<tr>
<td>$200.00</td>
<td>64.00</td>
<td>67.80</td>
<td>68.00</td>
</tr>
<tr>
<td>$250.00</td>
<td>71.20</td>
<td>74.80</td>
<td>75.00</td>
</tr>
<tr>
<td>$300.00</td>
<td>78.00</td>
<td>81.80</td>
<td>82.00</td>
</tr>
</tbody>
</table>
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 12 1/2 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 2.5% 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:

<table>
<thead>
<tr>
<th>Average annual taxable earnings—</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used in 1950 cost estimates, $3,000 base 1</td>
<td>$2,500</td>
<td>$1,625</td>
</tr>
<tr>
<td>Used in present cost estimates, $3,000 base</td>
<td>2,690</td>
<td>2,030</td>
</tr>
<tr>
<td>Actual 1944, $2,000 base</td>
<td>2,301</td>
<td>1,462</td>
</tr>
<tr>
<td>Actual 1945, $3,000 base</td>
<td>2,262</td>
<td>1,364</td>
</tr>
<tr>
<td>Actual 1946, $3,000 base</td>
<td>2,299</td>
<td>1,480</td>
</tr>
<tr>
<td>Actual 1947, $3,000 base</td>
<td>2,336</td>
<td>1,611</td>
</tr>
<tr>
<td>Actual 1948, $3,000 base</td>
<td>2,465</td>
<td>1,733</td>
</tr>
<tr>
<td>Actual 1949, $3,000 base</td>
<td>2,495</td>
<td>1,750</td>
</tr>
<tr>
<td>Actual 1950, $3,000 base</td>
<td>2,558</td>
<td>1,811</td>
</tr>
<tr>
<td>Actual 1947, $3,600 base 2</td>
<td>2,600</td>
<td>1,860</td>
</tr>
<tr>
<td>Estimated 1950, $3,600 base 2</td>
<td>2,800</td>
<td>1,960</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Low-cost estimate</th>
<th>High-cost estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>$129</td>
<td>$129</td>
</tr>
<tr>
<td>1954</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>1955</td>
<td>136</td>
<td>137</td>
</tr>
<tr>
<td>1956</td>
<td>159</td>
<td>159</td>
</tr>
<tr>
<td>1957</td>
<td>160</td>
<td>157</td>
</tr>
<tr>
<td>1958</td>
<td>170</td>
<td>159</td>
</tr>
<tr>
<td>1959</td>
<td>181</td>
<td>169</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Monthly beneficiaries</th>
<th>Total</th>
<th>Lump-sum death payments</th>
</tr>
</thead>
</table>

|                         | Retirement beneficiaries | Survivor beneficiaries | Total |  |
|-------------------------|--------------------------|------------------------|-------|
|                         | Old-age                  | Wife's                 | Child's | Widow's | Parent's | Mother's | Child's |
| Actual data for present law | 2,345 | 683 | 69 | 403 | 290 | 804 | 4,612 | 475 |
| Low-cost estimate        | 3,082 | 925 | 77 | 1,101 | 317 | 301 | 1,133 | 6,748 | 627 |
| 1960                     | 4,648 | 1,214 | 122 | 2,031 | 42 | 450 | 1,133 | 9,632 | 999 |
| 1970                     | 6,190 | 1,433 | 150 | 3,793 | 42 | 490 | 1,133 | 12,336 | 1,090 |
| 1980                     | 8,239 | 1,425 | 159 | 3,029 | 39 | 538 | 1,133 | 16,908 | 1,299 |
| 1990                     | 10,329 | 1,529 | 143 | 3,028 | 34 | 595 | 1,144 | 18,143 | 1,472 |

| High-cost estimate       | 4,082 | 925 | 77 | 1,101 | 317 | 301 | 1,133 | 6,748 | 627 |
| 1960                     | 3,082 | 925 | 77 | 1,101 | 317 | 301 | 1,133 | 6,748 | 627 |
| 1970                     | 4,648 | 1,214 | 122 | 2,031 | 42 | 450 | 1,133 | 9,632 | 999 |
| 1980                     | 6,190 | 1,433 | 150 | 3,793 | 42 | 490 | 1,133 | 12,336 | 1,090 |
| 1990                     | 8,239 | 1,425 | 159 | 3,029 | 39 | 538 | 1,133 | 16,908 | 1,299 |
| 2000                     | 10,329 | 1,529 | 143 | 3,028 | 34 | 595 | 1,144 | 18,143 | 1,472 |

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.
SOCIAL SECURITY ACT AMENDMENTS OF 1952

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.**

<table>
<thead>
<tr>
<th>Category</th>
<th>Under present law in August 1952</th>
<th>Under H. R. 18000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 1952</td>
<td>1960</td>
</tr>
<tr>
<td>Old-age (primary)</td>
<td>$42</td>
<td>$48</td>
</tr>
<tr>
<td>Male</td>
<td>44</td>
<td>50</td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>Wife's</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td>Widow's</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>Parent's</td>
<td>37</td>
<td>41</td>
</tr>
<tr>
<td>Mother's</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>Child's</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Lump-sum death</td>
<td>150</td>
<td>170</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife's</th>
<th>Widow's</th>
<th>Parent's</th>
<th>Mother's</th>
<th>Child's</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>1.61</td>
<td>0.36</td>
<td>0.46</td>
<td>0.03</td>
<td>0.17</td>
<td>0.45</td>
<td>0.09</td>
<td>3.04</td>
</tr>
<tr>
<td>1970</td>
<td>2.35</td>
<td>0.33</td>
<td>0.46</td>
<td>0.02</td>
<td>0.19</td>
<td>0.49</td>
<td>0.11</td>
<td>4.20</td>
</tr>
<tr>
<td>1990</td>
<td>3.46</td>
<td>0.35</td>
<td>1.16</td>
<td>0.03</td>
<td>0.20</td>
<td>0.52</td>
<td>0.14</td>
<td>5.88</td>
</tr>
<tr>
<td>2000</td>
<td>3.61</td>
<td>0.31</td>
<td>1.11</td>
<td>0.03</td>
<td>0.21</td>
<td>0.53</td>
<td>0.15</td>
<td>6.33</td>
</tr>
</tbody>
</table>

#### Low-cost estimate

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.

#### High-cost estimate

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife's</th>
<th>Widow's</th>
<th>Parent's</th>
<th>Mother's</th>
<th>Child's</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>2.39</td>
<td>0.37</td>
<td>0.46</td>
<td>0.03</td>
<td>0.18</td>
<td>0.36</td>
<td>0.08</td>
<td>3.68</td>
</tr>
<tr>
<td>1970</td>
<td>3.32</td>
<td>0.49</td>
<td>0.53</td>
<td>0.04</td>
<td>0.15</td>
<td>0.31</td>
<td>0.10</td>
<td>5.45</td>
</tr>
<tr>
<td>1990</td>
<td>4.91</td>
<td>0.61</td>
<td>1.13</td>
<td>0.04</td>
<td>0.14</td>
<td>0.27</td>
<td>0.12</td>
<td>7.22</td>
</tr>
<tr>
<td>2000</td>
<td>6.55</td>
<td>0.70</td>
<td>1.30</td>
<td>0.04</td>
<td>0.13</td>
<td>0.24</td>
<td>0.14</td>
<td>9.19</td>
</tr>
</tbody>
</table>

#### Level premium: 

1. At 2 percent
2. At 2 1/4 percent

#### 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 2 1/4 percent interest rate, which is about what the trust fund is currently earning.
### Table 5.—Estimated progress of trust fund for committee-approved bill

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Contributions</th>
<th>Benefit payments</th>
<th>Administrative expenses</th>
<th>Interest on fund</th>
<th>Fund at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$1,367</td>
<td>$1,885</td>
<td>$81</td>
<td>$417</td>
<td>$15,547</td>
</tr>
<tr>
<td><strong>Low-cost estimate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>$3,767</td>
<td>$2,300</td>
<td>$88</td>
<td>$365</td>
<td>$17,280</td>
</tr>
<tr>
<td>1955</td>
<td>5,140</td>
<td>3,124</td>
<td>91</td>
<td>400</td>
<td>25,307</td>
</tr>
<tr>
<td>1960</td>
<td>6,428</td>
<td>4,132</td>
<td>103</td>
<td>640</td>
<td>34,000</td>
</tr>
<tr>
<td>1975</td>
<td>9,362</td>
<td>6,204</td>
<td>141</td>
<td>1,511</td>
<td>70,317</td>
</tr>
<tr>
<td>1980</td>
<td>10,096</td>
<td>8,185</td>
<td>173</td>
<td>2,494</td>
<td>114,339</td>
</tr>
<tr>
<td>1990</td>
<td>10,735</td>
<td>9,944</td>
<td>219</td>
<td>3,943</td>
<td>155,314</td>
</tr>
<tr>
<td>2000</td>
<td>11,470</td>
<td>10,755</td>
<td>219</td>
<td>4,370</td>
<td>198,834</td>
</tr>
<tr>
<td><strong>High-cost estimate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>$3,767</td>
<td>$2,300</td>
<td>$88</td>
<td>$365</td>
<td>$17,280</td>
</tr>
<tr>
<td>1955</td>
<td>5,140</td>
<td>3,124</td>
<td>91</td>
<td>400</td>
<td>25,307</td>
</tr>
<tr>
<td>1960</td>
<td>6,428</td>
<td>4,132</td>
<td>103</td>
<td>640</td>
<td>34,000</td>
</tr>
<tr>
<td>1975</td>
<td>9,362</td>
<td>6,204</td>
<td>141</td>
<td>1,511</td>
<td>70,317</td>
</tr>
<tr>
<td>1980</td>
<td>10,096</td>
<td>8,185</td>
<td>173</td>
<td>2,494</td>
<td>114,339</td>
</tr>
<tr>
<td>1990</td>
<td>10,735</td>
<td>9,944</td>
<td>219</td>
<td>3,943</td>
<td>155,314</td>
</tr>
<tr>
<td>2000</td>
<td>11,470</td>
<td>10,755</td>
<td>219</td>
<td>4,370</td>
<td>198,834</td>
</tr>
</tbody>
</table>

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 6 1/2 percent for 1970 and after. The self-employed pay 3/4 of these rates.
2 Interest is figured at 2 1/2 percent on average balance in fund during year.
3 See text for description of assumptions made for 1952.
4 Fund exhausted in 1990.

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:

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Employee</th>
<th>Employer</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-53</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>1954-59</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>1960-64</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>1965-69</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>1970 and after</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Level-premium cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of present law: 1</td>
<td></td>
</tr>
<tr>
<td>1950 estimate, using 2½-percent interest</td>
<td>6.05</td>
</tr>
<tr>
<td>1950 estimate, using 2½-percent interest</td>
<td>5.85</td>
</tr>
<tr>
<td>Current estimate, using 2½-percent interest</td>
<td>5.35</td>
</tr>
<tr>
<td>Effect of proposed changes:</td>
<td></td>
</tr>
<tr>
<td>Increased benefits</td>
<td>0.40</td>
</tr>
<tr>
<td>Military service credits</td>
<td>0.05</td>
</tr>
<tr>
<td>Liberalized work clause</td>
<td>0.20</td>
</tr>
<tr>
<td>Cost of program as amended by committee approved bill, using 2½-percent interest</td>
<td>6.00</td>
</tr>
</tbody>
</table>

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 2½ percent interest—is about 5½ percent of payroll; this is approximately 0.7 percent of payroll lower than the cost was estimated to be on a 2½ 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 2½-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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Amount (in millions)</th>
<th>In percent of payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Present law</td>
<td>H. R. 7800</td>
</tr>
<tr>
<td>1955</td>
<td>2.775</td>
<td>3.358</td>
</tr>
<tr>
<td>1956</td>
<td>4.119</td>
<td>4.720</td>
</tr>
<tr>
<td>1957</td>
<td>6.429</td>
<td>7.229</td>
</tr>
<tr>
<td>1958</td>
<td>8.099</td>
<td>9.086</td>
</tr>
<tr>
<td>1959</td>
<td>10.966</td>
<td>12.161</td>
</tr>
<tr>
<td>1960</td>
<td>11.879</td>
<td>13.530</td>
</tr>
</tbody>
</table>

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.

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Monthly beneficiaries</th>
<th>Total</th>
<th>Lump-sum death payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retirement beneficiaries</td>
<td>Survivor beneficiaries</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Old-age</td>
<td>Wife's 1</td>
<td>Child's</td>
</tr>
<tr>
<td>Actual data for present law</td>
<td>2,345</td>
<td>663</td>
<td>69</td>
</tr>
<tr>
<td>Intermediate-cost estimate</td>
<td>2,375</td>
<td>800</td>
<td>81</td>
</tr>
<tr>
<td>1955</td>
<td>2,356</td>
<td>800</td>
<td>81</td>
</tr>
<tr>
<td>1960</td>
<td>3,365</td>
<td>1,120</td>
<td>94</td>
</tr>
<tr>
<td>1970</td>
<td>5,848</td>
<td>1,310</td>
<td>114</td>
</tr>
<tr>
<td>1980</td>
<td>8,388</td>
<td>1,856</td>
<td>134</td>
</tr>
<tr>
<td>1990</td>
<td>11,567</td>
<td>2,021</td>
<td>159</td>
</tr>
<tr>
<td>2000</td>
<td>13,574</td>
<td>2,016</td>
<td>119</td>
</tr>
</tbody>
</table>

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 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.

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.
SOCIAL SECURITY ACT AMENDMENTS OF 1952

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife's 1</th>
<th>Widow's 2</th>
<th>Parent's</th>
<th>Mother's</th>
<th>Child's 3</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>2.00</td>
<td>0.32</td>
<td>0.45</td>
<td>0.02</td>
<td>0.41</td>
<td>0.09</td>
<td>3.45</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2.86</td>
<td>0.41</td>
<td>0.62</td>
<td>0.03</td>
<td>0.44</td>
<td>0.11</td>
<td>4.83</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>3.65</td>
<td>0.49</td>
<td>1.10</td>
<td>0.03</td>
<td>0.48</td>
<td>0.12</td>
<td>6.16</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>4.90</td>
<td>0.52</td>
<td>1.23</td>
<td>0.03</td>
<td>0.52</td>
<td>0.14</td>
<td>7.42</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>5.49</td>
<td>0.51</td>
<td>1.21</td>
<td>0.02</td>
<td>0.50</td>
<td>0.15</td>
<td>7.94</td>
<td></td>
</tr>
</tbody>
</table>

1. Includes excesses of wife's and widow's benefits over old-age benefits for male old-age beneficiaries also eligible for wife's or widow's benefits. Also includes husband's and widow'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 2 1/4-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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Contributions 1</th>
<th>Benefit payments</th>
<th>Administrative expenses</th>
<th>Interest on fund 2</th>
<th>Fund at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$3,367</td>
<td>$1,885</td>
<td>$81</td>
<td>$417</td>
<td>$15,540</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Contributions 1</th>
<th>Benefit payments</th>
<th>Administrative expenses</th>
<th>Interest on fund 2</th>
<th>Fund at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>$3,753</td>
<td>$2,300</td>
<td>$81</td>
<td>$417</td>
<td>$17,280</td>
</tr>
<tr>
<td>1953</td>
<td>3,787</td>
<td>2,000</td>
<td>83</td>
<td>394</td>
<td>18,469</td>
</tr>
<tr>
<td>1954</td>
<td>4,878</td>
<td>3,129</td>
<td>98</td>
<td>433</td>
<td>20,504</td>
</tr>
<tr>
<td>1955</td>
<td>5,117</td>
<td>3,358</td>
<td>102</td>
<td>441</td>
<td>22,992</td>
</tr>
<tr>
<td>1960</td>
<td>6,441</td>
<td>4,725</td>
<td>127</td>
<td>677</td>
<td>31,567</td>
</tr>
<tr>
<td>1970</td>
<td>9,355</td>
<td>7,220</td>
<td>175</td>
<td>1,202</td>
<td>57,099</td>
</tr>
<tr>
<td>1980</td>
<td>9,073</td>
<td>9,690</td>
<td>221</td>
<td>1,847</td>
<td>83,943</td>
</tr>
<tr>
<td>1990</td>
<td>10,388</td>
<td>12,185</td>
<td>267</td>
<td>2,066</td>
<td>102,828</td>
</tr>
<tr>
<td>2000</td>
<td>10,781</td>
<td>12,436</td>
<td>269</td>
<td>1,920</td>
<td>125,782</td>
</tr>
</tbody>
</table>

1. Combined employer-employee, and self-employed contributions. The combined employer-employee rate is 3 percent for 1950-51, 4 percent for 1954-59, 5 percent for 1960-64, 6 percent for 1965-69, and 6 1/4 percent for 1970 and after. The self-employed pay 1/4 of these rates.
2. Interest is figured at 2 1/4 percent on average balance in fund during year.

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 6%-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) 112 1/2 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, died 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. Any 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-
SOCIAL SECURITY ACT AMENDMENTS OF 1952

Minimum 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 or is more than $40 and exceeds 80 per cent 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 $168.75 or to 80 per cent of his average monthly wage, whichever is the lesser, but in no case to less than $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 or to 80 per cent of the sum of the average monthly wages of all such insured individuals, whichever is the lesser, but in no case to less than $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 $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 $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 $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 $100.
SOCIAL SECURITY ACT AMENDMENTS OF 1952

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.

(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 fifth day 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 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 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.
### SOCIAL SECURITY ACT AMENDMENTS OF 1952

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30 or less</td>
<td>$20</td>
</tr>
<tr>
<td>$31</td>
<td>$21</td>
</tr>
<tr>
<td>$32</td>
<td>$22</td>
</tr>
<tr>
<td>$33</td>
<td>$23</td>
</tr>
<tr>
<td>$34</td>
<td>$24</td>
</tr>
<tr>
<td>$35 to $49</td>
<td>$25</td>
</tr>
</tbody>
</table>

### 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.

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Monthly Wage</td>
<td>Primary Insurance Amount</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td>22.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>$11</td>
<td>24.00</td>
<td></td>
</tr>
<tr>
<td>$12</td>
<td>26.00</td>
<td></td>
</tr>
<tr>
<td>$13</td>
<td>28.00</td>
<td></td>
</tr>
<tr>
<td>$14</td>
<td>30.00</td>
<td></td>
</tr>
<tr>
<td>$15</td>
<td>32.00</td>
<td></td>
</tr>
<tr>
<td>$16</td>
<td>34.50</td>
<td></td>
</tr>
<tr>
<td>$17</td>
<td>37.00</td>
<td></td>
</tr>
<tr>
<td>$18</td>
<td>39.50</td>
<td></td>
</tr>
<tr>
<td>$19</td>
<td>42.00</td>
<td></td>
</tr>
<tr>
<td>$20</td>
<td>44.50</td>
<td></td>
</tr>
<tr>
<td>$21</td>
<td>47.00</td>
<td></td>
</tr>
<tr>
<td>$22</td>
<td>49.50</td>
<td></td>
</tr>
<tr>
<td>$23</td>
<td>52.00</td>
<td></td>
</tr>
<tr>
<td>$24</td>
<td>54.50</td>
<td></td>
</tr>
<tr>
<td>$25</td>
<td>57.00</td>
<td></td>
</tr>
<tr>
<td>$26</td>
<td>59.50</td>
<td></td>
</tr>
<tr>
<td>$27</td>
<td>62.00</td>
<td></td>
</tr>
<tr>
<td>$28</td>
<td>64.50</td>
<td></td>
</tr>
<tr>
<td>$29</td>
<td>67.00</td>
<td></td>
</tr>
<tr>
<td>$30</td>
<td>69.50</td>
<td></td>
</tr>
<tr>
<td>$31</td>
<td>72.00</td>
<td></td>
</tr>
<tr>
<td>$32</td>
<td>74.50</td>
<td></td>
</tr>
<tr>
<td>$33</td>
<td>77.00</td>
<td></td>
</tr>
<tr>
<td>$34</td>
<td>79.50</td>
<td></td>
</tr>
<tr>
<td>$35</td>
<td>82.00</td>
<td></td>
</tr>
<tr>
<td>$36</td>
<td>84.50</td>
<td></td>
</tr>
<tr>
<td>$37</td>
<td>87.00</td>
<td></td>
</tr>
<tr>
<td>$38</td>
<td>89.50</td>
<td></td>
</tr>
<tr>
<td>$39</td>
<td>92.00</td>
<td></td>
</tr>
<tr>
<td>$40</td>
<td>94.50</td>
<td></td>
</tr>
<tr>
<td>$41</td>
<td>97.00</td>
<td></td>
</tr>
<tr>
<td>$42</td>
<td>99.50</td>
<td></td>
</tr>
<tr>
<td>$43</td>
<td>102.00</td>
<td></td>
</tr>
<tr>
<td>$44</td>
<td>104.50</td>
<td></td>
</tr>
<tr>
<td>$45</td>
<td>107.00</td>
<td></td>
</tr>
<tr>
<td>$46</td>
<td>109.50</td>
<td></td>
</tr>
</tbody>
</table>
SOCIAL SECURITY ACT AMENDMENTS OF 1952

