

# *Social Security Act Amendments of 1950: A Summary and Legislative History*

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**T**HE Social Security Act Amendments of 1950 became law on August 28, 1950, when President Truman affixed his signature to H. R. 6000. The new social security bill became Public Law 734 (81st Congress, second session).

In signing the bill, President Truman stated that "passage of this legislation is an outstanding achievement." He pointed out that "by making it possible for most families to obtain protection through the contributory insurance system, and by increasing insurance benefits, the Act will ultimately reduce dependence on public charity. This measure demonstrates our determination to achieve real economic security for the American family. This kind of progressive, forward-looking legislation is the best possible way to prove that our democratic institutions can provide both freedom and security for all our citizens.

"We still have much to do before our social security programs are fully adequate. While the new Act greatly increases coverage, many more people still need to be brought into the old age and survivors insurance system. Expanded coverage and increased benefits in old age insurance should now be matched by steps to strengthen our unemployment insurance system. At the same time, we urgently need a system of insurance against loss of wages through temporary or permanent disability. These and other vital improvements in our social security laws are needed in addition to the Act which I have signed today. I shall continue to urge action on this unfinished business and I know that the Commit-

tees of Congress are now preparing to give these matters serious consideration."

The amendments provide the first significant revision of the Social Security Act since the changes made by Congress in 1939. There are four titles in the new law: I—Amendments to Title II of the Social Security Act; II—Amendments to Internal Revenue Code; III—Amendments to Public Assistance and Maternal and Child Welfare Provisions of the Social Security Act; and IV—Miscellaneous Provisions.

## **Summary of Chief Provisions**

The major provisions of the new social security law may be summarized briefly. They extend coverage and liberalize the benefits of the Federal old-age and survivors insurance program, broaden and liberalize Federal grants to the States for public assistance and for maternal and child health and child welfare services, and restrict the authority of the Secretary of Labor in connection with State unemployment insurance laws.

### ***Old-Age and Survivors Insurance***

The new law makes three important changes in the Federal old-age and survivors insurance program. First, coverage is extended to approximately 10 million additional persons, including the nonfarm self-employed other than doctors, lawyers, engineers, and members of certain other professional groups. Regularly employed domestic and farm workers, a small number of Federal employees who are not covered under the civil service retirement program, and a few others—members of very small occupational groups—are also included; and workers in Puerto Rico and the Virgin Islands are covered. In addition to the automatic coverage extended to these groups, the opportunity to be included is extended to the 1.5 million people

who work for State and local governments and are not under retirement systems and to about 600,000 employees of nonprofit organizations. Table 1 presents estimates of the number of persons in the newly covered groups.