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10</td>
<td>$25.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$11</td>
<td>$27.00</td>
<td>$49.00</td>
</tr>
<tr>
<td>$12</td>
<td>$29.00</td>
<td>$53.00</td>
</tr>
<tr>
<td>$13</td>
<td>$31.00</td>
<td>$56.00</td>
</tr>
<tr>
<td>$14</td>
<td>$33.00</td>
<td>$60.00</td>
</tr>
<tr>
<td>$15</td>
<td>$35.00</td>
<td>$64.00</td>
</tr>
<tr>
<td>$16</td>
<td>$36.70</td>
<td>$67.00</td>
</tr>
<tr>
<td>$17</td>
<td>$38.80</td>
<td>$69.00</td>
</tr>
<tr>
<td>$18</td>
<td>$39.50</td>
<td>$72.00</td>
</tr>
<tr>
<td>$19</td>
<td>$40.70</td>
<td>$74.00</td>
</tr>
<tr>
<td>$20</td>
<td>$42.00</td>
<td>$76.00</td>
</tr>
<tr>
<td>$21</td>
<td>$43.50</td>
<td>$79.00</td>
</tr>
<tr>
<td>$22</td>
<td>$45.30</td>
<td>$82.00</td>
</tr>
<tr>
<td>$23</td>
<td>$47.50</td>
<td>$86.00</td>
</tr>
<tr>
<td>$24</td>
<td>$50.10</td>
<td>$91.00</td>
</tr>
<tr>
<td>$25</td>
<td>$52.40</td>
<td>$95.00</td>
</tr>
<tr>
<td>$26</td>
<td>$54.40</td>
<td>$99.00</td>
</tr>
<tr>
<td>$27</td>
<td>$56.30</td>
<td>$103.00</td>
</tr>
<tr>
<td>$28</td>
<td>$58.00</td>
<td>$106.00</td>
</tr>
<tr>
<td>$29</td>
<td>$59.40</td>
<td>$109.00</td>
</tr>
<tr>
<td>$30</td>
<td>$60.80</td>
<td>$112.00</td>
</tr>
<tr>
<td>$31</td>
<td>$62.00</td>
<td>$115.00</td>
</tr>
<tr>
<td>$32</td>
<td>$63.30</td>
<td>$118.00</td>
</tr>
<tr>
<td>$33</td>
<td>$64.40</td>
<td>$121.00</td>
</tr>
<tr>
<td>$34</td>
<td>$65.50</td>
<td>$124.00</td>
</tr>
<tr>
<td>$35</td>
<td>$66.60</td>
<td>$127.00</td>
</tr>
<tr>
<td>$36</td>
<td>$67.80</td>
<td>$130.00</td>
</tr>
<tr>
<td>$37</td>
<td>$68.50</td>
<td>$133.00</td>
</tr>
<tr>
<td>$38</td>
<td>$70.00</td>
<td>$136.00</td>
</tr>
<tr>
<td>$39</td>
<td>$71.00</td>
<td>$139.00</td>
</tr>
<tr>
<td>$40</td>
<td>$72.00</td>
<td>$142.00</td>
</tr>
<tr>
<td>$41</td>
<td>$73.10</td>
<td>$145.00</td>
</tr>
<tr>
<td>$42</td>
<td>$74.10</td>
<td>$148.00</td>
</tr>
<tr>
<td>$43</td>
<td>$75.10</td>
<td>$151.00</td>
</tr>
<tr>
<td>$44</td>
<td>$76.10</td>
<td>$154.00</td>
</tr>
<tr>
<td>$45</td>
<td>$77.10</td>
<td>$157.00</td>
</tr>
<tr>
<td>$46</td>
<td>$78.20</td>
<td>$160.00</td>
</tr>
</tbody>
</table>

(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 (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 121% 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) (5) 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)

(5) 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 proviso 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 (e)) 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 that pension or compensation is payable by it, or 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 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 (2)), 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.
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 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 subsection (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.
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 Representa-
tives 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:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be:</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10</td>
<td>$25.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$11</td>
<td>27.00</td>
<td>49.00</td>
</tr>
<tr>
<td>$12</td>
<td>29.00</td>
<td>53.00</td>
</tr>
<tr>
<td>$13</td>
<td>31.00</td>
<td>56.00</td>
</tr>
<tr>
<td>$14</td>
<td>33.00</td>
<td>60.00</td>
</tr>
<tr>
<td>$15</td>
<td>35.00</td>
<td>64.00</td>
</tr>
<tr>
<td>$16</td>
<td>36.70</td>
<td>67.00</td>
</tr>
<tr>
<td>$17</td>
<td>38.20</td>
<td>69.00</td>
</tr>
<tr>
<td>$18</td>
<td>39.50</td>
<td>72.00</td>
</tr>
<tr>
<td>$19</td>
<td>40.70</td>
<td>74.00</td>
</tr>
<tr>
<td>$20</td>
<td>42.00</td>
<td>76.00</td>
</tr>
<tr>
<td>$21</td>
<td>43.50</td>
<td>79.00</td>
</tr>
<tr>
<td>$22</td>
<td>45.30</td>
<td>82.00</td>
</tr>
<tr>
<td>$23</td>
<td>47.50</td>
<td>86.00</td>
</tr>
<tr>
<td>$24</td>
<td>50.10</td>
<td>91.00</td>
</tr>
<tr>
<td>$25</td>
<td>52.40</td>
<td>96.00</td>
</tr>
<tr>
<td>$26</td>
<td>54.40</td>
<td>99.00</td>
</tr>
<tr>
<td>$27</td>
<td>56.30</td>
<td>103.00</td>
</tr>
<tr>
<td>$28</td>
<td>58.00</td>
<td>107.00</td>
</tr>
<tr>
<td>$29</td>
<td>60.80</td>
<td>119.00</td>
</tr>
<tr>
<td>$30</td>
<td>62.00</td>
<td>129.00</td>
</tr>
<tr>
<td>$31</td>
<td>63.20</td>
<td>135.00</td>
</tr>
<tr>
<td>$32</td>
<td>64.40</td>
<td>143.00</td>
</tr>
<tr>
<td>$33</td>
<td>65.50</td>
<td>157.00</td>
</tr>
<tr>
<td>$34</td>
<td>66.60</td>
<td>177.00</td>
</tr>
<tr>
<td>$35</td>
<td>67.80</td>
<td>185.00</td>
</tr>
<tr>
<td>$36</td>
<td>68.90</td>
<td>193.00</td>
</tr>
<tr>
<td>$37</td>
<td>70.00</td>
<td>200.00</td>
</tr>
<tr>
<td>$38</td>
<td>71.00</td>
<td>207.00</td>
</tr>
<tr>
<td>$39</td>
<td>72.00</td>
<td>213.00</td>
</tr>
<tr>
<td>$40</td>
<td>73.10</td>
<td>221.00</td>
</tr>
<tr>
<td>$41</td>
<td>74.10</td>
<td>227.00</td>
</tr>
<tr>
<td>$42</td>
<td>75.10</td>
<td>234.00</td>
</tr>
<tr>
<td>$43</td>
<td>76.10</td>
<td>241.00</td>
</tr>
<tr>
<td>$44</td>
<td>77.10</td>
<td>250.00</td>
</tr>
<tr>
<td>$45</td>
<td>77.10</td>
<td>250.00</td>
</tr>
<tr>
<td>$46</td>
<td>77.10</td>
<td>250.00</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34 or less</td>
<td>$25</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26</td>
</tr>
</tbody>
</table>

(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 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 212 (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."

H. R. 7800—2
(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 in-
serting 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 indi-
vidual 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."

(d) Section 245 (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 246 of the Social Security Act (relating to certain definitions) is amended by adding after subsection (b) 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) dur-
ing 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 in-
dividual, while under such disability, files an application for
a disability determination. Except as provided in para-
graph (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 determi-
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
218 (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 dis-
ability determination after March 1953, and before January
1955, with respect to a disability which began before April
1953, and continued without interruption until such applic-
eation 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 210 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) end­
ing after August 1952. The amendments made by sub­
section (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 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 head-
ing 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 de-
defined in paragraph (4) (A)), 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
department 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
H.R. 7800---3
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 pay­
able by it under any other law of the United States
or under a system established by such agency or in­
strumentality.

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 in-
come of any veteran, the Federal Security Administrator
shall make a decision without regard to clause (B) of para-
graph (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
19

1 veteran on or after July 25, 1947, and prior to January
2 1, 1954, a benefit described in clause (B) of paragraph (1)
3 has been determined by such agency or instrumentality to be
4 payable by it. If he has not been so notified, the Federal
5 Security Administrator shall then ascertain whether some
6 other agency or wholly owned instrumentality of the United
7 States has decided that a benefit described in clause (B) of
8 paragraph (1) is payable by it. If any such agency or
9 instrumentality has decided, or thereafter decides, that such
10 a benefit is payable by it, it shall so notify the Federal
11 Security Administrator, and the Administrator shall certify
12 no further benefits for payment or shall recompute the
13 amount of any further benefits payable, as may be required
14 by paragraph (1) of this subsection.

“(3) Any agency or wholly owned instrumentality of
16 the United States which is authorized by any law of the
17 United States to pay benefits, or has a system of benefits
18 which are based, in whole or in part, on military or naval
19 service on or after July 25, 1947, and prior to January 1,
20 1954, shall, at the request of the Federal Security Adminis­
21 trator, certify to him, with respect to any veteran, such
22 information as the Administrator deems necessary to carry
23 out his functions under paragraph (2) of this subsection.

“(4) There are hereby authorized to be appropriated
25 to the Trust Fund from time to time, as benefits which in-
elude 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.

“(c) (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, 1954, 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 (e) 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 depart-
ments.

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 employ-
ees 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 sub-
section, 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 re-
tirement system with respect to the State:"

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

SEC. 75. (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) (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 de­
termined 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 (1) (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. 86. 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.
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
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.
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 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 the family. If the blind person is receiving 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 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, relatives should be allowed or the blind person or the blind person's dependents, relatives of other 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 assistance payable to the blind person 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 a blind person for a greater increase.

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 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 the family. If the blind person is receiving 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 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, relatives should be allowed or the blind person's relatives of other 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 assistance payable to the blind person 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 a blind person for a greater increase.
Mr. CASE. It is very much in line with what the distinguished Senator from Georgia had just been saying.

Mr. GEORGE. Mr. President, the effects of the proposal in the Houze bill, with the request of a large number and the general proposal to bring State the day when the Proper solution is intends to give it will actually hasten expedite the matter rather than delay it.

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 the 1952 provision, which had been stricken from the bill, to wit, the freeing 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 on this particular question.

Mr. O'CONOR. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. O'CONOR. May I ask the able chairman 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 had some 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 desire.

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 Administration and the self-employed 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 be corrected. But perhaps the Committee may be inclined 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 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, po- litely, as we should, we are asking the House to send us back a bill containing provisions which I believe would be a correct interpretation of the wishes of this committee, 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 Kansas, and to all other Senators interested in this phase of social security, that the Finance Committee proposes, in any event, to open hearings in January on this question, and on the 1952 provision, which had been stricken from the bill, to wit, the freeing 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 on 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 not the opinion may 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. It is my duty and I feel it to be my grateful 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 total disability 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-old-age 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 made 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 think that in the 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 the prohibition?

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 much work, and allowed a beneficiary who is not employed 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, the self-employed person, will not be very costly. It will cost a small fraction, perhaps one-twentieth 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.

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 going into the fund weekly, or monthly a part of their earnings, with the idea that they are laying aside an annuity which 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 building 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 views 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 and survivors benefit. 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, 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 a justifi- cation. 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) 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 individual 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 each of the other dependent children.

"(B) amount payable to each State for such year under such plan divided by the monthly average of the number of individuals who received aid or assistance under such plan during such year.

"(C) for purposes of this section, the term “total State expenditures” means, in the case of a State plan approved under title I, IV, 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, the Virgin Islands, the Trust Territory of the Pacific Islands, the Commonwealth of Puerto Rico, 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, for aid (other than old-age assistance), and of appropriations for payments thereunder, in any case in which a 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, as of the date of the enactment of the Social Security Act, or if the State pays such assistance to individuals of less than 65 years of age for which the total of the sums expended during such quarter in aid of such individuals is not in excess of $50 per month arising from agricultural labor performed by him as an employee, or from labor otherwise performed in the manner provided in paragraph (a) of section 1039 of this title, the Secretary of Treasury shall be paid by the State in respect of any such assistance so paid under this section, an amount equal to the sum of the following proportions of such expenditures for such State during such quarter:

1. The amount which is payable to such State under such plan during such quarter, beginning with the quarter commencing October 1, 1952, and ending on the 30th day of the following September, shall be, means, in the case of a State plan approved under title I, IV, or XIV of the Social Security Act, the total State expenditures during such quarter, beginning with the quarter commencing October 1, 1952, and ending on the 30th day of the following September, with respect to any month as exceeds $55—

"(A) four-fifths of such expenditures, not counting so much of such expenditure with respect to any individual for 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 or for old-age assistance, or both, and for no other purpose.”
service as a nurse or 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 contributions 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 want to commend the distinguished Senator from Georgia [Mr. George], for replying 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 $8 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. McFARLAND. Mr. President, will the Senator from Arizona yield for a question?

Mr. McFARLAND. I yield.

Mr. BRIDGES. Mr. President, 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—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 he will join me in supporting the amendment. 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 cleared.

Mr. McFARLAND. Mr. President, I shall remain here as long as the Senator from New Hampshire wishes to me.

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 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:

<table>
<thead>
<tr>
<th>State</th>
<th>Number of recipients</th>
<th>Total amount</th>
<th>Average</th>
<th>Percentage change from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>13,921</td>
<td>$1,613,024</td>
<td>127.27</td>
<td>-1.2</td>
</tr>
<tr>
<td>Alaska</td>
<td>1,454</td>
<td>64,256</td>
<td>44.76</td>
<td>-3.0</td>
</tr>
<tr>
<td>Arizona</td>
<td>13,461</td>
<td>1,299,178</td>
<td>95.24</td>
<td>-4.8</td>
</tr>
<tr>
<td>Arkansas</td>
<td>2,075</td>
<td>15,727,812</td>
<td>76.40</td>
<td>-2.2</td>
</tr>
<tr>
<td>California</td>
<td>52,154</td>
<td>3,688,864</td>
<td>70.78</td>
<td>-1.8</td>
</tr>
<tr>
<td>Colorado</td>
<td>16,350</td>
<td>1,129,158</td>
<td>68.60</td>
<td>-2.3</td>
</tr>
<tr>
<td>Connecticut</td>
<td>1,230</td>
<td>62,575</td>
<td>50.42</td>
<td>-1.4</td>
</tr>
<tr>
<td>Delaware</td>
<td>2,774</td>
<td>134,399</td>
<td>48.42</td>
<td>-4.4</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>62,755</td>
<td>2,594,006</td>
<td>41.24</td>
<td>-3.8</td>
</tr>
<tr>
<td>Florida</td>
<td>65,256</td>
<td>2,956,427</td>
<td>45.13</td>
<td>-5.5</td>
</tr>
<tr>
<td>Georgia</td>
<td>2,619</td>
<td>74,254</td>
<td>28.53</td>
<td>-7.1</td>
</tr>
<tr>
<td>Hawaii</td>
<td>113,016</td>
<td>4,490,181</td>
<td>39.28</td>
<td>-3.0</td>
</tr>
<tr>
<td>Idaho</td>
<td>44,271</td>
<td>1,361,657</td>
<td>30.76</td>
<td>-4.8</td>
</tr>
<tr>
<td>Illinois</td>
<td>49,120</td>
<td>2,473,713</td>
<td>49.13</td>
<td>-3.2</td>
</tr>
<tr>
<td>Indiana</td>
<td>35,320</td>
<td>1,672,073</td>
<td>47.27</td>
<td>-2.5</td>
</tr>
<tr>
<td>Iowa</td>
<td>64,142</td>
<td>1,008,059</td>
<td>32.83</td>
<td>-1.1</td>
</tr>
<tr>
<td>Kansas</td>
<td>159,134</td>
<td>3,940,893</td>
<td>24.88</td>
<td>-1.7</td>
</tr>
<tr>
<td>Kentucky</td>
<td>13,612</td>
<td>540,000</td>
<td>39.15</td>
<td>-4.5</td>
</tr>
<tr>
<td>Louisiana</td>
<td>15,326</td>
<td>524,570</td>
<td>34.03</td>
<td>-2.7</td>
</tr>
<tr>
<td>Maine</td>
<td>11,305</td>
<td>462,597</td>
<td>41.09</td>
<td>-3.1</td>
</tr>
<tr>
<td>Maryland</td>
<td>79,211</td>
<td>2,065,574</td>
<td>26.28</td>
<td>-2.2</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>51,275</td>
<td>1,422,000</td>
<td>47.24</td>
<td>-3.3</td>
</tr>
<tr>
<td>Mississippi</td>
<td>47,629</td>
<td>1,205,158</td>
<td>25.99</td>
<td>-1.0</td>
</tr>
<tr>
<td>Missouri</td>
<td>15,326</td>
<td>540,000</td>
<td>34.03</td>
<td>-2.7</td>
</tr>
<tr>
<td>Montana</td>
<td>6,963</td>
<td>241,406</td>
<td>34.29</td>
<td>-2.3</td>
</tr>
<tr>
<td>Nebraska</td>
<td>19,606</td>
<td>546,720</td>
<td>28.10</td>
<td>-4.2</td>
</tr>
<tr>
<td>Nevada</td>
<td>22,014</td>
<td>614,068</td>
<td>28.39</td>
<td>-1.3</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>6,955</td>
<td>201,358</td>
<td>29.06</td>
<td>-1.5</td>
</tr>
<tr>
<td>New Jersey</td>
<td>17,142</td>
<td>524,690</td>
<td>30.63</td>
<td>-2.2</td>
</tr>
</tbody>
</table>

1 For definition of terms see the Social Security Bulletin, January 1953, p. 21. All data subject to revision.
2 Includes 4,472 recipients under 65 years of age in Colorado and to payments to these recipients, such payments are made without Federal participation.
3 Decrease of less than 0.01 percent.
4 Increase of less than 0.05 percent.
## Old-age assistance: Recipients and payments to recipients, by State, February 1952—Continued

(Exclusive of vendor payments for medical care and cases receiving only such payments)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of recipients</th>
<th>Payments to recipients</th>
<th>Percentage change from—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Total amount</td>
<td>Average per—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>115,129</td>
<td>$4,455,292</td>
<td>16.07</td>
</tr>
<tr>
<td>North Carolina</td>
<td>51,777</td>
<td>1,226,746</td>
<td>23.75</td>
</tr>
<tr>
<td>North Dakota</td>
<td>41,029</td>
<td>1,062,315</td>
<td>25.59</td>
</tr>
<tr>
<td>Ohio</td>
<td>117,363</td>
<td>2,751,004</td>
<td>49.64</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>56,191</td>
<td>4,609,934</td>
<td>43.72</td>
</tr>
<tr>
<td>Oregon</td>
<td>28,240</td>
<td>579,742</td>
<td>20.65</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>74,961</td>
<td>2,992,328</td>
<td>39.04</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>26,898</td>
<td>203,579</td>
<td>7.28</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>9,565</td>
<td>453,419</td>
<td>47.40</td>
</tr>
<tr>
<td>South Carolina</td>
<td>42,615</td>
<td>1,192,531</td>
<td>27.59</td>
</tr>
<tr>
<td>South Dakota</td>
<td>11,977</td>
<td>496,216</td>
<td>41.43</td>
</tr>
<tr>
<td>Tennessee</td>
<td>61,430</td>
<td>1,286,771</td>
<td>20.90</td>
</tr>
<tr>
<td>Texas</td>
<td>7,070</td>
<td>275,306</td>
<td>38.42</td>
</tr>
</tbody>
</table>

Aid to dependent children: Recipients and payments to recipients, by State, February 1952

(Exclusive of vendor payments for medical care and cases receiving only such payments)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of recipients</th>
<th>Payments to recipients</th>
<th>Percentage change from—</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of recipients</td>
<td>Total</td>
<td>Total amount</td>
<td>Average per—</td>
</tr>
<tr>
<td></td>
<td>594,042</td>
<td>$4,255,761</td>
<td>76.22</td>
</tr>
</tbody>
</table>

1 For definition of terms see the Social Security Bulletin, January 1951, p. 21. All data subject to revision.
2 Estimates.

State with plans approved by the Social Security Administration.

1 Decrease of less than 0.05 percent.
2 Excludes cases of medical care, for which payments are made to recipients quarterly.
3 Increase of less than 0.05 percent.
4 A decrease of less than 0.05 percent.
5 In addition to these payments from aid to dependent children funds, supplemental payments of $29,209 from general assistance funds were made to 2,561 families.

For definition of terms see the Social Security Bulletin, January 1951, p. 21. Figures in italics represent programs administered without Federal aid. All data subject to revision.
### Aid to dependent children: Recipients and payments to recipients, by State, February 1952—Continued

<table>
<thead>
<tr>
<th>State</th>
<th>Number of families</th>
<th>Number of recipients</th>
<th>Total amount</th>
<th>Average per recipient</th>
<th>Number of recipients</th>
<th>Payments to recipients</th>
<th>Percentage change from January 1952 in—</th>
<th>February 1952 in—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,013</td>
<td>10,272</td>
<td>7,108</td>
<td>2,032,030</td>
<td>110.33</td>
<td>-1.0</td>
<td>1.3</td>
<td>-1.7</td>
</tr>
<tr>
<td></td>
<td>1,619</td>
<td>3,513</td>
<td>2,724</td>
<td>54,294</td>
<td>33.4</td>
<td>+.8</td>
<td>+1.9</td>
<td>-1.7</td>
</tr>
<tr>
<td></td>
<td>2,576</td>
<td>7,173</td>
<td>22,097</td>
<td>406,070</td>
<td>52.33</td>
<td>-2.6</td>
<td>+1.8</td>
<td>-1.6</td>
</tr>
<tr>
<td></td>
<td>9,128</td>
<td>30,315</td>
<td>22,556</td>
<td>906,109</td>
<td>43.4</td>
<td>-2.1</td>
<td>+.9</td>
<td>-1.5</td>
</tr>
<tr>
<td></td>
<td>3,846</td>
<td>1,021,765</td>
<td>60.34</td>
<td>16,645</td>
<td>1.8</td>
<td>+.3</td>
<td>-2.7</td>
<td>+5.2</td>
</tr>
<tr>
<td></td>
<td>8,431</td>
<td>26,499</td>
<td>955,412</td>
<td>113.64</td>
<td>33.64</td>
<td>+.9</td>
<td>+2.3</td>
<td>-5.7</td>
</tr>
<tr>
<td></td>
<td>565</td>
<td>1,943</td>
<td>57,402</td>
<td>101.17</td>
<td>27.98</td>
<td>+.8</td>
<td>+3.7</td>
<td>-11.2</td>
</tr>
</tbody>
</table>

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. 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.

2. Estimated.

### Aid to the blind: Recipients and payments to recipients, by State, February 1952

<table>
<thead>
<tr>
<th>State</th>
<th>Number of recipients</th>
<th>Total amount</th>
<th>Average</th>
<th>Percentage change from January 1952 in—</th>
<th>February 1952 in—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>97,144</td>
<td>4,840,392</td>
<td>49.83</td>
<td>+0.7</td>
<td>+1.1</td>
</tr>
<tr>
<td>Total</td>
<td>97,098</td>
<td>4,837,333</td>
<td>49.82</td>
<td></td>
<td>+1.4</td>
</tr>
</tbody>
</table>

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. 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.

2. Estimated.

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.

Data include recipients of payments made without Federal participation and payments to these recipients in California (556 recipients, $4,170 in payments), in Washington (12 recipients, $677 in payments), in Missouri (1,093 recipients, $31,053 in payments), and in Pennsylvania (6,118 recipients, $184,053 in payments). State plans for aid to the blind in Missouri and Pennsylvania were approved under the Social Security Act amendments of 1940. States with plans approved by the Social Security Administration. In computing percentages, data for February 1952 were excluded because the State did not have an approved plan in that month. (See also footnote 2.)

A decrease of less than 0.05 percent.

Excludes cost of medical care, for which payments are made to recipients quarterly.

Estimated.
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 would be made on a 50-50 basis, up to $50. I believe.

Mr. BRIDGES. Above $20, the States would contribute $5. Above that, 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 law without Federal participation.

Mr. McFARLAND. The experience that when the Federal Government adds $5, the States contribute a corresponding amount, except in the case of the States that are 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 submitted 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 $240,000,000 to the Social Security program.

Mr. BRIDGES. 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 the per capita payments the 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.

Mr. BRIDGES. The people who would get the benefit 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 to see the amendment fall through in any way. I wish to 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 Democracy, rather confuse the 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 properly 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 these 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 are voted in the Senate; 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 that the arguments 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.

Mr. McFARLAND. I have found the arguments 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.

Mr. CAIN. 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 insurance? What? What? What? What? What? What? What? What? What? What? What? What?

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 Social Security 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 those now.

Mr. CAIN. And it will not cover them.

Is that correct?

Mr. McFARLAND. We shall have to determine that, Mr. President, and they might 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 find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position. I find myself in a difficult position.

Mr. McFARLAND. Mr. President, I presume the Senator means 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 amend the old-age and aid amendment now proposed by the Senator from Arizona?

Mr. McFARLAND. Yes, and it could be acted upon the same as though it were a resolution.

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 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 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
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. However, that the distinguished Junior Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.

I am glad that the Committee on Finance has taken such prompt action in reporting out H. R. 7800. I commend the distinguished Senator from Minnesota [Mr. Humphrey] and I sponsored a year ago. The benefits, these provisions are as follows:

1. It would provide larger benefit payments than present law.

2. Paragraph 2H. R. 7800 would liberalize the amount of earnings on which old-age and survivors insurance wage credits.

3. Paragraph 4 would correct a defect in the Old-Age and Survivors Insurance program.

4. Paragraph 5 would liberalize the retirement age.

5. Paragraph 6 would provide cash sickness insurance benefits for shorter periods of illness.

6. Paragraph 7 would extend the coverage of the insurance program.
families of old-age beneficiaries, they cannot
not exceed 80 percent of the worker's aver-

gage monthly wage and for families of dis-
avabled 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 cus-
tomers of his employer are counted as wages
if they are received in writing the em-
ployee within 10 days of the end of the quar-
ter in which they were received, if the
report is accompanied by a remittance of
the employee portion of the tax or if the em-
ployee's members of the armed services are not eligi-


tble for cash sickness benefits, the rate of tax
paid shall be a quarter of coverage; ex-
cept 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 quar-
ter any part of which was included in a period
of disability, other than the initial quarter
in which he died or became entitled to
primary insurance benefits. Benefit amends are
based on wages and self-employment
income beginning with either 1951 or 1952.

C. LONG-TERM DISABILITY BENEFITS AND RE-
HABILITATION SERVICES
1. Monthly benefits are provided, after a
6-month waiting period, to insured indi-

viduals and their dependents. Benefit
amounts would be computed in the same
manner as benefits for retired workers and
their dependents.
5. Authorization is added for appropri-
ations from general funds for benefits for

World War II veterans which are not fi-
canced from contributions.
5. Provisions of the bill that the Armed Forces
are large, the President may direct that no con-
tributions be paid by servicemen for

benefits in the designated areas or in
indicated pay grades. Under these condi-

tions, 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-employ-

ment income beginning with either 1951 or 1952.

AVERAGE MONTHLY WAGE

1955 and 1956
1957 and 1958
1959 and 1960
1956 and 1958
1955

1957
1959
1960

$500
$400

$250
$300

$50
$200

$100

$10

The amount does not change on account of additional
years of covered employment.

1. To finance the benefits in the bill, the

preservation of insurance rights of

peserty and totally disabled

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 death if he becomes disabled.

3. Totally disabled children receiving or

eligible to receive such benefits would be

able to receive such benefits after they

attain age 18 provided they continue to be

fully employed, Federal civilian

employees, and members of the Armed

Forces. (Federal civilian employees and the
Social Security Act (defining quarter of
coverage) Is amended to read as follows:

(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
unless such quarter was a quarter of
coverage."

(2) Section 216 (a) (3) of such act 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 cover-
age. 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, ex-
cept 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 quar-
ter any part of which was included in a period
of disability, other than the initial quarter
in which he died or became entitled to
primary insurance benefits. Benefit amends are
based on wages and self-employment
income beginning with either 1951 or 1952.

AVERAGE MONTHLY WAGE

1955 and 1956
1957 and 1958
1959 and 1960
1956 and 1958
1955

1957
1959
1960

$500
$400

$250
$300

$50
$200

$100

$10

The amount does not change on account of additional
years of covered employment.

1. To finance the benefits in the bill, the

preservation of insurance rights of

peserty and totally disabled

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 death if he becomes disabled.

3. Totally disabled children receiving or

eligible to receive such benefits would be

able to receive such benefits after they

attain age 18 provided they continue to be

fully employed, Federal civilian

employees, and members of the Armed

Forces. (Federal civilian employees and the
Social Security Act (defining quarter of
coverage) Is amended to read as follows:

(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
unless such quarter was a quarter of
coverage."

(2) Section 216 (a) (3) of such act 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 cover-
age. 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, ex-
cept 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 quar-
ter any part of which was included in a period
of disability, other than the initial quarter
in which he died or became entitled to
primary insurance benefits. Benefit amends are
based on wages and self-employment
income beginning with either 1951 or 1952.

AVERAGE MONTHLY WAGE

1955 and 1956
1957 and 1958
1959 and 1960
1956 and 1958
1955

1957
1959
1960

$500
$400

$250
$300

$50
$200

$100

$10

The amount does not change on account of additional
years of covered employment.

1. To finance the benefits in the bill, the

preservation of insurance rights of

peserty and totally disabled

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 death if he becomes disabled.

3. Totally disabled children receiving or

eligible to receive such benefits would be

able to receive such benefits after they

attain age 18 provided they continue to be

fully employed, Federal civilian

employees, and members of the Armed

Forces. (Federal civilian employees and the
Social Security Act (defining quarter of
coverage) Is amended to read as follows:

(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
unless such quarter was a quarter of
coverage."

(2) Section 216 (a) (3) of such act is amended to read as follows:

(A) The term 'quarter of coverage' means, in the case of any quarter occurring prior to
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 disregarded as a calendar quarter 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 (b) the following new paragraph:

"Disability; period of disability"

(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 corrective lenses. An eye in which the visual field is reduced to five degrees or less concentric contract 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 as may be necessary for the purpose of this paragraph.

(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. The amendment was agreed to.

(3) The requirements referred to in paragraph (2) (C) and (4) (B) are satisfied by an individual with respect to any calendar 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 (as hereinafter defined), not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any calendar quarter of coverage in any prior period of disability unless such quarter was a quarter of coverage.

(4) If an individual files an application for benefits after June 1951 or January 1953, and before January 1955, with respect to a disability which began before April 1953, and continued without interruption until such application, such an individual shall have a period of disability which begins the first day on which a period of disability can begin (as determined under this paragraph) and which is accorded the application for the purposes of this paragraph.

(5) There are hereby authorized to administer this law, the Commissioner of Social Security, the Commissioner of the Bureau of Employment Security, and the Commissioner of the Bureau of Old Age, Survivors, and Disability Insurance.

(e) Title II of the Social Security Act is amended by adding after section 215 the following new section:

"Disability provisions inapplicable if benefits would be reduced"

Sec. 216. 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 is made without the application of such provisions.

(f) Notwithstanding the provisions of section 215 (f) (1) of the Social Security Act, the provisions of this subsection (b), (c), (d), and (e) of this section shall apply to monthly benefits under title II of the Social Security Act for months after June 1951 for the 13 months ending with the first day of the calendar month in which the death of such individual occurred 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 14, after 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 14, 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:

"Covering certain employees covered by state and local retirement systems"

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

(1) An agreement with a State may be made applicable to the retirement system of such State or the insurance system of such State under an agreement under this section if such agreement provides that such agreement 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.

(2) Nothing in the preceding paragraphs of this subsection shall affect 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 teaching position.

(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 satisfying such instruction in such system or in any elementary or secondary school therein shall be deemed to be an elementary or secondary school teacher.
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 Senator to say 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 out of 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, I hope it 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 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. 6300 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 con-
House. In good faith we shall be glad to consider the question in January, and upon 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 Act. I do not think that 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 as many teachers who do not have the advantage of anything like an adequate retirement system have the optional right to come 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 issues on which we are obliged to consider the question in January. I do not want to force any of the associations to come under it. It is optional, and I feel that that pledge had been violated.

Mr. GEORGE. Oh, yes. Mr. SPARKMAN. In other words, that would cover any provision already in the law, or any provision which might be enacted later?

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 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, the chairman, 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 the power to do that, that we can have that action 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 Georgia, and 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. GEORGE. Mr. President, I withdraw my amendment.

Mr. SPARKMAN. Mr. President, today I made certain representations to the effect that the provision was included at the request of the Senator from Georgia. I am sure that his great interest has controlled him in this matter. He has shown a very fine spirit.

The PRESIDING OFFICER. The PRESIDING OFFICER. The PRESIDING OFFICER.

Mr. PRESIDING OFFICER. Is the Senator from Georgia in the Senate?

Mr. GEORGE. Yes, Mr. President.

Mr. PRESIDING OFFICER. The PRESIDING OFFICER. The PRESIDING OFFICER.

Mr. GEORGE. Mr. President, I have no request to make. The Senator from Georgia is in the Senate.

Mr. SPARKMAN. Mr. President, I believe that the Senator from Georgia has made suggestions which are very desirable. The legislatures of the States will be in session next January, and upon 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 Act. I do not think that 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 as many teachers who do not have the advantage of anything like an adequate retirement system have the optional right to come 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 issues on which we are obliged to consider the question in January. I do not want to force any of the associations to come under it. It is optional, and I feel that that pledge had been violated.

Mr. GEORGE. Oh, yes. Mr. SPARKMAN. In other words, that would cover any provision already in the law, or any provision which might be enacted later?

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 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, the chairman, 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 the power to do that, that we can have that action 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 Georgia, and I am sure that his great interest has controlled him in this matter. He has shown a very fine spirit.
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 supplementary Federal coverage. It contains a written referendum and a supplementary system, but rather to remain in their present status. Under the bill the separate treatment was made optional by the Governor of the State would have to maintain controls to prevent other groups which do want Federal coverage from being allowed the right to exercise their voluntary option. I fail to see why any group of State or municipal workers who do not want to be included. But I do not think that any group would mind the Governor's understanding how any group can justifiably take the position that because it does not want Federal coverage, it will not vote in favor of retention of section 6, be printed in the Record.

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 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

When we passed the 1950 amendment to the Social Security Act, we unfortunately prohibited coverage under the Federal system for the State and local workers who were covered by their local 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 and local governments. The State and local workers 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 wrenching them out of a system which they preferred. If it could be adjusted to take the partial coverage into account. Moreover, the fact that the workers who are members of a single governmental unit 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. It would provide for a referendum, with special attention to the specific references in the bill, to be held in all counties and districts, in order to ascertain any changes which a committee desires to make in the bill.

We are advised as follows by the Bureau of the Census:

"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 meeting this objective. Therefore, I would 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. I think this would be a 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.

The Record will be printed.

SECTION 6'S SO-CALLED CONTROVERSY HAS BEEN MINIMIZED

I note that the senior Senator from Georgia [Mr. George] states that:

"The provision of H. R. 7800 could not be considered in his committee in view of the fact it was controversial, and, therefore, better not 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 this provision is not included if it is necessary, but I hope it will not be necessary. As a matter of fact, I want the over-all bill with aid to the aged, the blind, dependent children, etc., passed.

I know from my 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 is of great importance in retaining any section. In the case of such a situation, section 6 could well have been retained.

It seems to me that the controversy has been successfully 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 forced to be left out of the system?

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 do so in order to strengthen our position and to increase the likelihood of the Wisconsin provision being included in the final Senate conference committee version, WISCONSIN FEARS CONCURRENT COMMITTEE VERSION REJECT HOUSE'S VERSION PROVIDING FOR SECTION 6

The people under Wisconsin system are concerned that if section 6 is not now restored, the Senate conference 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—Senator Cooper will not accept section 6 in conference. 

Now, let me state that I have the highest respect for the distinguished chairman of the Senate Finance Committee, Mr. George, and for the ranking member who will accompany him to the conference committee. The members of his body are more earnest, more conscientious, more hard working than these men.

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 section 6 in conference with the following changes:

(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, as follows:

In lieu of the matter proposed to be stricken 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. 8. (a) Subsection (d) of section 213 of Title 2 of the Social Security Act (relating to voluntary agreements for coverage of State and local employees) is amended by striking out 'Exclusion of State and local employees' and inserting 'and local employees') is amended by striking out 'Exclusion of State and local employees') and inserting 'State and local employees') and inserting 'State and local systems were drawing less than 25 per cent of the benefits of all employees in these State and local systems, 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 retirees in these State and local systems were drawing 80 per cent or less than half of all persons on retirement from these State and local systems were drawing less than 85 per cent per month. In behalf of these 2,500,000 State and local employees with whom we pleased with you and other United States Senators to re-incorporate section 6.

ARNOLD S. ZANDER, International President, 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.

The amendment 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 Wisconsin employees who were covered under the State retirement fund prior to the passage of the Federal amendments.

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 has State or Federal, or both, to go out to work in private industry, they could often come under a private retirement plan plus getting local 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 on behalf of the distinguished president of the University of Wisconsin, Dr. E. B. Fred. I send a copy of these 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 these 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:

"URV Is on record in favor of social-security coverage for college and university employees. Understand Senate Finance Committee has deleted provisions for optional coverage from H. R. 7800. Hope sincerely that Senate will restore this provision in the bill."

E. B. FRED, President, University of Wisconsin.

STEYERJAN, WIS., June 26, 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 Ralms integration bill.

G. ADOLPH STRANGBERG,
President of the Clerk of Circuit Courts Association.

EUGENE A. HICKIEY,
Vice President.

VERA C. TERRY,
Secretary-Treasurer.

STEYERJAN, WIS., June 26, 1952.

ALEXANDER WILEY,
United States Senator,
Washington, D. C.:

The county treasurers association passed the following resolution this s. m.:

"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 retirement plan with Federal social security. If it is impossible to secure passage of section 6, we ask for support of Byrnes and Ralns integration bill."
ment plan with Federal social security. If it is impossible to secure passage of section 6, we ask for support of Byrnes and Raines integras'ion bills."

V. M. KELLY.

ABLETTA 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 (F) enacted 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 time has arrived 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 burden to the city and state, and Whereas it appears that pending legislation in Congress, to wit: H. R. 6816 and 6817, provide for the aforesaid inclusion: It is therefore and hereby Resolved, That said inclusion be adopted when available and that if said legislation is enacted, it is hereby provided that the city be very be authorized to transfer such necessary funds to make full coverage and inclusion effective 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. 7600) to the attention of the Senate and for its approval.

The chairman of the committee knows that I have been the sponsor and co-sponsor 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 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 another 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 peo-

ple 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 salient changes which this social security bill, H. R. 7600, 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 upon which benefits are based, the provision of social security wage credits for the men and women who are serving in the armed forces in this time of national emergency.

All three of these changes in the insurance program are ones which I have proposed before, and which the Senate, at the request of the Finance Committee, has also approved. The Senate and the Finance Committee have both expressed the hope that these changes will be made as early as possible, it it effective as early as possible, it if effective as early as possible, it is, of course, the desire that these changes be made as early as possible.

I therefore and hereby resolve that said inclusion be adopted to provide for the increase in the income to the trust fund that will be more than adequate in the long run to pay the increased benefit levels. This is 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 actual coverage of the plan.

I would like to quote further from my remarks to the Senate at that time: "Mr. President, here in this Chamber for equity. Thousands of persons have been given cost-of-living increases in wages. I think everyone will agree that, 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 these payments."

"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, in fact, in any case, the proposal is a sound one, and it is available to effectuate it..."

"Mr. President, there is a great, inarticulate body, a great silent mass among the American people who have criticized a part of the old-age and survivors insurance, which have no lobbyists here, who have no business agents here to try to sell it, who do not have five-per-centers 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 a great, a great need for these benefit increases now that they have been sponsored. We are facing the day when we have from 36 to 40 per cent of our population below the poverty line, where we have a minority of our population earning less than half the national average income. 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 work. Almost a quarter of these fortunate minority have savings and dividend income; some, also fortunate, still own their homes. But the great majority of them are partially supported by their adult children and other relatives. Most older men and women, however, must look to social security as their primary income and support and source as their health, as their principle of saving. And I think that when we have social security as the primary income, we have a right to look to the Federal Government to support social security. And I think that when we have social security as our primary income, we have a right to look to the Federal Government to support social security.

Yet, in the face of the highest cost of living in history'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, anyone can say that $43 a month is enough to live on. Or course it isn't and something must be done 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 the payment of $43 a month to disabled persons. I supported this proposal which I joined with Senator Murray and Senator Magnuson, we provided for protection of the services of women in Korea. Congress has shown great pride to me that this bill now before you incorporates these changes which I have been advocating.