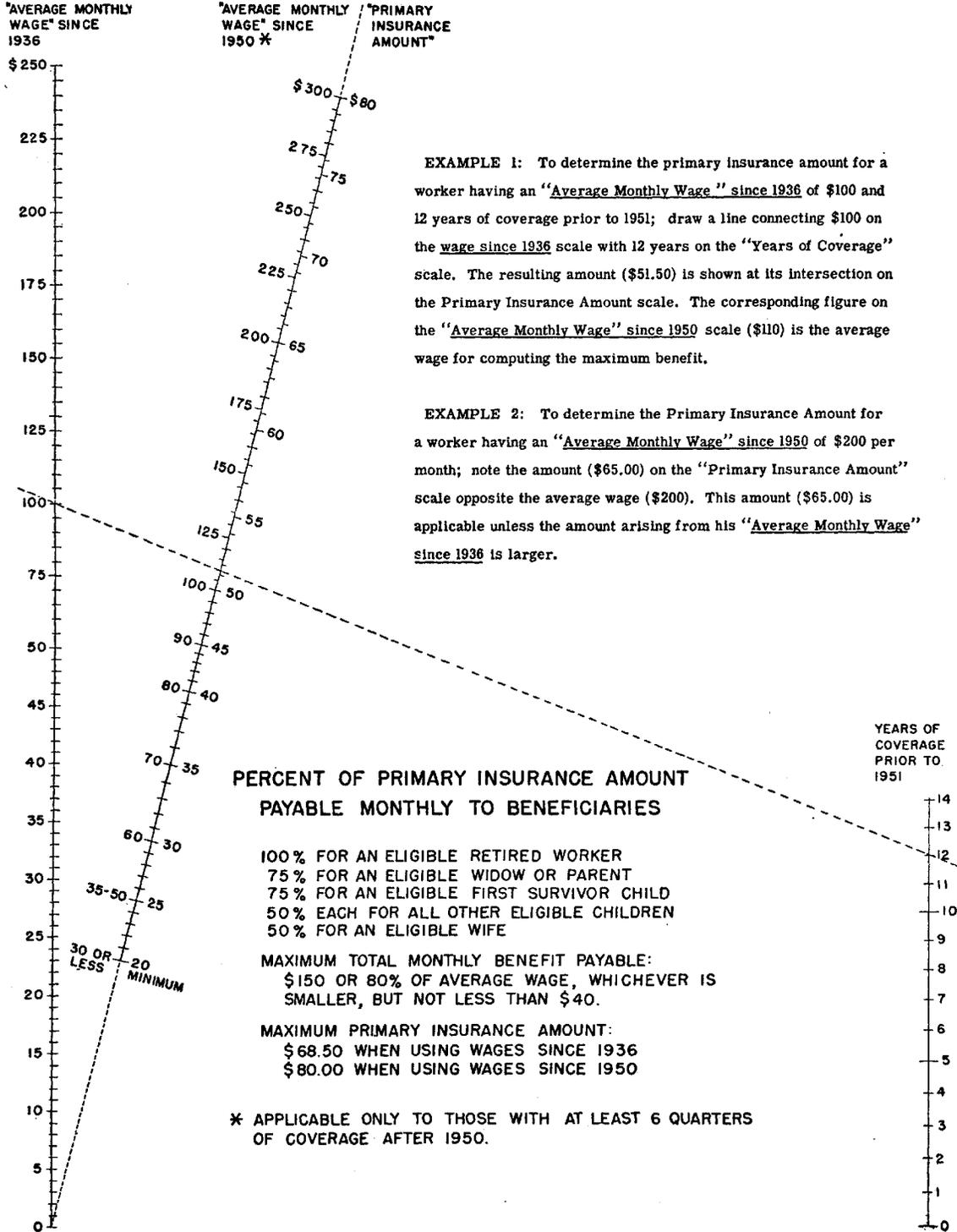
The second major change substantially liberalizes the amount of benefits payable to individuals. Table 2 gives estimates of the average payments under the old law and the new law, while table 3 shows illustrative monthly benefits under the new law. For a retired worker the average benefit is increased from around \$26 a month to \$46 for persons who are on the rolls now and to around \$50-55 a month for those who retire after the new law takes full effect. This increase means that, for a man and wife who are both aged 65, average benefits will be around \$75-80 a month.

The new law also increases insurance benefits for widows and orphans. The average monthly benefit for a widow and two children will be increased immediately from about \$50 a month to \$90-95 and to \$100-105 a month when death occurs after the new law takes full effect. The face value of life insurance in force under the law will be increased from about \$85 billion under the old law to \$190 billion immediately, which is almost as much as the face value of the life insurance in effect at the present time in all the life insurance companies in the United States. When the new law becomes fully effective, in about 2 years, the face value of life insurance will be about \$250 billion.

The third group of major changes provides for payment of benefits in cases in which no benefits were payable previously. Benefits will now be paid to dependent husbands and dependent widowers, to children of insured women under certain circumstances, and with respect to an individual who could not have met the insured status requirement under the old law but is insured under the more

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# OLD-AGE AND SURVIVORS INSURANCE BENEFIT CHART 1950 AMENDMENTS



**EXAMPLE 1:** To determine the primary insurance amount for a worker having an "Average Monthly Wage" since 1936 of \$100 and 12 years of coverage prior to 1951; draw a line connecting \$100 on the wage since 1936 scale with 12 years on the "Years of Coverage" scale. The resulting amount (\$51.50) is shown at its intersection on the Primary Insurance Amount scale. The corresponding figure on the "Average Monthly Wage" since 1950 scale (\$110) is the average wage for computing the maximum benefit.

**EXAMPLE 2:** To determine the Primary Insurance Amount for a worker having an "Average Monthly Wage" since 1950 of \$200 per month; note the amount (\$65.00) on the "Primary Insurance Amount" scale opposite the average wage (\$200). This amount (\$65.00) is applicable unless the amount arising from his "Average Monthly Wage" since 1936 is larger.