PROTECTION FOR SERVICEMEN

In S. 2705, introduced by my distinguished colleague from Florida, the proposal was made which I joined with Senator Murray and Senator Magnuson, it appeared that pending legislation in Congress has provided for veterans under National Service Life Insurance. The authority provided is the same as in civil service retirement laws, federal civil service retirement laws, and the railroad retirement law. The cry of 'socialized medicine' was 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 shed away from passing a bill increasing the monthly payments to old-age and survivor beneficiaries under the Social Security Act. The cry 'socialized medicine' was raised. It was a fine—that is, a glaring—example of catch-phrase thinking. Yesterday the House took it up and gave it the green light with only a minor change or two, and approved it..."

"There is no reason to regard this as socialized medicine. It is merely an adjustment in the direction of socialized medicine. And I think that is the purpose of this legislation. If the principle of protecting totally disabled beneficiaries is sound, then there clearly must be something wrong with the present system, whatever degree of disability exists. And under a social security system the Government, when it really makes the payments to beneficiaries, obviously must be responsible for making the decision."
“That is all there is to it. And yesterday Congress, in the right hand, passed the very thing that I have been fighting for, and that time for, the whole period. Every now and then that does happen.”

I regret the omission of the provision preserving the rights of the disabled. Nevertheless, I am very glad and should not delay enacting the vitally necessary changes that the Finance Committee has recommended. I am therefore going to introduce the Senate bill 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 continue their benefits under the old-age and survivors insurance program. In S. 3122, which I introduced on May 5, the opportunity for coverage under old-age and survivors insurance program was eliminated for State and university employees. 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 an opportunity for the employees of nearly 15,000 industrial concerns. Practically all the biggest corporations in America now have retirement systems designed to supplement the old-age and survivors insurance system. Yet we continue to discriminate against persons employed in State universities and colleges. To them I say, if you are under a retirement system, no matter how inadequate, and many of them are inadequate, you cannot have the same protection that the employees of nearly 15,000 industrial concerns have.

I introduced S. 3122 at the request of these State 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 retire from their State 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. If they are to compete with private universities for the best teaching brains in the country, it also puts them at a disadvantage from a financial standpoint. I want 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 committee 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 payment for the states that have state public assistance. I was a sponsor of the amendment proposed by Senator McFarland, reported in June 1951, to increase old-age assistance by $5 a month to persons over 65. 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 people will have the opportunity, in the American way, to earn their security, to pay their own way and have the dignity and independence in old age which goes with an earned right. It is heartening indeed at this time in our country to see the progress that has been made in the development of public assistance programs. This is an inadequate reason. They have every right to it. I believe we should place them in the American way, to earn their security, to pay their own way and have the dignity and independence in old age which goes with an earned right. The problem of sickness is serious for the aged. Again and again it is out of a lifetime’s savings. Joyful nonprofit plans and commercial insurance companies have been established. Coverage under the old-age and survivors insurance program will become the best program in the world’s history. It will not only provide retirement benefits for men who are covered by other public retirement systems, but it will also provide benefits in the event of sickness caused by the old age or death of the family breadwinner. We can do no less.

HOSPITALIZATION

I have introduced another bill which would work to greatly improve the old-age and survivors insurance program. This bill, S. 8, 1951, which I introduced jointly with Senator McCarthy 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 is out of a lifetime’s savings. Joyful nonprofit plans and commercial insurance companies have been established. Coverage under the old-age and survivors insurance program will become the best program in the world’s history. It will not only provide retirement benefits for men who are covered by other public retirement systems, but it will also provide benefits in the event of sickness caused by the old age or death of the family breadwinner. We can do no less.

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 only right, therefore, that the struggle with totalitarian philosophies to find Americans united in their determination to end poverty at home—by giving each man the opportunity to adopt through a voluntary, private program, the comprehensive benefits by the Social Security Act, through our Federal insurance program, to earn his own security. The same thing American people want it and this is the answer to communist 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 "(4)" to "(2)".

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 moment? 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:

"In case of the death 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 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 $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 proposed 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."

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. Griggs) 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 a discussion of this bill this evening, I wish to state that I will not yield for that purpose, for the reason that the Senator from Washington (Mr. Can) 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. He is a Senator from Oregon, 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, not discuss the floor 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 floor the following 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 a somewhat more equitable formula for Federal grants for public assistance than is now the case. My amendment 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 to be given Federal payments of 50 percent of any expenditures for public-assistance payments made by the two Territories. But as a result of the basic economic situation in Puerto Rico, the Government is severely limited in its ability to raise money on its own, and to diversify its economy. The Government is therefore dependent for the raising of funds upon Federal grants. My amendment is designed to provide for Puerto Rico and the Virgin Islands a somewhat more equitable formula for Federal grants for public assistance than is now in effect.

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. They have, however, been left behind in the race to modernize, 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 payments 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 $320,000 annually for its public assistance programs, despite the fact that the authorized ceiling in our Federal law is $4,250,000. The Congress authorized grants up to $2,300,000 for Puerto Rico, but we are allowing Puerto Rico only about $320,000. 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 present time is $7.73 a month, as against the authorized ceiling of $90 a month.

Think of it, today in Puerto Rico the total payment for an aged person is $7.73 a month. The average monthly public assistance payment to a family of five is $16.62. The average monthly income of Puerto Ricans is $69.16. The average payments for dependent children are actually $9.00 a month.

The number of cases receiving old-age assistance as of October 1, 1953, in Puerto Rico was 22,600. The number of cases of aid to dependent children was 22,600. The number of cases of aid to the blind was 658.
But this is, as I said, a theoretical formula. There is no prospect that Puerto Rico can increase its payments to anything like $25, even though it would be able to reach an ex-

But there are 45,000 pending applications for public assistance. There are 13,000 appli-
can increase its payments to anything like $25, even though it would be able to reach an ex-

But there are 45,000 pending applications for public assistance. There are 13,000 applic-
can increase its payments to anything like $25, even though it would be able to reach an ex-

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 the blind, and 14,000 permanently and totally disabled cases. Few of these cases can receive any assistance, but the amendment now offered shall be accepted.

The cost of living in Puerto Rico is actual-

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 the blind, and 14,000 permanently and totally disabled cases. Few of these cases can receive any assistance, but the amendment now offered shall be accepted.

The cost of living in Puerto Rico is actually a little less than it is in the continental United States. For an aged person to be forced to live on $7.35 a month, or an average of 25 cents a day, is shocking and it will not be difficult to understand how these unfortunate fellow citizens of ours can exist at such a level.

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 the blind, and 14,000 permanently and totally disabled cases. Few of these cases can receive any assistance, but the amendment now offered shall be accepted.

The cost of living in Puerto Rico is actually a little less than it is in the continental United States. For an aged person to be forced to live on $7.35 a month, or an average of 25 cents a day, is shocking and it will not be difficult to understand how these unfortunate fellow citizens of ours can exist at such a level.

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 the blind, and 14,000 permanently and totally disabled cases. Few of these cases can receive any assistance, but the amendment now offered shall be accepted.

The cost of living in Puerto Rico is actually a little less than it is in the continental United States. For an aged person to be forced to live on $7.35 a month, or an average of 25 cents a day, is shocking and it will not be difficult to understand how these unfortunate fellow citizens of ours can exist at such a level.

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 the blind, and 14,000 permanently and totally disabled cases. Few of these cases can receive any assistance, but the amendment now offered shall be accepted.

The cost of living in Puerto Rico is actually a little less than it is in the continental United States. For an aged person to be forced to live on $7.35 a month, or an average of 25 cents a day, is shocking and it will not be difficult to understand how these unfortunate fellow citizens of ours can exist at such a level.
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 Senate 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, 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.

The statement submitted by Mr. CAIN is as follows:

For the Senate Finance Committee and particularly for its Chairman, Mr. Morse, and for its ranking minority member, Mr. MILLEKIN, 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, the 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 immediately complex, many people were not justly 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 system of universal coverage 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 resolution we might receive a 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 much time was required to prepare the report? The hearing was adjourned for the recess, to return June 26.

Some weeks ago the Senate granted me a leave of absence for some surgery. I had looked forward to ten days of easy-going convalescence, and I did not want to evade a responsibility undertaken so long ago. I quit my convalescent leave and have come back in order to urge the Senate once again to resume the restudy, not for the sake of a few persons who might have been interested in the present system that we can never escape.

The cause 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 8½ per cent, or by 1½ per cent per annum. This is usually referred to as the 85 raise.

It is commonly said that the beneficiaries need the 4½. Of course they need the 4½. 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 3,480,000 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 in the State of Washington. It is a little misleading that every figure is reached by subtracting from the number of OASI beneficiaries the dependent family allowances and widows under 65, now drawing benefits.

If we add these 2 figures we get a total of 6,910,000 persons who are getting something. If we use the same trust fund report also tells us (p. 8) that as of June 30, 1951, there were 12,700,000 persons receiving old-age assistance. In other words, more than half of the old people are left outside.

We are to suppose that these 6,900,000 who receive the benefit and the 12,700,000 who do not receive them are going to live until 1½ years from now? They could use $5 as well as other aged.

The 6,900,000 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 530,000 still leaving 6,370,000 outside.

What about the aged people in my own State of Washington? Are all of them benefiting? Are all of them benefiting 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 getting either railroad retirement or civil-service retirement pensions. 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 102,500 men and women 65 and over in the State of Washington who receive nothing. That is almost half of the combined 225,000 men and women 65 and over. Some are still working, some have looked after themselves and don't need to worry, but there is an entire population of a hundred thousand persons 65 and over, too, 102,000 for whom circumstances are anything but pleasing. But the only thing we know for sure is that they are outside the system, and that is enough. The lack of these 102,000 in these 2 categories is the great threat of the half of the crowd. We are going to do something about them.

But, I have an intention to move to recommit H. R. 7800 in this language: "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 is not beneficial to every person in the United States who is 65 years old or over, and that the Committee on Finance report this amended bill at the earliest possible time."

I believe in this motion, and hope to see such a motion prevail in the near future. I should be so fortunate as to be reelected in November to a second term in the Senate, when I might have the opportunity to seek an opportunity to work, I trust, with many others, for the approval of a social-security system that I recognize 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 merits of the present social-security labyrinth.

I contend, however, that the following points represent only common sense and, if I may say so, common justice.

1. A universal coverage, flat benefit, pay-as-you-go system is a simple concept and can be simply administered.

2. Any system that must pay benefit checks could be handled by a single Treasury bureau and the transaction should be a relatively simple matter.

3. Such a system sweeps away at a stroke the weirdly complicated and expensive administrative 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 do the same job. I suppose, nearly a hundred million wage records.

4. Not only would administration be much simpler under the new system; such a reformulation as I have described would deal a body blow, a death blow, to the political and economic ambitions of the bosses of the enormous social-security agency and the many other vested interests.

5. Such a new system as I have described would remove the policy from the politicians and the policy would be far better handled by the people who have charge.

6. It may be contended that by such sweeping expansion of the number of benefits recipients that a giant political pressure group will be formed. I have no reason to believe that there is 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. Compromised actuarial have warned that the immense present social-security systems will lead to bankruptcy of the system. How can these security agency figures jugglers undertake predictions with any claim to accuracy when they can't predict with certainty our economic future, our birth and death rate, and a dozen other factors?

8. The saving in both money and time in the community in general would be incalculable. I cannot tell the number of clerks, statisticians, and actuarial people who 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.
1952 CONGRESSIONAL RECORD — SENATE 8153

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 agree to pay this trust fund, and the only way we can pay this trust fund is either by a tax or by drawing benefits from the beneficiaries. They feel they have an equity. Some must be devised to pay back their equity, pro rata or some way. We cannot impose a tax or some other device, but it would be better to do it and extract this particular bone that chokes the public throat. We have given up the idea of penalizing for having made a terribly wrong beginning.

These points would constitute the foundation from which a respected and responsible social security system could be hammer in our time. I can indicate, if I had the time, the points 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 our national life system which few people understand and few people trust with a system which would always be as honest, good, and reliable as the national government employees.
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 an sine qua non. The Senate concedes 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 and misrepresentation of 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, 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 by savings. 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 to work. Suppose he wishes to buy a house, to buy a car, to pay for his children's education. You may say it makes no difference, it is not a current cost. But consider the cost of these expenses. As each man works he earns not only wages; he earns and saves, and if need be, sells or mortgages your home. Your plight, the AMA would have us say, is not properly the subject of social insurance.

The first social security bill I introduced with Senator Wagner and Representive Driscoll was in 1943. We re-introduced 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.
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 of the legislation in Congress 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. But we 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 is opposed 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. They destroy old-age retirement systems 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.

Practically all Members of the Senate in 1950 supported the provision for increased Social Security benefits, to increase the protection against old-age, unemployment, and survivors insurance, to increase the amount of benefits, and for other purposes. The title was amended 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."

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.)

But a single one of these fears expressed by the Republican opposition has come true. One of fears, that the Social Security Act 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 that we have been vindicated. The 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 did.

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 a Fair Share. 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 late Senator Capper, as chair-

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 is not needed, I am convinced that workers' 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 1943 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 should have 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 various reasons, to adopt 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 propose, day by day, 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. I 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 for- ward 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 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 was reported out of 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.
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:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be:</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10</td>
<td>$25.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$11</td>
<td>27.00</td>
<td>48.00</td>
</tr>
<tr>
<td>$12</td>
<td>29.00</td>
<td>53.00</td>
</tr>
<tr>
<td>$13</td>
<td>31.00</td>
<td>56.00</td>
</tr>
<tr>
<td>$14</td>
<td>33.00</td>
<td>60.00</td>
</tr>
<tr>
<td>$15</td>
<td>35.00</td>
<td>64.00</td>
</tr>
<tr>
<td>$16</td>
<td>38.20</td>
<td>69.00</td>
</tr>
<tr>
<td>$17</td>
<td>39.50</td>
<td>72.00</td>
</tr>
<tr>
<td>$18</td>
<td>40.70</td>
<td>74.00</td>
</tr>
<tr>
<td>$19</td>
<td>42.00</td>
<td>76.00</td>
</tr>
<tr>
<td>$20</td>
<td>43.50</td>
<td>79.00</td>
</tr>
<tr>
<td>$21</td>
<td>45.30</td>
<td>82.00</td>
</tr>
<tr>
<td>$22</td>
<td>47.50</td>
<td>85.00</td>
</tr>
<tr>
<td>$23</td>
<td>50.10</td>
<td>89.00</td>
</tr>
<tr>
<td>$24</td>
<td>52.40</td>
<td>93.00</td>
</tr>
<tr>
<td>$25</td>
<td>54.40</td>
<td>99.00</td>
</tr>
<tr>
<td>$26</td>
<td>56.30</td>
<td>105.00</td>
</tr>
<tr>
<td>$27</td>
<td>58.00</td>
<td>111.00</td>
</tr>
<tr>
<td>$28</td>
<td>59.40</td>
<td>117.00</td>
</tr>
<tr>
<td>$29</td>
<td>60.80</td>
<td>123.00</td>
</tr>
<tr>
<td>$30</td>
<td>62.00</td>
<td>129.00</td>
</tr>
<tr>
<td>$31</td>
<td>64.40</td>
<td>135.00</td>
</tr>
<tr>
<td>$32</td>
<td>66.60</td>
<td>141.00</td>
</tr>
<tr>
<td>$33</td>
<td>68.00</td>
<td>147.00</td>
</tr>
<tr>
<td>$34</td>
<td>70.00</td>
<td>153.00</td>
</tr>
<tr>
<td>$35</td>
<td>72.00</td>
<td>159.00</td>
</tr>
<tr>
<td>$36</td>
<td>74.10</td>
<td>165.00</td>
</tr>
<tr>
<td>$37</td>
<td>76.10</td>
<td>171.00</td>
</tr>
<tr>
<td>$38</td>
<td>78.00</td>
<td>177.00</td>
</tr>
<tr>
<td>$39</td>
<td>80.00</td>
<td>183.00</td>
</tr>
<tr>
<td>$40</td>
<td>82.00</td>
<td>189.00</td>
</tr>
<tr>
<td>$41</td>
<td>84.10</td>
<td>195.00</td>
</tr>
<tr>
<td>$42</td>
<td>86.10</td>
<td>201.00</td>
</tr>
<tr>
<td>$43</td>
<td>88.00</td>
<td>207.00</td>
</tr>
<tr>
<td>$44</td>
<td>90.10</td>
<td>213.00</td>
</tr>
<tr>
<td>$45</td>
<td>92.10</td>
<td>219.00</td>
</tr>
<tr>
<td>$46</td>
<td>94.10</td>
<td>225.00</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34 or less</td>
<td>$25</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26</td>
</tr>
</tbody>
</table>

(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 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...
6

1 $0.10. The provisions of section 203 (a) of the Social
2 Security Act, as amended by this section (and, for purposes
3 of such section 203 (a), the provisions of section 215 (c)
4 (4) of the Social Security Act, as amended by this section),
5 shall apply to such benefit as computed under the preceding
6 sentence of this subparagraph, and the resulting amount,
7 if not a multiple of $0.10, shall be increased to the next
8 higher multiple of $0.10.

9 (B) The provisions of subparagraph (A) shall cease to
10 apply to the benefit of any individual for any month
11 under title II of the Social Security Act, beginning with the
12 first month after August 1952 for which (i) another indi­
13 vidual becomes entitled, on the basis of the same wages and
14 self-employment income, to a benefit under such title to
15 which he was not entitled, on the basis of such wages and
16 self-employment income, for August 1952; or (ii) another
17 individual, entitled for August 1952 to a benefit under such
18 title on the basis of the same wages and self-employment in­
19 come, is not entitled to such benefit on the basis of such wages
20 and self-employment income; or (iii) the amount of any
21 benefit which would be payable on the basis of the same
22 wages and self-employment income under the provisions of
23 such title, as amended by this Act, differs from the amount
24 of such benefit which would have been payable for August
25 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 ap-
plication 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 individ-
ual’s wages and self-employment income for any subse-
quent month for which he is entitled to an old-age in-
surance 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 (1) PRESERVATION OF INSURANCE RIGHTS OF PER-
2 MANENTLY AND TOTALLY DISABLED
3 SEC. 3. (a) (1) Section 213 (a) (2) (A) of the
4 Social Security Act (defining quarter of coverage) is
5 amended to read as follows:
6 "(A) The term ‘quarter of coverage’ means, in the
7 case of any quarter occurring prior to 1951, a quarter in
8 which the individual has been paid $50 or more in wages;
9 except that no quarter any part of which was included
10 in a period of disability (as defined in section 216 (i)),
11 other than the initial quarter of such period, shall be a
12 quarter of coverage. In the case of any individual who
13 has been paid, in a calendar year prior to 1951, $8,000
14 or more in wages, each quarter of such year following his
15 first quarter of coverage shall be deemed a quarter of cov-
16 erage, excepting any quarter in such year in which such in-
17 dividual died or became entitled to a primary insurance
18 benefit and any quarter succeeding such quarter in which
19 he died or became so entitled, and excepting any quarter
20 any part of which was included in a period of disability,
21 other than the initial quarter of such period."

H. R. 7800—2
(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;”.

(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.”

11. 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”.

12. 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 1954 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 (b) 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) dur-
ing 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 in-
dividual, while under such disability, files an application for
a disability determination. Except as provided in para-
graph (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 (2).

A period of disability shall end on the day on which the
disability ceases. No application for a disability determi-
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 dis-
ability determination after March 1953, and before January
1955, with respect to a disability which began before April
1953, and continued without interruption until such applic-
eation 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)."

d.(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) 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 1952, and to lump-sum death payments under such title in the case of deaths occurring after March 1952; 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) 43. (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;
REINTEREMENT 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 head-
ing 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 de-
finied 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
H. R. 7800——3
1 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 pay­
able by it under any other law of the United States
or under a system established by such agency or in­
strumentality.

11 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 in­
come of any veteran, the Federal Security Administrator
shall make a decision without regard to clause (B) of para­
graph (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-
(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".
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.

In the case of any veteran (as defined in section

H. R. 7800—4
217 (e) (10) (d) (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 ex-
cluded 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 posi-
tions 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 in-
cluding service in such positions under an agree-
ment 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 Septem-
ber 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 applica-
tion 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 applica-
tion 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 recomputate 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 (re­
lating 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 determin­
ing 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 considera­
tion 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 propor
tions 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 assis­
tance for such month; plus

"(B) one-half of the amount by which such ex­
penditures 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 assis­
tance, equal to the sum of the following proportions of the
total amounts expended during such quarter as old-age assis­
tance, 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 expendi-
tures 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 com-
 mencing 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 sub-
section (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.