**Table 1.—Old-age and survivors insurance: Extension of coverage under the 1950 amendments**

[Number in an average week]

Category	Number covered
Total.....	9,800,000
Compulsory coverage, total.....	7,750,000
Nonfarm self-employed.....	4,700,000
Agricultural workers.....	850,000
Borderline employment.....	200,000
Regularly employed on farms.....	650,000
Domestic workers.....	1,000,000
Federal civilian employees not under a retirement system.....	250,000
Employees outside the United States.....	150,000
Employment in Puerto Rico and Virgin Islands.....	400,000
New definition of "employee".....	400,000
Voluntary coverage, total.....	2,050,000
Employees of nonprofit organizations.....	600,000
Employees of State and local governments.....	1,450,000

<sup>1</sup> Excludes a relatively small number of transit workers who will be compulsorily covered.

liberal requirements in the new law (table 4). Lump-sum death payments will be made, moreover, in the case of all insured deaths. Eligible beneficiaries may earn as much as \$50 a month in covered employment and still receive benefits (as against a maximum on earnings of \$14.99 under previous law); moreover, for those aged 75 or over there is now no withholding of benefits because of work in covered employment.

### Public Assistance

Public Law 734 makes four significant changes in the public assistance provisions of the Social Security Act. Perhaps the most important is the addition to the Federal grants-in-aid program of a new category—Federal grants-in-aid to the States for needy individuals who are permanently and totally disabled.

Another important change remedies a basic defect in the aid to dependent children program. Before, there was no provision for the need of the parent or other relative with whom the child was living. The new legislation includes the relative with whom the dependent child is living as a recipient for Federal matching purposes.

Third, the Federal Government will match expenditures for assistance to aged and blind persons in certain types of public medical institutions. Under the old law no ex-

penditures made to persons in public institutions were matchable. Further, if the State plan includes provision for payments to persons in any private or public institution, the State must establish or designate some State agency that will be responsible for establishing and maintaining standards for such institutions. This requirement will raise the standards of those institutions that have been understaffed and underfinanced, that have been firetraps, and in which people have been badly treated.

Fourth, Federal matching funds will be available for direct payments made by the States to doctors, hospitals, or other persons furnishing medical care. Under previous law the Federal Government did not participate in the cost of medical care unless payment for such care was made directly to the assistance recipient. This new provision will make it possible to develop working relations with the medical profession, hospitals, public health officials, and other groups to improve the quality and quantity of medical care for the 5 million persons receiving assistance under the Social Security Act.

### Maternal and Child Health and Child Welfare Services

Another major provision in the amendments authorizes increases in Federal grants for maternal and child health services, child welfare services, and services for crippled children. A total of \$22 million had been authorized for grants to the States for the maternal and child health, child welfare, and crippled children programs under title V of the Social Security Act. This total is increased to \$37 million for the fiscal year ending June 30, 1951, and to \$41.5 million for each year thereafter.

### Costs

The estimated level-premium costs of the new insurance program are shown in table 5. As will be seen from the table, the level-premium cost under the old law—taking into account 2-percent interest—is 4.50 percent of payroll. This amount is considerably lower than the cost estimated when the program was revised

in 1939, largely because of the rise in the wage level during the past decade (higher wages result in lower cost as a percentage of payroll because of the weighted nature of the benefit formula).

Under the new law the level-premium cost of the benefits is increased to 6.10 percent of payroll. This figure must be adjusted slightly, however, for two factors—the administrative costs, which are charged directly to the trust fund, and the interest earnings on the present trust fund, which will be about \$13.5 billion at the end of 1950. When these elements are considered the net level-premium cost of the amended law is shown to be 6.05 percent of payroll.

The additional Federal costs for the public assistance and maternal and child health and child welfare amendments are estimated at \$177-220 million a year, as shown in table 6, which also notes the assumptions on which the estimates are based. These estimates may be high, because they do not consider the possible effect on the assistance programs of the old-age and survivors insurance amendments, which increase benefit amounts and make more persons eligible immediately for insurance benefits; as a result, some persons may be able to leave the assistance rolls and others may have their assistance payments lowered. On the other hand, should assistance rolls and the amount of the average assistance payments continue to increase as they have in the

**Table 2.—Old-age and survivors insurance: Average monthly benefit payments and average lump-sum death payments in June 1950 and under the 1950 amendments**

Type of benefit	Average benefit, June 1950	Estimated average benefit under the 1950 amendments		
		1951	1960	2000
Old-age (primary).....	\$26	\$45-46	\$50-50	\$49-50
Male.....	27	47-47	53-53	57-58
Female.....	21	37-37	38-38	36-38
Wife's <sup>1</sup> .....	14	24-25	27-27	29-30
Widow's <sup>1</sup> .....	21	35-36	39-39	44-45
Parent's.....	14	35-36	38-38	42-43
Child's.....	13	33-34	35-36	36-37
Mother's (widow's current).....	21	40-40	43-44	45-46
Lump-sum death payment <sup>2</sup> .....	168	143-146	156-159	149-156

<sup>1</sup> Also represents husband's and widower's benefits.

<sup>2</sup> Average amount per deceased worker.

past, the estimates given in table 6 may be low. In any case the full financial effect will not become known for a year or two.

## Legislative History

### Action in the House of Representatives

Under the Constitution, all revenue bills must originate in the House of Representatives. Since social security legislation involves taxes, it must be first introduced in the House. For this reason, on February 21, 1949, President Truman transmitted his recommendations and drafts of two bills to Mr. Doughton, Chairman of the House Committee on Ways and Means. The two bills were introduced in the House by Mr. Doughton and became the basis of Committee consideration. H. R. 2892 dealt with public assistance and child welfare services, and H. R. 2893 dealt with Federal old-age, survivors, and temporary and permanent total disability insurance.

After extended hearings the House Committee on Ways and Means on August 22, 1949, reported out a single bill, H. R. 6000, covering insurance, assistance, and child welfare services. The vote in the Committee was 23 to 2 for reporting out the bill. On October 3, 1949, Mr. Kean, a member of the Committee, introduced H. R. 6297, which carried out the minority views on H. R. 6000.

H. R. 6000 was considered in the

House under a closed rule prohibiting any amendments from the floor except one motion to recommit the bill to the Ways and Means Committee. On October 5, 1949, H. R. 6297 was offered on the floor of the House of Representatives as a substitute for H. R. 6000 but was defeated by a vote of 232 to 112. Then, on the same date, H. R. 6000 was passed in the House by a vote of 333 to 14.

### Action in the Senate

Since Congress adjourned shortly after the House action, it was not possible for the Senate to consider H. R. 6000 before 1950.

The Senate Finance Committee held extended hearings on social security and adopted a number of important amendments to H. R. 6000. The bill was reported to the Senate on May 17, 1950, and debate began on June 12.

There were 28 amendments offered from the floor of the Senate. Twelve were adopted, 15 were rejected, and one was eliminated on a point of order. Action on the most important of those adopted was as follows:

1. The increase in the maximum taxable wage base to \$3,600, passed by the House but eliminated by the Senate Finance Committee, was restored.

2. The definition of "employee" was expanded slightly to include certain wholesale salesmen and agent-drivers.

3. Self-employed funeral directors

and accountants were excluded from coverage.

4. Compulsory coverage was extended to employees of transit systems taken over, in whole or in part, from private ownership by State or local governments after 1936.

5. The provision, included in the House but eliminated by the Finance Committee, for Federal matching of payments under the aid to dependent children program to the mother or other adult relative caring for dependent children, was restored.

6. A provision was added to limit the authority of the Secretary of Labor in determining whether a State conforms to the Federal requirements in the Internal Revenue Code and the Social Security Act relating to unemployment insurance.

All the amendments adopted except the one relating to unemployment insurance were approved by the Finance Committee.

There were record votes on three amendments. An amendment by Senator Myers to increase to \$4,200 the maximum wage base in Federal old-age and survivors insurance was defeated, 36 to 45. An amendment offered by Senator Long to provide Federal grants to the States for needy disabled persons was also defeated, 41 to 42. The amendment offered by Senator Knowland to require State court review in State unemployment insurance was adopted, 45 to 37.