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 con-
nection 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 certifica-
tion 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 sur-
vivors 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.
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.
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.
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 218 (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 218 (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..."
social security act amendments of 1952

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 (5).

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.

(5) 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 (8)."

(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 appli-
cation 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 Adminis-
trator 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 is 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 Adminis-
trator, 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; 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 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.
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 permanently and totally disabled individuals, and to increase the amounts of earnings permitted without loss of benefits, and for other purposes."
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 disagreement to the amendments of the Senate 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 thereof insert the following:

"PREVENTION 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 &quot;quarter of coverage&quot; 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 (1)), 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 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) (1) of such Act is amended to read as follows:"

"(1) 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) (ii) of such Act is amended by striking out &quot;shall be a quarter of coverage&quot; and inserting in lieu thereof &quot;shall (subject to clause (i)) be a quarter of coverage&quot;.

"(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 (1)) 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 :&quot; ; 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 &quot;exceeding 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: &quot;and any month in any quarter any part of which was included in a period of disability (as defined in section 216 (1)) 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-
"Disability: Period of Disability"

"(1) The term "disability" means (A) inability to engage in any substantially gainful activity accepted as an explanation 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 concentric contraction shall be considered correcting lenses. An eye in which the central visual acuity was 5/200 or less.

"(2) The term "period of disability" means a continuous period of not less than six full calendar months of disability which ends with the day before the day on which the individual filed such application; 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 concentric contraction shall be considered correcting lenses. An eye in which the central visual acuity was 5/200 or less.

"(3) The requirements referred to in paragraphs (2) (C) and (4) (B) are satisfied by an individual with respect to any 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 period in which the individual was included by a prior period of disability unless such quarter was a quarter of coverage.

"(4) If an individual files an application for a disability determination before October 1, 1952, any quarter prior to 1951 any part ending as hereinafter provided in this subsection shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any weeks 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 paragraphs (1) and (2) the following new subsection:

""Disability Determinations to be Made by State Agencies"

"(a) In the case of any individual, the determination of whether or not he is under a disability (as defined in section 216 (1) (1)) and of the duration of the disability which began before July 1, 1953, shall be made by a State agency pursuant to an agreement entered into under subsection (b).""

"(c) An individual shall not be considered to be under disability unless he furnishes such proof of the existence thereof as may be required by the State agency administering the agreement. 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)."

"(d) 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 purposes of this paragraph, and no such application which is filed prior to the beginning day for the period specified in clause (A) or the forty-quarter period which ends with such quarter; and

"(e) All money paid to a State under this section shall be used solely for the purpose of reimbursing each State for the money so paid which is so paid which is so paid which is so paid for deposit in the Trust Fund at the time or times fixed by the Administrator, in accordance with such certification:

"(f) No money provided under 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 amounts received in the case of any month occurring after July 1, 1953, and to lump-sum death payments under such title in the case of deaths occurring after July 1, 1953, but no recomputation of benefits by reason of such amendments shall be regarded as having been made thereby, such provisions and amendments shall cease to be in effect at the close of June 30, 1955, and after such amendments shall cease to be in effect the computation of benefits under section 215 (f) of the Social Security Act, made thereby, shall be in full force and effect as though this act had not been enacted."
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:

"(c) Section 1003 (a) of such act is amended to read as follows:

(1) The amounts appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for 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.

(2) 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 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 individual for any month as exceeds $30; and (3) In the case of any State, an amount, 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 under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, or if there is more than one dependent child, as exceeds $60; and (3) 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 under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $60; and (4) In the case of each of the other dependent children; and (5) In the case of any State, an amount, equal to one-fourth of the total of the sums expended during such quarter as aid to dependent children under 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.

"(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 individual for any month as exceeds $30, or if there is more than one dependent child, as exceeds $60; and (3) 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 under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30.

(2) Section 403 (a) of such Act is amended to read as follows:

"(2) Section 403 (a) of such act is amended to read as follows:

(1) 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 individual for any month as exceeds $30, or if there is more than one dependent child, as exceeds $60; and (3) 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 under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, or if there is more than one dependent child in the same home, as exceeds $60; and (4) In the case of each of the other dependent children; and (5) In the case of any State, an amount, equal to one-fourth of the total of the sums expended during such quarter as aid to dependent children under 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.

(3) In the case of any State, an amount, 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 individual for any month as exceeds $30; and (3) 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 under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, or if there is more than one dependent child, as exceeds $60; and (4) In the case of each of the other dependent children; and (5) In the case of any State, an amount, equal to one-fourth of the total of the sums expended during such quarter as aid to dependent children under 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.

The managers on the part of the House at the conference on the disagreeing votes 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 provide for aid to dependent children and the blind, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference and recommended in the accompanying report:

Amendment No. 1: This amendment strikes out section 3 of the House bill, which provided that beneficiaries 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 conference 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 conference 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 conference that hearings will be held on this entire matter early in 1953 and at that time the congressional committees will go to the administrative and other provisions. It is intended to obtain the views at that time of interested groups and to ascertain and to examine the effect of the provision and of any legislation thereon, and to determine whether or not the provisions or any modification thereof should be enacted into permanent law.

Amendment No. 2: This is a technical amendment changing the numeration 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 conferences is to increase this amount from the $50 in existing law to $75.
Amendments Nos. 7, 8, and 10: The House bill provided wage credits of $160 a month for individuals while serving in the Armed Forces after June 30, 1947, and before 1953, and authorized appropriations for the trust fund of the sums necessary to meet the additional costs resulting from the inclusion of these credits. The Senate amendments is to retain the wage credit provisions 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 insured individual shall be eligible for the increased Federal share in the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals in the hands of State and local retirement systems, and to increase in Federal funds for public assistance for alcoholics, drug addicts, and children. The Senate amendments raise the maximum amount of $5,000,000. The Senate recedes.

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 leaving regular railroad retirement service. The Senate amendments raise this monthly limitation to $100. The effect of the action agreed upon 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 1953 and whose benefits could have been expanded under the 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 unemployment compensation under title X of the Social Security Act was 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 request of the individual.

Amendment No. 19: There was no comparable provision in the House bill. The Senate amendment recommended by the conferees is to allow States to compute the Federal share of State public assistance programs.

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 $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 $50. Under the Senate amendment 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.

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 is limited to $125,000,000. The Senate amendment increases this maximum amount to $5,000,000. The Senate recedes.

Amendment No. 21: This Senate 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.

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. I am happy to inform the House that the conference report con­ sent that the statement of the managers on the part of the House be read in lieu of the report.

The Speaker 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 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, blind, disabled, 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 after June 30, 1953. The Senate amendment increases this maximum amount to $5,000,000. The Senate recedes.

Amendment No. 16: This Senate 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.

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. The amendment permits coordination of the Wisconsin retirement system with the Federal Old-Age and Survivors Insurance program.

The conference report, in its entirety, 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. It is a victory for those who are opposed to the Oscar Ewing propaganda machine. It is a victory for those who are opposed to the permanent and total disability provision of 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 contained in the conference report was followed by the Ways and Means Committee until well on into the last session of Congress, it was generally considered to be a step toward socialized medicine. The other provision, section 6, was the section that encroached on the retirement systems of the State employees, school teachers, and State and local employees under the retirement system of Wisconsin. The amendment permits coordination of the Wisconsin retirement system with the Federal Old-Age and Survivors Insurance System.

In closing, Mr. Speaker, I want to say that the House conference report on H. R. 7800, which carries my name, 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. It is a victory for those who are opposed to the permanent and total 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 would have laid the foundation for socialized medicine in this country, it was generally considered to be a step toward socialized medicine. The other provision, section 6, was the section that encroached on the retirement systems of the State employees, school teachers, and State and local employees under the retirement system of Wisconsin. The amendment permits coordination of the Wisconsin retirement system with the Federal Old-Age and Survivors Insurance 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 number of letters it received from 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 system 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. And that 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 things. The chairman of the Ways and Means Committee, I 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. 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 this 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 strengthened, and as I am sure Members of Congress, I am sure we were all together in voting for the House bill. 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 discussion the idea that we were in conference in an imputation of politics, and to refer with such enthusiasm to his bill, H. R. 722. I want to point out to you that the composite bill, H. R. 7800, that the committee of Ways and Means had many numbers after H. R. 7800, the composite bill by Mr. Doocy. Prior to the committee consideration of the composite bill, H. R. 7800, there were a number of social security amendments which were introduced before the gentleman from New York got this very heavy thought and before he became so concerned. He was concerned over 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 government policy. 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 amendment was opposed. If it was opposed it was 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 that this was not a social security plan, not a social security plan, not a social security plan, but 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 that most practical thing that I ever did was in preserving to forestall such socialized medicine and any system that approximates it. I advocated health insurance. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. EBERHARTER. Mr. Speaker, I think what the membership is most interested in is what the future looks like in the shape 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 committee recommendation 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, there is a provision that waives the premium...
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. 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. Mr. Speaker, will I just wanted to set the record straight, then, specifically, where it grants waiver going to drive the reactionaries and the 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.

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.

## Coverage

<table>
<thead>
<tr>
<th></th>
<th>H. R. 6750</th>
<th>H. R. 7549</th>
<th>H. R. 7800</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Estimated number of persons affected by expanded coverage.</td>
<td>11,000,000</td>
<td>Not given</td>
<td>Not given</td>
</tr>
<tr>
<td>B. Coverage of the self-employed.</td>
<td>Certain designated self-employed persons</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td>C. State and local employees, employed.</td>
<td>Permits States to enter into agreements for retractive coverage by Jan. 1, 1954. Also allows coverage if integration statute is enacted prior to Jan. 1, 1960.</td>
<td>No change.</td>
<td>No change.</td>
</tr>
<tr>
<td>D. Wage credits for military personnel.</td>
<td>All military service after World War II is covered by a $20 per month wage credit. Makes permanent provision with respect to future service.</td>
<td>No change.</td>
<td>No change.</td>
</tr>
<tr>
<td>E. Miscellaneous coverage.</td>
<td>Includes among other groups—farm workers, domestic, and employees of higher educational institutions. Eliminates the &quot;regularity&quot; test and retains a minimum $450 for quarter earnings.</td>
<td>No change.</td>
<td>No change.</td>
</tr>
<tr>
<td>F. Coverage criteria.</td>
<td>No change.</td>
<td>No change.</td>
<td>No change.</td>
</tr>
</tbody>
</table>

## Benefits

<table>
<thead>
<tr>
<th></th>
<th>H. R. 6750</th>
<th>H. R. 7549</th>
<th>H. R. 7800</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Maximum earnings subject to coverage.</td>
<td>$3,000.</td>
<td>No change.</td>
<td>No change.</td>
</tr>
<tr>
<td>B. Benefit formula.</td>
<td>50 percent of first $20, 15 percent of next $280 plus 1 percent increment for each year of coverage. Best 10 consecutive years of earned earnings are used. The conversion table is adjusted upward.</td>
<td>50 percent of first $115, 15 percent of next $715. Best 10 consecutive years of earned earnings are used. Conversion table is revised upward.</td>
<td>50 percent of first $115, 15 percent of next $715. Best 10 consecutive years of earned earnings are used. Conversion table is revised upward.</td>
</tr>
<tr>
<td>C. Benefit limitations.</td>
<td>Minimum primary insurance benefit is $115; Maximum benefit will depend on years of coverage. Family benefits minimum is $50. Maximum $300.</td>
<td>Benefit payments would be increased about 15 percent. Minimum primary insurance benefit is $225. Maximum $65. Family benefits minimum is $14. Maximum $65.</td>
<td>Benefit payments would be increased about 15 percent. Minimum primary insurance benefit is $225. Maximum $65. Family benefits minimum is $14. Maximum $65.</td>
</tr>
<tr>
<td>D. Work clause.</td>
<td>875 with a corresponding adjustment for the self-employed.</td>
<td>No change.</td>
<td>No change.</td>
</tr>
<tr>
<td>III. Disability and rehabilitation:</td>
<td></td>
<td>60.</td>
<td>60.</td>
</tr>
<tr>
<td>A. Disability and sickness benefits.</td>
<td>Provides disability benefits for disabled insured workers. Sickness benefits are provided for temporary and totally disabled individuals.</td>
<td>Rehabilitation services are provided for insured disabled individuals and disabled children entitled to child's benefits.</td>
<td>Rehabilitation services are provided for insured disabled individuals and disabled children entitled to child's benefits.</td>
</tr>
<tr>
<td>B. Rehabilitation services.</td>
<td>Rehabilitation services are provided for insured disabled individuals and disabled children entitled to child's benefits.</td>
<td>Rehabilitation services are provided for insured disabled individuals and disabled children entitled to child's benefits.</td>
<td>Rehabilitation services are provided for insured disabled individuals and disabled children entitled to child's benefits.</td>
</tr>
</tbody>
</table>
IV. Financial provisions.

The tax rate would be 2 percent for employers and for employees in 1952-53. This would be progressively increased until 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.

V. Public assistance.

No change.

VI. Technical amendments.

No change.

Major differences in H. R. 7800 as passed by the House and as passed by the Senate

<table>
<thead>
<tr>
<th>Item</th>
<th>Present law</th>
<th>As passed by House</th>
<th>As passed by Senate</th>
<th>As agreed to in conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Retirement test</td>
<td>Earnings of $60 per month in covered employment; $800 per year for self-employed.</td>
<td>Earnings of $70 per month in covered employment; $800 per year for self-employed.</td>
<td>Earnings of $100 per month in covered employment; $1,000 per year for self-employed.</td>
<td>Earnings of $75 per month in covered employment; $1,000 per year for self-employed.</td>
</tr>
<tr>
<td>B. Wage credits for veterans</td>
<td>Wage credits of $190 per month provided for workers up to and including July 26, 1947.</td>
<td>Wage credits granted for the period beginning July 26, 1947, through Dec. 31, 1953. Cost of wage credits financed by general revenues.</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
</tr>
<tr>
<td>C. Preservation of insurance rights of permanently and totally disabled</td>
<td>No provision.</td>
<td>Maintains the insured status and benefits of workers who are totally disabled for not less than 6 consecutive calendar quarters and the impairment is expected to be permanent.</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
</tr>
<tr>
<td>D. Coverage of State and local employees who are under a retirement system</td>
<td>Coverage under OASI of State and local employees who are under a retirement system is barred.</td>
<td>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, 1961.</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
</tr>
</tbody>
</table>

PUBLIC ASSISTANCE

| A. Earnings of add-to-the-blind recipients | States must disregard earnings of add-to-the-blind recipients up to $30 per month in determining his eligibility or the amount of aid to the blind. | Provision in present law is retained, but in addition the State may disregard earnings of add-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 cost of wage credits financed out of Trust Fund. | Same as House-passed bill except that after June 30, 1954, provision for disregarding earnings of add-to-the-blind recipient in determining need of other members of his 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.) | Federal share is 34% of the first $30 of a State’s average monthly payment per recipient plus 34% of the remainder within individual maximums of $30. | Federal share is 34% of the first $30 of a State’s average monthly payment per recipient plus 34% of the remainder within individual maximums of $30. | Federal share is 34% of the first $30 of a State’s average monthly payment per recipient plus 34% of the remainder within individual maximums of $30. | Federal share is 34% of the first $30 of a State’s average monthly payment per recipient plus 34% of the remainder within individual maximums of $30. | Accepted Senate provision with an amendment making the provision effective Sept. 30, 1954. See above. |
| 1. Aid to blind and aid to the permanently and totally disabled. | Federal share is limited to 90 percent of expenditures. Maximum monthly individual payments of $30 per month. (For ceiling on Federal share for public assistance, see 3, below.) | Federal share is limited to 90 percent of expenditures. Maximum monthly individual payments of $30 per month for the adult, $27 for the first child, and $18 for each additional child in a family. | Federal share is limited to 90 percent of expenditures. Maximum monthly individual payments of $30 per month for the adult, $27 for the first child, and $18 for each additional child in a family. | Federal share is limited to 90 percent of expenditures. Maximum monthly individual payments of $30 per month for the adult, $27 for the first child, and $18 for each additional child in a family. | Deletable. |
| 2. Aid to dependent children. | Federal share is limited to 60 percent of expenditures. Maximum monthly individual payments of $50 per child and $12 for each additional child in a family. | Federal share is limited to 60 percent of expenditures. Maximum monthly individual payments of $50 per child and $12 for each additional child in a family. | Federal share is limited to 60 percent of expenditures. Maximum monthly individual payments of $50 per child and $12 for each additional child in a family. | Federal share is limited to 60 percent of expenditures. Maximum monthly individual payments of $50 per child and $12 for each additional child in a family. | Deletable. |
| C. Federal share of assistance for Puerto Rico and Virgin Islands. | Federal share is limited to 50 percent of expenditures. Maximum monthly individual payments of $30 per month if the family has an income of less than $250 per month. If an income of $250 or more, the maximum is $10 for the adult, $5 for the first child, and $2 for each additional child in a family. | Federal share is limited to 50 percent of expenditures. Maximum monthly individual payments of $30 per month if the family has an income of less than $250 per month. If an income of $250 or more, the maximum is $10 for the adult, $5 for the first child, and $2 for each additional child in a family. | Federal share is limited to 50 percent of expenditures. Maximum monthly individual payments of $30 per month if the family has an income of less than $250 per month. If an income of $250 or more, the maximum is $10 for the adult, $5 for the first child, and $2 for each additional child in a family. | Federal share is increased to $5,000,000 per year for Puerto Rico; for Virgin Islands same as present law. | Deletable. |
| 3. Limitations 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. | Federal share is limited to $4,250,000 per year for Puerto Rico and $160,000 per year for the Virgin Islands. | Federal share is limited to $4,250,000 per year for Puerto Rico and $160,000 per year for the Virgin Islands. | Federal share is limited to $4,250,000 per year for Puerto Rico and $160,000 per year for the Virgin Islands. | Deletable. |
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 provides 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 stepheat 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. Dooughton], to see that this is properly administered and that 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 unborn 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 overall 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 programs. If it is left to the 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. 7890, 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 socialsecurity benefits, were unduly criticized by the 77th Congress. After this disabilitation, 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 the resources program is amended. 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 and the President 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 program of old-age pensions. 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 enacting this bill, we recognize the fact that inability to provide for one's survivors or for one's own old age is not necessarily the result of personal failure or the absence of funds, but is generally a consequence of the workings 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 necessary in many instances, 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 benefit, 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 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. BRAMLEY. 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 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

<table>
<thead>
<tr>
<th>Item</th>
<th>Present law</th>
<th>As passed by House</th>
<th>As passed by Senate</th>
<th>As agreed to in conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Retirement test.</td>
<td>Earnings of $50 per month in covered employment; $600 per year for self-employed. Wage credits of $10 per month provided for service up to and including July 24, 1947.</td>
<td>Earnings of $70 per month in covered employment; $600 per year for self-employed. Wage credits of $15 per month provided for service up to and including July 24, 1947.</td>
<td>Earnings of $100 per month in covered employment; $1,200 per year for self-employed. Same as House-passed bill except cost of wage credits financed out of trust fund.</td>
<td>Earnings of $75 per month in covered employment; $900 per year for self-employed. Accepted Senate provisions.</td>
</tr>
<tr>
<td>B. Wage credits for veterans.</td>
<td>No provision.</td>
<td>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 a 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 so provides.</td>
<td>Same as present law.</td>
<td>Provision of House bill retained but not agreed to a termination date of June 30, 1956, 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. Deleted.</td>
</tr>
<tr>
<td>C. Preservation of insurance rights of permanently and totally disabled.</td>
<td>Coverage under OASDI of State and local employees who are under a retirement system is barred.</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
</tr>
<tr>
<td>D. Coverage of State and local employees who are under a retirement system.</td>
<td>States must disregard earnings of add-to-the-blind recipients up to $60 per month in determining his eligibility or for the amount of aid to the blind. Federal share is 6% of the first $120 of a State's average monthly payment per recipient plus 5% of the remainder within individual maximums of $60. Federal share is 6% of the first $12 of a State's average monthly payment per recipient plus 5% 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.</td>
<td>Provision in present law is retained but in addition the State may disregard earnings of add-to-the-blind recipients up to $80 per month in determining need for State-Federal assistance of other members of his family.</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
</tr>
</tbody>
</table>