The Senate passed H. R. 6000 on June 20 by a vote of 81 to 2. The Senate also passed a resolution, recommended by the Committee on Finance, for further study of the social security program by the Committee or "any duly authorized subcommittee thereof." The Committee is to determine the scope of the study, which is to include (but is not limited to) certain specified points. The first of these points is "the type of social-security programs which are most consistent with the needs of the people of the United States and with our economic system, including study and investigation of proposed programs for a pay-as-you-go universal coverage system and the problems of transition to such a system." The other points listed for study are extension of coverage to farm operators and farm

Table 3.—Old-age and survivors insurance: Illustrative monthly benefits under the 1950 amendments

Family classification	Monthly benefit by specified amount of average monthly wage					
	\$50	\$100	\$150	\$200	\$250	\$300
<b>Retired worker families:</b>						
Worker only.....	25	50	58	65	72	80
Worker and wife, aged 65 or over.....	38	75	86	98	109	120
Worker and 1 child.....	38	75	86	98	109	120
Worker and 2 children.....	40	80	115	130	145	150
Worker, wife, and 1 child.....	40	80	115	130	145	150
Worker and dependent husband, aged 65 or over.....	38	75	86	98	109	120
Worker, dependent aged husband, and 1 child.....	40	80	115	130	145	150
<b>Survivor families:</b>						
Widowed mother and 1 child.....	38	75	86	98	109	120
Widowed mother and 2 children.....	40	80	115	130	145	150
Widowed mother and 3 or more children.....	40	80	120	150	150	150
1 child only.....	19	38	43	49	54	60
2 children.....	31	62	72	81	91	100
Widow only, aged 65 or over.....	19	38	43	49	54	60
Dependent widower, aged 65 or over.....	19	38	43	49	54	60
1 aged dependent parent.....	19	38	43	49	54	60
2 aged dependent parents.....	38	75	86	98	109	120

**Table 4.—Old-age and survivors insurance: Illustrative numbers of quarters of coverage required under the 1950 amendments for fully insured status**

Year of attaining age 65 <sup>1</sup>	Quarters of coverage required <sup>2</sup>	Year of attaining age 65 <sup>1</sup>	Quarters of coverage required <sup>2</sup>
1954 or earlier	6	1963	24
1955	8	1964	26
1956	10	1965	28
1957	12	1966	30
1958	14	1967	32
1959	16	1968	34
1960	18	1969	35
1961	20	1970	38
1962	22	1971 and after	40

<sup>1</sup> Applicable to persons attaining age 65 in first half of year. For those attaining age 65 in the second half of any of the years 1954-70, 1 more quarter of coverage is required.

<sup>2</sup> Quarters may be those obtained at any time after 1936.

workers still outside the coverage of old-age and survivors insurance, the financing of the program, increased work opportunities for the aged, relationship of the program to private pension plans, and relationship to the care and rehabilitation of and income maintenance for disabled workers. The Committee is authorized to employ a technical and clerical staff and to appoint advisors.

### Action of the Conference Committee

The conferees of the House were Representatives Doughton, Mills, Camp, Lynch, Reed, Woodruff, and Jenkins. The conferees of the Senate were Senators George, Connally, Byrd, Millikin, and Taft. Senator George acted as chairman. The Conference Report was submitted to the House on August 1, 1950. Mr. Lynch did not sign the Conference Report because of his opposition to the Knowland amendment and to the deletion of the provision for permanent and total disability insurance.

Action on the major points of difference between the House and Senate bills that the Conference Committee had to reconcile is summarized below. Chart 2 gives a detailed description of the old-age and survivors insurance, public assistance, and maternal and child health and child welfare provisions of the old law, the bill as passed by the House and as passed by the Senate, and the final law.

*Old-age and survivors insurance.*—

Seventeen of the major differences between the House and the Senate versions of the bill concerned the insurance program. The final decisions on these points were as follows:

1. Elimination of the House provision for permanent and total disability insurance.

2. Elimination of the House provision for increment in the benefits for years of coverage under the program.

3. Elimination of the House provision specifically including tips in covered wages.

4. Coverage of some salesmen, some homeworkers, certain kinds of agent-drivers, and certain other groups as employees. (Compromise between Senate and House.)

5. Exclusion of State and local government employees covered under retirement plans (coverage under voluntary agreement had been provided in the House version for all State and local employees).

6. Exclusion of certified, registered, and licensed public accountants, full-time practicing public accountants, naturopaths, architects, funeral directors, and all professional engineers from coverage as self-employed persons. (Senate provision.)

7. Inclusion of regularly employed agricultural labor. (Substantially the same as Senate provision.)

8. Inclusion of publishers under coverage as self-employed persons. (Senate provision.)

9. Inclusion on a compulsory basis of employees of certain transit systems taken over in whole or in part by State or local governments after 1936. (Compromise between Senate and House.)