PUBLIC ASSISTANCE

<table>
<thead>
<tr>
<th>Item</th>
<th>Present law</th>
<th>As passed by House</th>
<th>As passed by Senate</th>
<th>As agreed to in conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Earnings of add-to-the-blind recipients.</td>
<td>States must disregard earnings of add-to-the-blind recipients up to $60 per month in determining his eligibility or for the amount of aid to the blind.</td>
<td>Federal share is 6% of the first $120 of a State's average monthly payment per recipient plus 5% of the remainder within individual maximums of $60. Federal share is 6% of the first $12 of a State's average monthly payment per recipient plus 5% 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.</td>
<td>Federal share is 6% of the first $150 of a State's average monthly payment per recipient plus 5% of the remainder within individual maximums of $60.</td>
<td>Federal share is 6% of the first $150 of a State's average monthly payment per recipient plus 5% of the remainder within individual maximums of $60. Accepted Senate provision with a modification making the provision effective July 1, 1953.</td>
</tr>
<tr>
<td>B. Federal share of assistance (other than Puerto Rico and Virgin Islands).</td>
<td>1. Old-age assistance, add to the blind, and add to permanent and totally disabled. 2. Aid to dependent children.</td>
<td>Provision in present law is retained.</td>
<td>Provision for exemption of earnings of add-to-the-blind recipient in determining need of other members of his family is mandatory upon the State.</td>
<td>Accepted Senate provision with an amendment providing for a termination date of Sept. 30, 1954. See above.</td>
</tr>
</tbody>
</table>
Major differences in H. R. 7800 as passed by the House and as passed by the Senate and conference agreement—Continued

PUBLIC ASSISTANCE—continued

<table>
<thead>
<tr>
<th>Item</th>
<th>Present law</th>
<th>As passed by House</th>
<th>As passed by Senate</th>
<th>As agreed to in conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Federal share of assistance for Puerto Rico and Virgin Islands:</td>
<td>Federal share is limited to 80 percent of expenditures. Maximum on individual payment of $50 per month. (For ceiling on total Federal payments for public assistance, see 3, below.)</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
<td>Federal share is 1/4 of the first $25 of the average monthly payment per recipient plus 50 percent of the remainder within individual maximums.</td>
</tr>
<tr>
<td>1. Old-age assistance, aid to blind, and aid to the permanently and totally disabled.</td>
<td>Federal share is limited to 80 percent of expenditures. Maximum on individual payment of $50 per month. (For ceiling on total Federal payments for public assistance, see 3, below.)</td>
<td>Same as present law.</td>
<td>Same as present law.</td>
<td>Federal share is 1/4 of the first $25 of the average monthly payment per recipient plus 50 percent of the remainder within individual maximums.</td>
</tr>
<tr>
<td>3. Aid to dependent children.</td>
<td>Federal share is limited to $4,200,-000 per year for Puerto Rico and $160,000 per year for the Virgin Islands.</td>
<td>Same as present law.</td>
<td>No provision.</td>
<td>No provision.</td>
</tr>
<tr>
<td>4. Limitation on Federal share of public assistance expenditures.</td>
<td>Federal share is limited to $4,200,-000 per year for Puerto Rico and $160,000 per year for the Virgin Islands.</td>
<td>Same as present law.</td>
<td>No provision.</td>
<td>Federal share is increased to $4,000,000 per year for Puerto Rico; for Virgin Islands same as present law. States are required to pass on to recipients the increases in Federal funds received by them under this 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.</td>
</tr>
<tr>
<td>D. Eligibility of States for increased Federal contributions.</td>
<td>Federal share is limited to 80 percent of expenditures. Maximum on individual payment of $18 for the first child and $12 for each additional child in a family.</td>
<td>Same as present law.</td>
<td>No provision.</td>
<td>Federal share is limited to 80 percent of expenditures. Maximum on individual payment of $18 for the first child and $12 for each additional child in a family.</td>
</tr>
<tr>
<td>E. Exclusion of earnings from agricultural or nursing services.</td>
<td>Federal share is limited to 80 percent of expenditures. Maximum on individual payment of $18 for the first child and $12 for each additional child in a family.</td>
<td>Same as present law.</td>
<td>No provision.</td>
<td>Federal share is limited to 80 percent of expenditures. Maximum on individual payment of $18 for the first child and $12 for each additional child in a family.</td>
</tr>
</tbody>
</table>

STATEMENT OF 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 $105.

The House accepted the Senate provision providing that the wage credits of $180 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. Eberhardt].

Mr. EBERHART. 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 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 unti-
til 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 con-
ference report, but I want the member-
ship to understand that we do not want
this measure giving any right to any per-
son who may be permanently and
totally disabled to waive the payment of
his premium. 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
temporarily and totally disabled will be
explored.

If the next Congress takes affirmative
action with respect to this particular
 provision there will be a permanent
and total disability provision. I repeat,
the bill does contain many very desirable
features which I wholeheartedly approve
and which I think every Member of the House
knows that the Members will not get a wrong impression as to what
the conferees have agreed upon. I, my-
self, did not fully understand until the
report was brought up for discussion on
the floor of the committee what the conferees
have done. I do hope everybody supports this con-
ference report, but I do not want them to be under the wrong impression that we are doing anything practical, except
in the interest of recognition of the prin-
ciple and the hope the next Congress
will adopt a permanent and total dis-
ability provision.

Mr. WIER. Mr. Speaker, will the gent-
leman yield?

Mr. EBERHART. 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 provision is $75.

Mr. WIER. There were recommenda-
tions of $70 and $100?

Mr. MILLS. That is right.

The SPEAKER. The way the gent-
leman from Pennsylvania has expired.

Mr. MILLS. 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 con-
ference report contains the language of the
House bill, H. R. 7800, with respect to
section 3 which preserves the insur-
ance status of permanently and totally
disabled workers, with two changes in
the language. One is an amendment
which we worked out in conference pro-
viding for the termination of the contract
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. I am not
of the committee and obligated itself to
hold. Now we state in the statement
on the part of the managers a termina-
tion 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 pro-
vision would be enacted into law. The
Senate social security bill will have the
opportunity of conferring with the States
to determine whether or not ex-
amination and control of the determina-
tion of disability by State agencies are
feasible and they can report back to us
after the first of the year. The mem-
bers of our committee and the members
of the Finance Committee are taking a
solemn obligation in connection with
this provision into effect for 2 years and
in no provision it will not be extended if
the States do not pass 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 funda-
mental difference in the conference re-
port from the bill that passed the Senate.

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 perma-
ent disability prior to March 1, 1953.
We move that up three months to July 1,
1953. The conference put the termina-
tion provision of June 30, 1953, in because it
was thought by the conference com-
mittee on the part of the Senate and the House,
before we undertook this new type of a
program of freezing the work record of
an employee under title II of the Social
Security Act that we would first start off
by seeing what progress can be made in
determining disability and see whether or
not the social security people can work on
a plan that the Congress might wish
people to do that. We wanted some-
thing 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, is
to decide whether or not 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 opportu-

nity 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 makes
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 gentle-
man from Arkansas has made a very
clear explanation of a very difficult
problem. For my part, I want to thank him.
If the Senate Finance Committee and the Ways and Means
Committee will have had this opportu-

nity 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 makes
the vote of every Member present here
today.

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

Mr. MILLS. I yield to the gentleman
from California.

Mr. SITTLER. 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 on the previous

Mr. MILLS. I bow to the wisdom of
the gentleman from California.

Mr. WERDEL. I commend the gen-
tleman. I want to support the confer-
ence 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.
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 record 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 $800 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 $635,000,000.

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 citizen 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 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 arrangement has been held 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. Mr. LEHMAN. 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 conference 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, 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 which had been held 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 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 649.

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 bar-ring 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 29, 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
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. (1) Section 215 (c) (1) of the Social Security Act 64 Stat. 506, (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:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>160</td>
<td></td>
<td></td>
</tr>
<tr>
<td>170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>190</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>240</td>
<td></td>
<td></td>
</tr>
<tr>
<td>250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>280</td>
<td></td>
<td></td>
</tr>
<tr>
<td>290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>310</td>
<td></td>
<td></td>
</tr>
<tr>
<td>320</td>
<td></td>
<td></td>
</tr>
<tr>
<td>330</td>
<td></td>
<td></td>
</tr>
<tr>
<td>340</td>
<td></td>
<td></td>
</tr>
<tr>
<td>350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>360</td>
<td></td>
<td></td>
</tr>
<tr>
<td>370</td>
<td></td>
<td></td>
</tr>
<tr>
<td>380</td>
<td></td>
<td></td>
</tr>
<tr>
<td>390</td>
<td></td>
<td></td>
</tr>
<tr>
<td>400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>410</td>
<td></td>
<td></td>
</tr>
<tr>
<td>420</td>
<td></td>
<td></td>
</tr>
<tr>
<td>430</td>
<td></td>
<td></td>
</tr>
<tr>
<td>440</td>
<td></td>
<td></td>
</tr>
<tr>
<td>450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>460</td>
<td></td>
<td></td>
</tr>
<tr>
<td>470</td>
<td></td>
<td></td>
</tr>
<tr>
<td>480</td>
<td></td>
<td></td>
</tr>
<tr>
<td>490</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>520</td>
<td></td>
<td></td>
</tr>
<tr>
<td>530</td>
<td></td>
<td></td>
</tr>
<tr>
<td>540</td>
<td></td>
<td></td>
</tr>
<tr>
<td>550</td>
<td></td>
<td></td>
</tr>
<tr>
<td>560</td>
<td></td>
<td></td>
</tr>
<tr>
<td>570</td>
<td></td>
<td></td>
</tr>
<tr>
<td>580</td>
<td></td>
<td></td>
</tr>
<tr>
<td>590</td>
<td></td>
<td></td>
</tr>
<tr>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>610</td>
<td></td>
<td></td>
</tr>
<tr>
<td>620</td>
<td></td>
<td></td>
</tr>
<tr>
<td>630</td>
<td></td>
<td></td>
</tr>
<tr>
<td>640</td>
<td></td>
<td></td>
</tr>
<tr>
<td>650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>660</td>
<td></td>
<td></td>
</tr>
<tr>
<td>670</td>
<td></td>
<td></td>
</tr>
<tr>
<td>680</td>
<td></td>
<td></td>
</tr>
<tr>
<td>690</td>
<td></td>
<td></td>
</tr>
<tr>
<td>700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>710</td>
<td></td>
<td></td>
</tr>
<tr>
<td>720</td>
<td></td>
<td></td>
</tr>
<tr>
<td>730</td>
<td></td>
<td></td>
</tr>
<tr>
<td>740</td>
<td></td>
<td></td>
</tr>
<tr>
<td>750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>760</td>
<td></td>
<td></td>
</tr>
<tr>
<td>770</td>
<td></td>
<td></td>
</tr>
<tr>
<td>780</td>
<td></td>
<td></td>
</tr>
<tr>
<td>790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>810</td>
<td></td>
<td></td>
</tr>
<tr>
<td>820</td>
<td></td>
<td></td>
</tr>
<tr>
<td>830</td>
<td></td>
<td></td>
</tr>
<tr>
<td>840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>850</td>
<td></td>
<td></td>
</tr>
<tr>
<td>860</td>
<td></td>
<td></td>
</tr>
<tr>
<td>870</td>
<td></td>
<td></td>
</tr>
<tr>
<td>880</td>
<td></td>
<td></td>
</tr>
<tr>
<td>890</td>
<td></td>
<td></td>
</tr>
<tr>
<td>900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>910</td>
<td></td>
<td></td>
</tr>
<tr>
<td>920</td>
<td></td>
<td></td>
</tr>
<tr>
<td>930</td>
<td></td>
<td></td>
</tr>
<tr>
<td>940</td>
<td></td>
<td></td>
</tr>
<tr>
<td>950</td>
<td></td>
<td></td>
</tr>
<tr>
<td>960</td>
<td></td>
<td></td>
</tr>
<tr>
<td>970</td>
<td></td>
<td></td>
</tr>
<tr>
<td>980</td>
<td></td>
<td></td>
</tr>
<tr>
<td>990</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Section 215 (c) (3) of such Act is amended to read as follows: "(3) 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 121½ 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."
Pub. Law 590

42 U.S.C. §415. (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.

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34 or less</td>
<td>$20</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26</td>
</tr>
</tbody>
</table>

(2) Section 203 (a) of such Act (relating to maximum benefits) is amended by striking out "$150" and "$43" wherever they occur and inserting in lieu thereof "$163.75" 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, 42 U.S.C.§403, for purposes of such section 203 (a), the provisions of section 215 (c) 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 (1) 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

42 U.S.C. §413. Sec. 3. (a) (1) Section 213 (a) (3) (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”.

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.”

(2) Section 214 (b) of such Act (defining currently insured indi-
vidual) 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:

"Disability; Period of Disability

"(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. Ante, p. 770.

"(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)."

"(c) 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 (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.

Ante, p. 771.
“(d) Each State which has an agreement with the Administrator Reimbursement 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.

**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”.

(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.

**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 (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."

(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) (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
Pub. Law 590

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 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.

TECHNICAL PROVISIONS

Sec. 3. (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 (3) 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 Adminis-
trator shall recompute such individual's primary insurance amount.
Such recomputation shall be made in the manner provided in the pre-
ceeding subsections of this section (other than subsection (b) (4) (A))
for recomputation of such amount, except that (A) the self-employment
income closing date shall be the day following the quarter with in
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"
§228e. 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:
"(ii) will have rendered service for wages as determined
under section 208 of the Social Security Act, without regard to subsec-
tion (a) thereof, of more than $75, or will have been charged
under section 208 (e) of that Act with net earnings from self-
employment of more than $75."
(3) Section 5 (1) (6) of the Railroad Retirement Act of 1937, as
amended, is amended by inserting "or (e)" after "section 217 (a)"
§228e. 45 U.S.C. 228a.
(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 208 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.
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:

"EARNED INCOME OF BLIND RECIPIENTS

SEC. 1109. Notwithstanding the provisions of sections 2 (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."
respect to a relative with whom any dependent child is living as exceeds $30—are

"(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

"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 com-
mencing 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 $30—

"(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 Admin-
istrator 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

"Sec. 1403. (a) From the sums appropriated therefor, the Secre-
tary 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.

Approved 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.

* * * *
TO : Administrative, Supervisory, and Technical Employees

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 12 1/2 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 12^{1/2} 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.
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 payroll. 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.
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
COMMITTEE ON WAYS AND MEANS

R. L. DOUGHTON, North Carolina, Chairman

JERE COOPER, Tennessee
JOHN D. DINGELL, Michigan
WILBUR D. MILLS, Arkansas
NOBLE J. GREGORY, Kentucky
A. SIDNEY CAMP, Georgia
ALICE J. FORAND, Rhode Island
HERMAN E. EBERHARTER, Pennsylvania
Cecil R. King, California
THOMAS J. OBRIEN, Illinois
J. M. COMBS, Texas
HALE BOOGS, Louisiana
EUGENE J. KEOGH, New York
WALTER K. ORANGER, Utah
BURR P. HARRISON, Virginia

DANIEL A. REED, New York
THOMAS A. JENKINS, Ohio
RICHARD M. SIMPSON, Pennsylvania
ROBERT W. KEAN, New Jersey
CARL T. CURTIS, Nebraska
NOAH M. MASON, Illinois
THOMAS E. MARTIN, Iowa
HALL HOLMES, Washington
JOHN W. BYRNE, Wisconsin
ANGIER L. GOODWIN, Massachusetts

Leo H. Irwin, Clerk
Thos. A. Martin, Assistant Clerk

II
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 12 1/2 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 2½ 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used in 1949 cost estimates, $3,600 base</td>
<td>$2,500</td>
<td>$1,625</td>
</tr>
<tr>
<td>Used in present cost estimates, $3,600 base</td>
<td>2,950</td>
<td>2,030</td>
</tr>
<tr>
<td>Actual 1944, $3,000 base</td>
<td>2,301</td>
<td>1,402</td>
</tr>
<tr>
<td>Actual 1945, $3,000 base</td>
<td>2,293</td>
<td>1,594</td>
</tr>
<tr>
<td>Actual 1946, $3,000 base</td>
<td>2,369</td>
<td>1,700</td>
</tr>
<tr>
<td>Actual 1947, $3,000 base</td>
<td>2,393</td>
<td>1,611</td>
</tr>
<tr>
<td>Actual 1948, $3,000 base</td>
<td>2,493</td>
<td>1,733</td>
</tr>
<tr>
<td>Actual 1949, $3,000 base</td>
<td>2,493</td>
<td>1,750</td>
</tr>
<tr>
<td>Actual 1950, $3,000 base</td>
<td>2,558</td>
<td>1,811</td>
</tr>
<tr>
<td>Estimated 1950, if $3,600 base</td>
<td>2,900</td>
<td>1,850</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Low-cost estimate</th>
<th>High-cost estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>130</td>
<td>129</td>
</tr>
<tr>
<td>1955</td>
<td>132</td>
<td>131</td>
</tr>
<tr>
<td>1960</td>
<td>136</td>
<td>137</td>
</tr>
<tr>
<td>1970</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>1980</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>1990</td>
<td>170</td>
<td>159</td>
</tr>
<tr>
<td>2000</td>
<td>181</td>
<td>160</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Monthly beneficiaries</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retirement beneficiaries</td>
<td></td>
<td>Survivor beneficiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Old-age</td>
<td>Wife's</td>
<td>Child's</td>
<td>Widow's</td>
<td>Parent's</td>
<td>Mother's</td>
</tr>
<tr>
<td>1952</td>
<td>2,345</td>
<td>603</td>
<td>69</td>
<td>403</td>
<td>20</td>
<td>206</td>
</tr>
</tbody>
</table>

Actual data for 1950 act

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Low-cost estimate</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>2,840</td>
<td>861</td>
<td>75</td>
<td>1,101</td>
<td>37</td>
<td>331</td>
</tr>
<tr>
<td>1970</td>
<td>4,263</td>
<td>1,161</td>
<td>90</td>
<td>2,931</td>
<td>42</td>
<td>403</td>
</tr>
<tr>
<td>1980</td>
<td>5,321</td>
<td>1,341</td>
<td>118</td>
<td>2,792</td>
<td>42</td>
<td>444</td>
</tr>
<tr>
<td>1990</td>
<td>7,067</td>
<td>1,368</td>
<td>132</td>
<td>3,039</td>
<td>39</td>
<td>482</td>
</tr>
<tr>
<td>2000</td>
<td>9,044</td>
<td>1,305</td>
<td>131</td>
<td>3,038</td>
<td>34</td>
<td>525</td>
</tr>
</tbody>
</table>

High-cost estimate

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Low-cost estimate</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>4,481</td>
<td>1,277</td>
<td>103</td>
<td>2,133</td>
<td>69</td>
<td>360</td>
</tr>
<tr>
<td>1970</td>
<td>7,304</td>
<td>1,738</td>
<td>120</td>
<td>2,274</td>
<td>90</td>
<td>341</td>
</tr>
<tr>
<td>1980</td>
<td>10,485</td>
<td>2,962</td>
<td>121</td>
<td>2,798</td>
<td>97</td>
<td>317</td>
</tr>
<tr>
<td>1990</td>
<td>14,002</td>
<td>3,414</td>
<td>131</td>
<td>3,141</td>
<td>94</td>
<td>296</td>
</tr>
<tr>
<td>2000</td>
<td>17,572</td>
<td>3,465</td>
<td>87</td>
<td>3,983</td>
<td>90</td>
<td>286</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age (primary)</td>
<td>$42</td>
<td>$45</td>
<td>$50</td>
<td>$57</td>
</tr>
<tr>
<td>Male</td>
<td>$44</td>
<td>$50</td>
<td>$52</td>
<td>$55</td>
</tr>
<tr>
<td>Female</td>
<td>$33</td>
<td>$38</td>
<td>$46</td>
<td>$44</td>
</tr>
<tr>
<td>Widow's 1</td>
<td>25</td>
<td>26</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>Child's 3</td>
<td>23</td>
<td>26</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>Lump-sum death 4</td>
<td>150</td>
<td>170</td>
<td>181</td>
<td>180</td>
</tr>
</tbody>
</table>

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 provision) 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 4 1/2 to 7 1/2 percent of payroll, or about the same as for the 1950 act; using a 2 1/2-percent interest rate yields somewhat lower figures.
Table 4.—Estimated relative costs in percentage of payroll for 1952 amendments, by type of benefit