10. Provision for voluntary coverage of employees of nonprofit organizations through an election by the employer and a statement that two-thirds of the employees desire coverage. (Compromise between Senate and House.)

11. Increase in the second step in the benefit formula from 10 percent to 15 percent. (Senate provision.)

12. A substantial increase—77½ percent in the average benefit—for current beneficiaries. (Midway between Senate and House provision.)

13. Liberalization of the eligibility provisions to make it easier for persons to become insured for benefits

during the next two decades. (Senate provision.)

14. Liberalization of the method of computing the "average monthly wage" for benefit purposes. (Senate provision.)

15. Payment of benefits to dependent husbands and widowers of insured women workers. (Senate provision.)

16. Liberalization of survivors insurance benefits with respect to deaths of insured married women. (Senate provision.)

17. Lump-sum death payment to be made for all deaths of insured persons. (House provision.)

*Public assistance.*—On the eight chief points of difference in the assistance program, the decisions were:

1. Elimination of the House provision that would have increased assistance payments by providing a higher percentage of Federal funds under a formula weighted in favor of States making low payments.

2. Acceptance with amendments of the House provision for Federal grants to the States for the needy permanently and totally disabled.

3. Acceptance with amendments of the House provision extending Fed-

**Table 5.—Old-age and survivors insurance: Estimated level-premium costs as percent of payroll by specified change in law<sup>1</sup>**

Item	Level-premium cost (percent)
Cost of benefits under old law	4.50
Effect of changes:	
Benefit formula	+1.60
New benefit percentages <sup>2</sup>	+3.75
New average monthly wage basis	+0.05
Reduction in increment	-2.00
Increase in wage base	-0.20
Liberalized eligibility conditions	+0.10
Liberalized work clause	+0.15
Revised lump-sum death payment	-0.05
Additional dependents' benefits <sup>3</sup>	+0.15
Extension of coverage	-0.35
Cost of benefits under amendments	6.10
Administrative costs	+0.15
Interest on trust fund at end of 1950	-0.20
Net level-premium cost under amendments	6.05

<sup>1</sup> Figures relate only to benefit payments after 1950 and represent an intermediate estimate that is subject to a significant range because of the possible variation in the cost factors involved in the future. Computations are based on a compound interest rate of 2 percent per annum. The order in which these various changes are considered in this table affects the amount of the increase in cost to be attributed to a specific element.

<sup>2</sup> Includes effect of minimum and maximum benefit provisions.

<sup>3</sup> Includes higher rate for the first survivor child and for parents, more liberal eligibility conditions for determining child dependency on married women workers, wife's benefits for wives under age 65 with children, and husband's and widower's benefits.

eral grants for public assistance to Puerto Rico and the Virgin Islands.

4. Elimination of the Senate provision for Federal matching of State supplementary old-age assistance payments on a 50-50 basis for persons who become insurance beneficiaries after the effective date of the bill.

5. Elimination of the Senate provision increasing the maximum payments for aid to dependent children in which the Federal Government would share from \$27 to \$30 a month for the first child and from \$18 to \$20 for each additional child.

6. Acceptance of the Senate provision for mandatory exemption of \$50 of earned income for the blind, beginning July 1952.

7. Acceptance of the Senate provision for continuing the present maximum 5-year residence requirement for aid to the blind instead of the House requirement of 1 year.

8. Extending to 1955 the provisions in the House-approved bill for Federal grants to aid to the blind programs in Pennsylvania, Missouri, and Nevada. (Compromise between Senate and House.)

*Other programs.*—The following decisions were made on four major differences affecting other programs.

1. Increase in Federal grants for maternal and child health services from \$11 million to \$16.5 million annually (except that for the present fiscal year the grant is to be \$15 million); for services for crippled children from \$7.5 million to \$15 million (for the present fiscal year, \$12 mil-

**Table 6.—Public assistance and maternal and child health and child welfare: Estimates of additional annual Federal cost under the 1950 amendments<sup>1</sup>**

Amendment	Additional Federal cost (in millions)
Total.....	\$176.9-219.9
Aid to the disabled.....	\$80.0- 75.0
Aid to dependent children.....	75.0- 95.0
Medical care.....	15.0- 20.0
Puerto Rico and Virgin Islands.....	4.4- 4.4
Temporary provisions for the blind.....	3.0- 6.0
Mandatory income exemption for blind.....	(2)
Maternal and child health and child welfare.....	19.5- 19.5

<sup>1</sup> Based on the assumption that all States participate on a full-year basis. The public assistance estimates are based on the assumption that the States will continue to spend as much as they spend in September 1950.