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife's 1</th>
<th>Widow's 1</th>
<th>Parent's</th>
<th>Mother's</th>
<th>Child's 1</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Low-cost estimate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>1.48</td>
<td>0.24</td>
<td>0.44</td>
<td>0.02</td>
<td>0.15</td>
<td>0.09</td>
<td>2.87</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>2.11</td>
<td>0.31</td>
<td>0.11</td>
<td>0.02</td>
<td>0.17</td>
<td>0.12</td>
<td>4.05</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>2.70</td>
<td>0.35</td>
<td>1.06</td>
<td>0.02</td>
<td>0.17</td>
<td>0.11</td>
<td>4.93</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>3.32</td>
<td>0.34</td>
<td>1.16</td>
<td>0.02</td>
<td>0.18</td>
<td>0.12</td>
<td>5.68</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>3.48</td>
<td>0.30</td>
<td>1.11</td>
<td>0.01</td>
<td>0.18</td>
<td>0.13</td>
<td>5.77</td>
<td></td>
</tr>
<tr>
<td>Level premium: 1</td>
<td>2.76</td>
<td>0.29</td>
<td>0.11</td>
<td>0.01</td>
<td>0.17</td>
<td>0.12</td>
<td>4.77</td>
<td></td>
</tr>
<tr>
<td>At 2 percent</td>
<td>2.68</td>
<td>0.29</td>
<td>0.10</td>
<td>0.01</td>
<td>0.17</td>
<td>0.12</td>
<td>4.66</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife's 1</th>
<th>Widow's 1</th>
<th>Parent's</th>
<th>Mother's</th>
<th>Child's 1</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>High-cost estimate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>2.30</td>
<td>0.25</td>
<td>0.46</td>
<td>0.02</td>
<td>0.15</td>
<td>0.08</td>
<td>3.74</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>3.42</td>
<td>0.33</td>
<td>0.11</td>
<td>0.04</td>
<td>0.14</td>
<td>0.10</td>
<td>5.93</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>4.86</td>
<td>0.30</td>
<td>1.13</td>
<td>0.06</td>
<td>0.22</td>
<td>0.12</td>
<td>8.88</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>6.42</td>
<td>0.28</td>
<td>1.30</td>
<td>0.04</td>
<td>0.24</td>
<td>0.14</td>
<td>10.94</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>7.51</td>
<td>0.27</td>
<td>1.33</td>
<td>0.03</td>
<td>0.22</td>
<td>0.16</td>
<td>10.86</td>
<td></td>
</tr>
<tr>
<td>Level premium: 1</td>
<td>5.30</td>
<td>0.27</td>
<td>1.03</td>
<td>0.03</td>
<td>0.26</td>
<td>0.13</td>
<td>7.44</td>
<td></td>
</tr>
<tr>
<td>At 2 percent</td>
<td>5.09</td>
<td>0.26</td>
<td>0.99</td>
<td>0.03</td>
<td>0.27</td>
<td>0.13</td>
<td>7.19</td>
<td></td>
</tr>
</tbody>
</table>

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 widow'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 2½-percent interest rate, which is about what the trust fund is currently earning.
### ACTUARIAL COST ESTIMATES

#### Table 5.—Projected progress of trust fund for 1952 amendments

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Contributions ¹</th>
<th>Benefit payments</th>
<th>Administrative expenses</th>
<th>Interest on fund ¹</th>
<th>Fund at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$3,367</td>
<td>$1,885</td>
<td>$417</td>
<td>$15,540</td>
<td></td>
</tr>
<tr>
<td>1952 ¹</td>
<td>$3,763</td>
<td>$2,220</td>
<td>$88</td>
<td>$266</td>
<td>$17,361</td>
</tr>
<tr>
<td>1955</td>
<td>5,140</td>
<td>2,818</td>
<td>91</td>
<td>608</td>
<td>24,191</td>
</tr>
<tr>
<td>1959</td>
<td>6,429</td>
<td>3,920</td>
<td>109</td>
<td>783</td>
<td>37,015</td>
</tr>
<tr>
<td>1970</td>
<td>9,222</td>
<td>6,054</td>
<td>138</td>
<td>1,023</td>
<td>75,785</td>
</tr>
<tr>
<td>1979</td>
<td>10,596</td>
<td>7,870</td>
<td>198</td>
<td>2,715</td>
<td>128,386</td>
</tr>
<tr>
<td>1980</td>
<td>10,725</td>
<td>8,543</td>
<td>159</td>
<td>3,760</td>
<td>171,255</td>
</tr>
<tr>
<td>1990</td>
<td>11,470</td>
<td>10,470</td>
<td>214</td>
<td>4,881</td>
<td>272,208</td>
</tr>
<tr>
<td>1995</td>
<td>10,735</td>
<td>9,642</td>
<td>199</td>
<td>3,760</td>
<td>171,335</td>
</tr>
<tr>
<td>2000</td>
<td>11,470</td>
<td>10,470</td>
<td>214</td>
<td>4,881</td>
<td>272,208</td>
</tr>
</tbody>
</table>

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 ½ of these rates.
2 Interest is figured at 2½ 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:

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Employee</th>
<th>Employer</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-53</td>
<td>1 1/2%</td>
<td>2%</td>
<td>2 1/4%</td>
</tr>
<tr>
<td>1954-59</td>
<td>2%</td>
<td>2 1/4%</td>
<td>3%</td>
</tr>
<tr>
<td>1960-64</td>
<td>2 1/4%</td>
<td>3%</td>
<td>3 1/2%</td>
</tr>
<tr>
<td>1965-69</td>
<td>3%</td>
<td>3 1/4%</td>
<td>4%</td>
</tr>
<tr>
<td>1970 and after</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Level-premium cost</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of 1950 act: 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1950 estimate, using 2-percent interest</td>
<td></td>
<td>6.05</td>
</tr>
<tr>
<td>1950 estimate, using 2¼-percent interest</td>
<td></td>
<td>5.85</td>
</tr>
<tr>
<td>Current estimate, using 2¼-percent interest</td>
<td></td>
<td>5.85</td>
</tr>
<tr>
<td>Effect of proposed changes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased benefits</td>
<td></td>
<td>+.40</td>
</tr>
<tr>
<td>Military service credits</td>
<td></td>
<td>+.03</td>
</tr>
<tr>
<td>Liberalized work clause</td>
<td></td>
<td>+.07</td>
</tr>
<tr>
<td>Cost of program as amended in 1952, using 2¼-percent interest</td>
<td></td>
<td>5.85</td>
</tr>
</tbody>
</table>

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 5½ 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.
ACTUARIAL COST ESTIMATES

TABLE 7.—Estimated progress of trust fund for 1950 act, intermediate-cost estimate based on current earnings level and 23/4-percent interest

[In millions]

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Contributions</th>
<th>Benefit payments</th>
<th>Administrative expenses</th>
<th>Interest on fund</th>
<th>Fund at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$2,357</td>
<td>$1,885</td>
<td>$81</td>
<td>$417</td>
<td>$15,640</td>
</tr>
<tr>
<td>1952</td>
<td>3,703</td>
<td>2,125</td>
<td>88</td>
<td>297</td>
<td>17,457</td>
</tr>
<tr>
<td>1953</td>
<td>5,117</td>
<td>2,775</td>
<td>91</td>
<td>538</td>
<td>24,678</td>
</tr>
<tr>
<td>1954</td>
<td>6,441</td>
<td>4,119</td>
<td>116</td>
<td>790</td>
<td>30,652</td>
</tr>
<tr>
<td>1955</td>
<td>9,355</td>
<td>6,402</td>
<td>159</td>
<td>1,571</td>
<td>72,800</td>
</tr>
<tr>
<td>1956</td>
<td>9,973</td>
<td>8,689</td>
<td>291</td>
<td>1,133</td>
<td>113,092</td>
</tr>
<tr>
<td>1957</td>
<td>10,588</td>
<td>10,695</td>
<td>294</td>
<td>3,102</td>
<td>141,897</td>
</tr>
<tr>
<td>1958</td>
<td>10,781</td>
<td>10,285</td>
<td>227</td>
<td>3,565</td>
<td>151,648</td>
</tr>
</tbody>
</table>

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 6.4 percent for 1970 and after. The self-employed pay 1/3 of these rates.

2 Interest is figured at 23/4 percent on average balance in fund during year. Actual data.

Under the 1952 amendments the level-premium cost of the system is increased to 5.85 percent of payroll using a 23/4 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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Amount (in millions)</th>
<th>In percent of payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1950 act</td>
<td>1952 amendments</td>
</tr>
<tr>
<td>1952</td>
<td>$2,125</td>
<td>$2,220</td>
</tr>
<tr>
<td>1953</td>
<td>2,242</td>
<td>2,663</td>
</tr>
<tr>
<td>1954</td>
<td>2,775</td>
<td>3,988</td>
</tr>
<tr>
<td>1955</td>
<td>4,119</td>
<td>4,525</td>
</tr>
<tr>
<td>1956</td>
<td>6,402</td>
<td>7,069</td>
</tr>
<tr>
<td>1957</td>
<td>8,689</td>
<td>9,448</td>
</tr>
<tr>
<td>1958</td>
<td>10,965</td>
<td>11,921</td>
</tr>
<tr>
<td>1959</td>
<td>13,758</td>
<td>14,395</td>
</tr>
<tr>
<td>Level premium:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 2 percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 23/4 percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 23/5 percent</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Level-premium contribution rate for benefit payments after 1950 and into perpetuity, not taking into account the accumulated funds at the end of 1958 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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Monthly beneficiaries</th>
<th>Lump-sum death payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retirement beneficiaries</td>
<td>Survivors</td>
</tr>
<tr>
<td></td>
<td>Old-age</td>
<td>Wife’s 1</td>
</tr>
<tr>
<td>Actual data for 1950 act</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>2,345</td>
<td>663</td>
</tr>
<tr>
<td>Intermediate-cost estimate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>2,690</td>
<td>816</td>
</tr>
<tr>
<td>1960</td>
<td>3,960</td>
<td>1,066</td>
</tr>
<tr>
<td>1965</td>
<td>5,022</td>
<td>1,455</td>
</tr>
<tr>
<td>1970</td>
<td>8,138</td>
<td>1,992</td>
</tr>
<tr>
<td>1975</td>
<td>11,226</td>
<td>1,970</td>
</tr>
<tr>
<td>1980</td>
<td>13,308</td>
<td>1,976</td>
</tr>
<tr>
<td>1985</td>
<td>15,480</td>
<td>1,982</td>
</tr>
<tr>
<td>1990</td>
<td>17,652</td>
<td>2,001</td>
</tr>
<tr>
<td>1995</td>
<td>19,820</td>
<td>2,020</td>
</tr>
<tr>
<td>2000</td>
<td>22,008</td>
<td>2,040</td>
</tr>
</tbody>
</table>

1 In current payment status as of middle of year. Actual figures for 1952 are for March.
2 Includes child’s benefits for both children of old-age beneficiaries and child-survivor beneficiaries.
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 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 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

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Old-age</th>
<th>Wife’s 1</th>
<th>Widow’s 1</th>
<th>Parent’s</th>
<th>Mother’s</th>
<th>Child’s 2</th>
<th>Lump-sum death</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>1.90</td>
<td>0.30</td>
<td>0.45</td>
<td>0.02</td>
<td>0.15</td>
<td>0.41</td>
<td>0.09</td>
<td>2.31</td>
</tr>
<tr>
<td>1955</td>
<td>2.77</td>
<td>0.40</td>
<td>0.82</td>
<td>0.03</td>
<td>0.15</td>
<td>0.40</td>
<td>0.11</td>
<td>4.68</td>
</tr>
<tr>
<td>1960</td>
<td>3.72</td>
<td>0.47</td>
<td>1.10</td>
<td>0.03</td>
<td>0.15</td>
<td>0.39</td>
<td>0.12</td>
<td>5.99</td>
</tr>
<tr>
<td>1965</td>
<td>4.63</td>
<td>0.51</td>
<td>1.23</td>
<td>0.03</td>
<td>0.15</td>
<td>0.38</td>
<td>0.14</td>
<td>7.26</td>
</tr>
<tr>
<td>1970</td>
<td>5.57</td>
<td>0.50</td>
<td>1.21</td>
<td>0.02</td>
<td>0.15</td>
<td>0.38</td>
<td>0.15</td>
<td>7.79</td>
</tr>
<tr>
<td>Level-premium: 1</td>
<td>At 2 percent</td>
<td>3.99</td>
<td>0.43</td>
<td>0.96</td>
<td>0.02</td>
<td>0.15</td>
<td>0.38</td>
<td>6.06</td>
</tr>
<tr>
<td>At 2¼ percent</td>
<td>3.85</td>
<td>0.42</td>
<td>0.94</td>
<td>0.02</td>
<td>0.15</td>
<td>0.38</td>
<td>6.06</td>
<td></td>
</tr>
</tbody>
</table>

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 benefit 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.
ACTUARIAL COST ESTIMATES

Table 11 presents the estimated operation of the trust fund under the 1952 amendments according to the intermediate estimate (using a 2% interest rate) and is comparable to table 5 of the previous section.

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Contributions</th>
<th>Benefit payments</th>
<th>Administrative expenses</th>
<th>Interest on fund</th>
<th>Fund at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>$3,367</td>
<td>$1,885</td>
<td>$81</td>
<td>$417</td>
<td>$15,140</td>
</tr>
<tr>
<td>1952^1</td>
<td>$3,763</td>
<td>$2,220</td>
<td>$88</td>
<td>$366</td>
<td>$17,361</td>
</tr>
<tr>
<td>1953</td>
<td>3,743</td>
<td>2,663</td>
<td>91</td>
<td>402</td>
<td>19,783</td>
</tr>
<tr>
<td>1954</td>
<td>4,878</td>
<td>2,870</td>
<td>94</td>
<td>444</td>
<td>21,145</td>
</tr>
<tr>
<td>1955</td>
<td>5,117</td>
<td>3,088</td>
<td>97</td>
<td>497</td>
<td>23,574</td>
</tr>
<tr>
<td>1956</td>
<td>6,441</td>
<td>4,525</td>
<td>124</td>
<td>723</td>
<td>33,762</td>
</tr>
<tr>
<td>1957</td>
<td>9,325</td>
<td>7,066</td>
<td>171</td>
<td>1,363</td>
<td>62,940</td>
</tr>
<tr>
<td>1958</td>
<td>9,972</td>
<td>8,448</td>
<td>217</td>
<td>2,942</td>
<td>92,000</td>
</tr>
<tr>
<td>1959</td>
<td>10,388</td>
<td>11,971</td>
<td>282</td>
<td>3,377</td>
<td>107,116</td>
</tr>
<tr>
<td>1960</td>
<td>10,781</td>
<td>13,279</td>
<td>268</td>
<td>3,371</td>
<td>106,369</td>
</tr>
</tbody>
</table>

^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.

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.
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 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. 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 be-cause of the widespread agreement on their desirability."

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
futur. Illustrative benefits showing
is' $5. This amendment applies gen-
wages of $100 and over, the increase
percent of the next $200, remains
$100 of the average monthly wage.
the formula applicable to the first
50 to 55 percent the percentage in
earnings after 1950 are used, bene-
ning the effect of the changes.
a retired man and his wife is in-
the largest monthly amount payable
ance beneficiaries now on the rolls.
are raised by $5 or 12% percent,
1950 conversion table (and based on
law law law law law law
benefit cannot be reduced by the
mimum of $150. The minimum family
benefit is now $168.75—a 12%-per-
tired, his insured status would be
necessarily stopped, or the individual
or his survivors may be disqualified
from benefits altogether. Under the
bill, when the worker died or re-
tired, his insured status would be
determined on the basis of his cov-
ered earnings for the years he was
not disabled. In figuring his old-age
benefit and the benefits for his sur-
vivors, the years in which he was
incapacitated for work would be ex-
cluded 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 ap-
lications for increased benefits
under this section could be filed on
April 1, 1953, and increased pay-
ments would first be made for the
month of July 1953. The Senate
struck out this provision. The com-
promise that was reached by the
Conference Committee and that is
now included in the law provides
that no applications may be ac-
cepted 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 Re-
port, 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 sug-
gests that this timing will permit
appropriate steps to be taken for
the working out of tentative agree-
ments between the Federal Govern-
ment and the States for the determi-
nation 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.  

The Committee on Ways and

Table 1.—Old-age and survivors insurance: Illustrative monthly benefits based
on earnings after 1936, under the old law and under the 1952 amendments

<table>
<thead>
<tr>
<th>Retired worker</th>
<th>Retired worker and wife</th>
<th>Widow, widower, parent, or child</th>
<th>Widow and 1 child</th>
<th>Widow and 2 children</th>
<th>Widow and 3 children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Old law</strong></td>
<td><strong>1952 law</strong></td>
<td><strong>Old law</strong></td>
<td><strong>1952 law</strong></td>
<td><strong>1952 law</strong></td>
<td><strong>1952 law</strong></td>
</tr>
<tr>
<td>$20.00</td>
<td>$25.00</td>
<td>$20.00</td>
<td>$27.50</td>
<td>$15.00</td>
<td>$18.80</td>
</tr>
<tr>
<td>$30.00</td>
<td>$35.00</td>
<td>$30.00</td>
<td>$37.50</td>
<td>$20.00</td>
<td>$23.80</td>
</tr>
<tr>
<td>$40.00</td>
<td>$45.00</td>
<td>$40.00</td>
<td>$47.50</td>
<td>$25.00</td>
<td>$28.80</td>
</tr>
<tr>
<td>$50.00</td>
<td>$55.00</td>
<td>$50.00</td>
<td>$57.50</td>
<td>$30.00</td>
<td>$33.80</td>
</tr>
<tr>
<td>$60.00</td>
<td>$65.00</td>
<td>$60.00</td>
<td>$67.50</td>
<td>$35.00</td>
<td>$38.80</td>
</tr>
<tr>
<td>$70.00</td>
<td>$75.00</td>
<td>$70.00</td>
<td>$77.50</td>
<td>$40.00</td>
<td>$43.80</td>
</tr>
</tbody>
</table>

1. Maximum total family benefits permitted by
law. Some benefits exceed statutory maximum be-
cause of overriding proviso that any of the in-

Changes are estimated to increase
benefit disbursements about $325 mil-
ion for the calendar year 1953.

Increases in Amount of Insur-
ance Benefit

Section 2 provides for an in-
crease in old-age and survivors in-
surance 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 bene-
fits 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, his insured status would be
necessarily stopped, or the individual
or his survivors may be disqualified
from benefits altogether. Under the
bill, when the worker died or re-
tired, his insured status would be
determined on the basis of his cov-
ered earnings for the years he was
not disabled. In figuring his old-age
benefit and the benefits for his sur-
vivors, the years in which he was
incapacitated for work would be ex-
cluded 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 ap-
lications for increased benefits
under this section could be filed on
April 1, 1953, and increased pay-
ments would first be made for the
month of July 1953. The Senate
struck out this provision. The com-
promise that was reached by the
Conference Committee and that is
now included in the law provides
that no applications may be ac-
cepted 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 Re-
port, 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 sug-
gests that this timing will permit
appropriate steps to be taken for
the working out of tentative agree-
ments between the Federal Govern-
ment and the States for the determi-
nation 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.  

The Committee on Ways and

* Various provisions relating to exa-
mination of the disabled were deleted from the
bill as it passed the House on June 17,
1952. See Congressional Record, June 18,

Social Security
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 of a qualified worker who 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 2.—Old-age and survivors insurance: Illustrative monthly benefits based on earnings after 1950, under the old law and under the 1952 amendments**

<table>
<thead>
<tr>
<th>Average monthly wage</th>
<th>Retired worker</th>
<th>Retired worker and wife</th>
<th>Aged widow</th>
<th>Widow and 1 child</th>
<th>Widow and 2 children</th>
<th>Widow and 3 children</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
<td>$41.30</td>
<td>$83.00</td>
<td>$20.70</td>
</tr>
<tr>
<td>$550</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
<td>$41.30</td>
<td>$83.00</td>
<td>$20.70</td>
</tr>
<tr>
<td>$600</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
<td>$41.30</td>
<td>$83.00</td>
<td>$20.70</td>
</tr>
<tr>
<td>$650</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
<td>$41.30</td>
<td>$83.00</td>
<td>$20.70</td>
</tr>
<tr>
<td>$700</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
<td>$41.30</td>
<td>$83.00</td>
<td>$20.70</td>
</tr>
<tr>
<td>$750</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
<td>$41.30</td>
<td>$83.00</td>
<td>$20.70</td>
</tr>
<tr>
<td>$800</td>
<td>$25.00</td>
<td>$27.50</td>
<td>$37.50</td>
<td>$41.30</td>
<td>$83.00</td>
<td>$20.70</td>
</tr>
</tbody>
</table>

**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**

<table>
<thead>
<tr>
<th>Type of benefit</th>
<th>Under old law August 1955</th>
<th>Under 1952 amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age</td>
<td>$44</td>
<td>$48</td>
</tr>
<tr>
<td>Male</td>
<td>40</td>
<td>42</td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>Wife's</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Widow's</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Parent's</td>
<td>27</td>
<td>40</td>
</tr>
<tr>
<td>Mother's</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Child's</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Lump-sum death payment</td>
<td>120</td>
<td>170</td>
</tr>
</tbody>
</table>

1 Excludes persons eligible for old-age benefits; includes husband's or widow'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.
5 Source: Actuarial Cost Estimates for the Old-Age and Survivors Insurance System as Modified by the Social Security Act Amendments of 1965 (Table 3), House Ways and Means Committee Print, July 21, 1955.

Bulletin, September 1952
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; (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.

**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**

<table>
<thead>
<tr>
<th>Item</th>
<th>Level-premium cost (percent of payroll)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of benefits under old law, using 3.14 percent interest rate</td>
<td>5.86</td>
</tr>
<tr>
<td>Effect of 1952 changes</td>
<td>+ 0.50</td>
</tr>
<tr>
<td>Increased benefits</td>
<td>+ 0.40</td>
</tr>
<tr>
<td>Liberalized retirement test</td>
<td>+ 0.07</td>
</tr>
<tr>
<td>Military service credits</td>
<td>+ 0.08</td>
</tr>
<tr>
<td>Cost of benefits under 1952 amendments</td>
<td>5.86</td>
</tr>
</tbody>
</table>

---

1 Estimates made in 1950, using 2-percent interest rate, 6.65 percent; using 2.5-percent interest rate, 5.88 percent.

---

*Bulletin, September 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 2²/₃-percent interest—is about 5 1/3 percent of payroll. This is approximately 0.7 percent of payroll lower than the cost (on an intermediate-interest 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**

<table>
<thead>
<tr>
<th>Program</th>
<th>Maximum amounts of individual monthly payments subject to Federal participation</th>
<th>Federal share of expenditures within specified maximums</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>51 States ¹</td>
<td>51 States ¹</td>
</tr>
<tr>
<td></td>
<td>Old law 1952 amendments</td>
<td>1952 amendments</td>
</tr>
<tr>
<td></td>
<td>Puerto Rico and the Virgin Islands ²</td>
<td>Puerto Rico and the Virgin Islands ²</td>
</tr>
<tr>
<td>Old-age assistance</td>
<td>$50 $55</td>
<td>$30</td>
</tr>
<tr>
<td></td>
<td>3/4 of first $20 of State's average monthly payment plus 1/2 the balance</td>
<td>4/5 of first $25 of State's average monthly payment plus 1/2 the balance</td>
</tr>
<tr>
<td>Aid to the blind</td>
<td>50 55</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>3/4 of first $20 of State's average monthly payment plus 1/2 the balance</td>
<td>4/5 of first $25 of State's average monthly payment plus 1/2 the balance</td>
</tr>
<tr>
<td>Aid to the permanently and totally disabled</td>
<td>50 55</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>3/4 of first $20 of State's average monthly payment plus 1/2 the balance</td>
<td>4/5 of first $25 of State's average monthly payment plus 1/2 the balance</td>
</tr>
<tr>
<td>Aid to dependent children:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One adult in each family</td>
<td>27 30</td>
<td></td>
</tr>
<tr>
<td>First child</td>
<td>27 30</td>
<td></td>
</tr>
<tr>
<td>Each additional child</td>
<td>18 21</td>
<td></td>
</tr>
<tr>
<td>Per person</td>
<td>18 21</td>
<td></td>
</tr>
</tbody>
</table>

1 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.

Social Security
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 provisions 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

<table>
<thead>
<tr>
<th>Program</th>
<th>Total</th>
<th>States with per capita income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Above national average</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$242.7</td>
<td>$234.3</td>
</tr>
<tr>
<td>Old-age assistance</td>
<td>155.6</td>
<td>34.7</td>
</tr>
<tr>
<td>Aid to the blind</td>
<td>6.8</td>
<td>6.1</td>
</tr>
<tr>
<td>Aid to dependent children</td>
<td>70.4</td>
<td>34.7</td>
</tr>
<tr>
<td>Aid to the permanently and totally disabled</td>
<td>7.5</td>
<td>4.0</td>
</tr>
</tbody>
</table>

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).

Provisions Deleted in Conference

Certain provisions were deleted from H.R. 7590 by the conference committee. Section 6 of the House bill would have extended the operation 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, 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 conference] do not favor the inclusion of similar provisions in the law; it is the intent of the conference 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 1955, 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.

Bulletin, September 1952
THE LEGISLATIVE HISTORY OF THE
SOCIAL SECURITY ACT AMENDMENTS OF 1952

by

Wilbur J. Cohen
Director, Division of Research and Statistics
Social Security Administration

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION
Office of the Commissioner
Division of Research and Statistics

Washington 25, D.C. June 1954
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


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 persistence 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 operative 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

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,

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

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. This amendment was debated and finally passed by a roll call vote of 38 to 30.

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


13/ Cr, July 19, 1951, pp. 8624-31
the bill was referred back to the full Committee 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.

Several bills were introduced in the Congress in the early part of 1952 to increase insurance benefits 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 the majority members of the Committee decided to combine them in one bill. Sometime early in May

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.


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 striking 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 Conferees 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 de-
bate 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 with-
out 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

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.


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 assistance 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 pro-
vided 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". OR, July 18, 1951, p. 8548.
28/ OR, July 19, 1951, p. 8624.
29/ Wilbur J. Cohen, "Should Old-Age Assistance Again Outpace Old-Age
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
which 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."

 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

---

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 to 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

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(1)(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! 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

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>
<thead>
<tr>
<th>Legislation</th>
<th>Maximum amounts of individual monthly payments subject to Federal participation</th>
<th>Federal share of expenditures within specified maximums</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aged, blind, and (beginning 1950) disabled</td>
<td>First child</td>
</tr>
<tr>
<td>1935 Original act</td>
<td>$30</td>
<td>$18</td>
</tr>
<tr>
<td>1939 amendments</td>
<td>40</td>
<td>18</td>
</tr>
<tr>
<td>1946 amendments</td>
<td>45</td>
<td>24</td>
</tr>
<tr>
<td>1948 amendments</td>
<td>50</td>
<td>27</td>
</tr>
<tr>
<td>1950 As passed by House</td>
<td>50</td>
<td>$27 plus $27 for 1 adult in each family</td>
</tr>
<tr>
<td>1950 amendments as enacted</td>
<td>50</td>
<td>$27 plus $27 for 1 adult in each family</td>
</tr>
<tr>
<td>1951 Senate Finance Committee amendment to HR 2416</td>
<td>53</td>
<td>$29 plus $29 for 1 adult in each family</td>
</tr>
<tr>
<td>1951 McFarland amendment and 1952 law</td>
<td>55</td>
<td>$30 plus $30 for 1 adult in each family</td>
</tr>
</tbody>
</table>

* 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

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.
"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.

* * * *

"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 provision for following reasons:

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".


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

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

52/ Ibid.
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 Conferes agreed to $75. It is interesting that the Conferes 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


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

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.

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 the 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.
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:

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be:</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10 - $24.99</td>
<td>$25.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$25.00 - $29.99</td>
<td>$27.00</td>
<td>$49.00</td>
</tr>
<tr>
<td>$30.00 - $34.99</td>
<td>$31.00</td>
<td>$56.00</td>
</tr>
<tr>
<td>$35.00 - $39.99</td>
<td>$33.00</td>
<td>$64.00</td>
</tr>
<tr>
<td>$40.00 - $44.99</td>
<td>$35.00</td>
<td>$73.00</td>
</tr>
<tr>
<td>$45.00 - $49.99</td>
<td>$37.00</td>
<td>$83.00</td>
</tr>
<tr>
<td>$50.00 - $69.99</td>
<td>$40.00</td>
<td>$94.00</td>
</tr>
<tr>
<td>$70.00 - $109.99</td>
<td>$43.00</td>
<td>$109.00</td>
</tr>
<tr>
<td>$110.00 - $129.99</td>
<td>$46.00</td>
<td>$129.00</td>
</tr>
<tr>
<td>$130.00 - $147.99</td>
<td>$49.00</td>
<td>$147.00</td>
</tr>
<tr>
<td>$148.00 - $163.99</td>
<td>$52.00</td>
<td>$163.00</td>
</tr>
<tr>
<td>$164.00 - $170.99</td>
<td>$55.00</td>
<td>$170.00</td>
</tr>
<tr>
<td>$171.00 - $185.99</td>
<td>$58.00</td>
<td>$185.00</td>
</tr>
<tr>
<td>$186.00 - $200.99</td>
<td>$61.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>$201.00 - $213.99</td>
<td>$64.00</td>
<td>$213.00</td>
</tr>
<tr>
<td>$214.00 - $221.99</td>
<td>$67.00</td>
<td>$221.00</td>
</tr>
<tr>
<td>$222.00 - $227.99</td>
<td>$70.00</td>
<td>$227.00</td>
</tr>
<tr>
<td>$228.00 - $234.99</td>
<td>$73.00</td>
<td>$234.00</td>
</tr>
<tr>
<td>$235.00 - $241.99</td>
<td>$76.00</td>
<td>$241.00</td>
</tr>
<tr>
<td>$242.00 - $250.00</td>
<td>$79.00</td>
<td>$250.00</td>
</tr>
</tbody>
</table>

(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 121/2 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.

<table>
<thead>
<tr>
<th>Average Monthly Wage</th>
<th>Primary Insurance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34 or less</td>
<td>$25</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26</td>
</tr>
</tbody>
</table>

(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\% 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
6

$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 indi­
vidual 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 in­
come, 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.
I
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 cov-
eration, excepting any quarter in such year in which such in-
dividual 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."

H. R. 7800—2
(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 in-
serting 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 indi-
vidual 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 Adminis-
trator.

"(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) dur-
ing 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 in-
dividual, while under such disability, files an application
for a disability determination. Except as provided in para-
graph (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 Adminis-
istrator, 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 Ad-
ministrator shall from time to time estimate the amount of such additional costs through the use of appropriate account-
ing, statistical, sampling, or other methods.

"(5) For the purposes of this subsection, the term 'vet-
eran' 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 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 pri-
mary 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 per­
formed 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 ex­
cluded 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-
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."
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
TO: Administrative, Supervisory, and Technical Employees

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.

Enclosure
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.
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.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 That this Act, with the following table of contents, may be cited as the "Federal Old-Age and Survivors Insurance Amendments of 1952".

3 TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section of this bill</th>
<th>Section of amended Social Security Act</th>
<th>Heading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I</td>
<td>Title II</td>
<td>Amendments to title II of the Social Security Act.</td>
</tr>
<tr>
<td>101</td>
<td>210</td>
<td>Extension of coverage.</td>
</tr>
<tr>
<td>101 (a)</td>
<td>209</td>
<td>Extension of coverage to additional employees.</td>
</tr>
<tr>
<td>101 (b)</td>
<td></td>
<td>Definition of wages for certain employees.</td>
</tr>
</tbody>
</table>
### TABLE OF CONTENTS—Continued

<table>
<thead>
<tr>
<th>Section of this bill</th>
<th>Section of amended Social Security Act</th>
<th>Heading</th>
</tr>
</thead>
<tbody>
<tr>
<td>101 (c)</td>
<td>211</td>
<td>Extension of coverage to additional self-employed persons.</td>
</tr>
<tr>
<td>101 (d)</td>
<td>202</td>
<td>Lump-sum death payments for reburial of servicemen who died outside the United States.</td>
</tr>
<tr>
<td>102</td>
<td>---</td>
<td>Increase in benefits.</td>
</tr>
<tr>
<td>102 (a)</td>
<td>215 (c)</td>
<td>Increase in benefits computed by conversion table.</td>
</tr>
<tr>
<td>102 (b)</td>
<td>215 (a)</td>
<td>Revision of the benefit formula.</td>
</tr>
<tr>
<td>102 (c)</td>
<td>215 (b)</td>
<td>Revised average monthly wage.</td>
</tr>
<tr>
<td>102 (d)</td>
<td>215 (a) and 203 (a)</td>
<td>Revised minimum and maximum benefits.</td>
</tr>
<tr>
<td>102 (e)</td>
<td>---</td>
<td>Effective dates of amendments made by subsections (a) through (d).</td>
</tr>
<tr>
<td>103</td>
<td>---</td>
<td>Rehabilitation services and preservation of benefit rights.</td>
</tr>
<tr>
<td>103 (a)</td>
<td>220</td>
<td>Rehabilitation services for workers in danger of becoming permanently and totally disabled, and preservation of insurance rights of workers permanently and totally disabled.</td>
</tr>
<tr>
<td></td>
<td>220 (a)</td>
<td>Rehabilitation services.</td>
</tr>
<tr>
<td></td>
<td>220 (b)</td>
<td>Preservation of insurance rights of permanently and totally disabled individuals.</td>
</tr>
<tr>
<td></td>
<td>220 (c)</td>
<td>Definition of “Disability”, “Permanently and totally disabled individual”, and “Waiting period”.</td>
</tr>
<tr>
<td></td>
<td>220 (d)</td>
<td>Determination of insured status.</td>
</tr>
<tr>
<td></td>
<td>220 (e)</td>
<td>Disability determination date.</td>
</tr>
<tr>
<td></td>
<td>220 (f)</td>
<td>Determinations and examinations.</td>
</tr>
<tr>
<td></td>
<td>220 (g)</td>
<td>Cooperation with agencies and groups.</td>
</tr>
<tr>
<td>103 (b)</td>
<td>213 and 214</td>
<td>Technical amendments required to effectuate preservation of insurance rights of permanently and totally disabled persons.</td>
</tr>
<tr>
<td>103 (c)</td>
<td>---</td>
<td>Effective dates of amendments made by subsections (a) and (b).</td>
</tr>
<tr>
<td>Section of this bill</td>
<td>Section of Internal Revenue Code</td>
<td>Heading</td>
</tr>
<tr>
<td>Title II</td>
<td></td>
<td>Amendments to Internal Revenue Code.</td>
</tr>
<tr>
<td>201 (a)</td>
<td>481</td>
<td>Definitions in connection with self-employment.</td>
</tr>
<tr>
<td>201 (b)</td>
<td>1426 (a)</td>
<td>Definition of wages for certain employees.</td>
</tr>
<tr>
<td>201 (c)</td>
<td>1426 (b)</td>
<td>Definition of employment.</td>
</tr>
</tbody>
</table>
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 para-
graph and inserting in lieu thereof: "such order."

(7) By striking out paragraph (5) of subsection
211 (c).

LUMP-SUM DEATH PAYMENTS FOR REBURIAL OF SERVICE-

MEN 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 appli-
cation 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 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, 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-
1. individually (determined as provided in subsection (d)) falls
2. between the amounts on any two consecutive lines in column
3. I of the table, the amount referred to in paragraph (3) and
4. clause (B) of paragraph (2) of subsection (a) for such
5. individual shall be the amount determined with respect to
6. such benefit, under regulations of the Administrator pre-
7. scribed under this paragraph and in effect during the month
8. following the month in which the Federal Old-Age and
9. Survivors Insurance Amendments of 1952 were enacted,
10. increased by 10 per centum and further increased, if it is
11. not then a multiple of 10 cents, to the next higher multiple
12. 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.”

H. R. 7549—2
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:

<table>
<thead>
<tr>
<th>Average monthly wage</th>
<th>Primary insurance amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30 or less</td>
<td>$22</td>
</tr>
<tr>
<td>$31 or $32</td>
<td>23</td>
</tr>
<tr>
<td>$33 or $34</td>
<td>24</td>
</tr>
<tr>
<td>$35 or $40</td>
<td>25</td>
</tr>
</tbody>
</table>

(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 sub-
section (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 bene-
fit for such succeeding month shall not (subject to the provi-
sions of subparagraph (B)) be computed through applica-
tion 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 sec-
tion 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 provi-
sions of such title, as amended by this Act (and after appli-
cation 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 occur-
ing 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 sub-
section (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 amend-
ments made by this Act or by reason of paragraph (2) of
subsection (f) of this section shall be regarded as a recom-
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"

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) certi-

fies 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 rehabilita-
tion agency rendering the services that such individual ap-
ppears 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 Terri-
tories or possessions) cooperating with the Federal Govern-
ment in carrying out the purposes of the Vocational Rehabili-
tation 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 indi-
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 de-
termination date occurred and shall end at the close of the
quarter in which—

"(A) the individual became entitled to old-age in-
surance 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 interrup-
tion until at least July 1, 1953, this paragraph shall
not be applicable if he files an application under subsec-
tion (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 applica-
tion 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 furn-
ishes such proof of his disability as may be required by regu-
lation, 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 avail-
able (and, if such facilities are not part of the Federal
Security Agency, pursuant to agreement between the Ad-
ministrator 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);"."
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
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.

1 Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,
3 That this Act may be cited as the “Social Security Act
4 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:

<table>
<thead>
<tr>
<th>&quot;I&quot;</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the primary insurance benefit (as determined under subsection (d)) is:</td>
<td>The primary insurance amount shall be:</td>
<td>And the average monthly wage for purpose of computing maximum benefits shall be:</td>
</tr>
<tr>
<td>$10</td>
<td>$25.00</td>
<td>$45.00</td>
</tr>
<tr>
<td>$11</td>
<td>27.00</td>
<td>49.00</td>
</tr>
<tr>
<td>$12</td>
<td>29.00</td>
<td>53.00</td>
</tr>
<tr>
<td>$13</td>
<td>31.00</td>
<td>56.00</td>
</tr>
<tr>
<td>$14</td>
<td>33.00</td>
<td>60.00</td>
</tr>
<tr>
<td>$15</td>
<td>35.00</td>
<td>64.00</td>
</tr>
<tr>
<td>$16</td>
<td>36.70</td>
<td>67.00</td>
</tr>
<tr>
<td>$17</td>
<td>38.20</td>
<td>69.00</td>
</tr>
<tr>
<td>$18</td>
<td>40.70</td>
<td>72.00</td>
</tr>
<tr>
<td>$19</td>
<td>42.00</td>
<td>74.00</td>
</tr>
<tr>
<td>$20</td>
<td>43.50</td>
<td>76.00</td>
</tr>
<tr>
<td>$21</td>
<td>45.30</td>
<td>79.00</td>
</tr>
<tr>
<td>$22</td>
<td>47.50</td>
<td>82.00</td>
</tr>
<tr>
<td>$23</td>
<td>49.00</td>
<td>86.00</td>
</tr>
<tr>
<td>$24</td>
<td>50.10</td>
<td>91.00</td>
</tr>
<tr>
<td>$25</td>
<td>52.40</td>
<td>95.00</td>
</tr>
<tr>
<td>$26</td>
<td>54.40</td>
<td>99.00</td>
</tr>
<tr>
<td>$27</td>
<td>56.30</td>
<td>103.00</td>
</tr>
<tr>
<td>$28</td>
<td>58.00</td>
<td>107.00</td>
</tr>
<tr>
<td>$29</td>
<td>59.40</td>
<td>110.00</td>
</tr>
<tr>
<td>$30</td>
<td>60.80</td>
<td>113.00</td>
</tr>
<tr>
<td>$31</td>
<td>62.00</td>
<td>117.00</td>
</tr>
<tr>
<td>$32</td>
<td>63.30</td>
<td>120.00</td>
</tr>
<tr>
<td>$33</td>
<td>64.40</td>
<td>123.00</td>
</tr>
<tr>
<td>$34</td>
<td>65.50</td>
<td>126.00</td>
</tr>
<tr>
<td>$35</td>
<td>66.60</td>
<td>129.00</td>
</tr>
<tr>
<td>$36</td>
<td>67.80</td>
<td>132.00</td>
</tr>
<tr>
<td>$37</td>
<td>68.90</td>
<td>135.00</td>
</tr>
<tr>
<td>$38</td>
<td>70.00</td>
<td>138.00</td>
</tr>
<tr>
<td>$39</td>
<td>71.00</td>
<td>140.00</td>
</tr>
<tr>
<td>$40</td>
<td>72.00</td>
<td>142.00</td>
</tr>
<tr>
<td>$41</td>
<td>73.10</td>
<td>144.00</td>
</tr>
<tr>
<td>$42</td>
<td>74.10</td>
<td>146.00</td>
</tr>
<tr>
<td>$43</td>
<td>75.10</td>
<td>148.00</td>
</tr>
<tr>
<td>$44</td>
<td>76.10</td>
<td>150.00</td>
</tr>
<tr>
<td>$45</td>
<td>77.10</td>
<td>250.00</td>
</tr>
<tr>
<td>$46</td>
<td>77.10</td>
<td>250.00</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Monthly Wage</td>
<td>Primary Insurance Amount</td>
</tr>
<tr>
<td>$34 or less</td>
<td>$25</td>
</tr>
<tr>
<td>$35 through $47</td>
<td>$26&quot;</td>
</tr>
</tbody>
</table>

(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 fol-
lowing 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 sec-
tion, 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 amend-
ments made by this section or by reason of paragraph (2)
of subsection (c) of this section shall be regarded as a re-
computation 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-

H. R. 7909——2
ing after August 1952. The amendments made by sub-
section (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 head-
ing 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 de-
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 pay-
able 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 sub-
section (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 Adminis-

trator, 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
1 filed. Recomputations of benefits as required to carry out
the provisions of this paragraph shall be made notwith­
standing 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 pri­
mary 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 (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.”
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 individ­
ual. 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 de­
termined 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.”
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
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 85 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 of 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 for 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 against 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


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