<sup>2</sup> Less than \$500,000.

**Chart 1.—Effective dates of major provisions under the 1950 amendments**

Provision	Date
<i>Old-age and survivors insurance</i>	
First month for which increased old-age and survivors insurance benefits are payable to present beneficiaries.....	September 1950
First day of coverage of new groups.....	January 1, 1951
First month of benefits for which new benefit formula is applicable.....	April 1952
First month for which benefits are payable for persons insured under new law who were previously uninsured.....	September 1950
First month for which liberalized retirement test is applicable.....	September 1950
First month for which dependent husband's insurance benefits are payable.....	September 1950
First month for which dependent widower's insurance benefits are payable.....	September 1950 (for death of wife after August 1950)
First month in which first survivor child's and parent's benefit is increased from 50 percent to 75 percent of primary amount.....	September 1950 (for death after August 1950)
First month in which lump-sum death payment is payable in all insured death cases.....	September 1950 (for death after August 1950)
First month for which benefits are payable to children of deceased currently insured women.....	September 1950
First month for which benefits are payable to wife of old-age beneficiary with child in her care, regardless of wife's age.....	September 1950
First month for which benefits based on World War II wage credits are payable.....	September 1950
<i>Public assistance</i>	
First month for which Federal grants to States for needy disabled persons are payable.....	October 1950
First month for which Federal grants are payable to States for payments to adult relative caring for dependent child.....	October 1950
First month for which Federal Government will share direct payments for medical care.....	October 1950
First month for which Federal Government will share in payments to persons in public medical institutions.....	October 1950
First month in which mandatory exemption of earned income for blind is effective.....	July 1952
First month in which requirement that State plan must provide for use of optometrists or physicians skilled in diseases of eye in examination of the blind is effective.....	July 1951
First month for which Federal grants may be made to Puerto Rico and the Virgin Islands.....	October 1950

lion); and for child welfare services from \$3.5 million to \$10 million. (Compromise between Senate and House.)

2. Amendment of the child welfare program by adding the following Senate provision: "Provided that in developing such services for children the facilities and experience of voluntary agencies shall be utilized in accordance with child care programs and arrangements in the State and local communities as may be authorized by the State."

3. Continuation through 1952 of the loan fund within the Federal unemployment account, which permits advances to State unemployment insurance funds that run low. (Senate provision.)

4. Provision restricting the authority of the Secretary of Labor to withhold grants to States for administration of unemployment insurance in certain questions of compliance with the Federal Unemployment Tax Act and title III of the Social Security Act. (Senate provision.)

### Adoption and Approval

During consideration of the Conference Report in the House of Representatives, Representative Byrnes, a

member of the Ways and Means Committee, moved to recommit the Conference Report to the Conference Committee. Mr. Byrnes indicated that his motion to recommit was made in order "to try to close out any attempt to remove the Knowland amendment from the Conference Report." Mr. Lynch, also a member of the Ways and Means Committee, had indicated previously that if he were recognized he would offer a motion to recommit with instructions to the House conferees to strike out the Knowland amendment and insert permanent total disability insurance. Mr. Lynch did not have an opportunity, however, to present his recommittal motion since Mr. Byrnes was recognized to make his motion to recommit. On the parliamentary question of ordering the previous question the vote was 188 to 186, which thus prevented Mr. Lynch from amending Mr. Byrnes' recommittal motion. When this action had been taken, Mr. Byrnes' motion was rejected.

The Report was adopted in the House of Representatives on August 16, 1950, by a vote of 374 to 1 and by the Senate the following day without a roll-call vote. The bill received President Truman's approval on August 28, 1950.

## Basic Documents Relating to H. R. 6000

H. R. 2892, 81st Congress, First Session (see House Hearings).

H. R. 2893, 81st Congress, First Session (see House Hearings).

Hearings before the Committee on Ways and Means, House of Representatives, 81st Congress, First Session, on H. R. 2892 and H. R. 2893 (Parts 1 and 2).

H. R. 6000, 81st Congress, First Session, as introduced on August 15, 1949, as reported out on August 22, 1949, and as passed by the House of Representatives on October 5, 1949.

Report of the Committee on Ways and Means on H. R. 6000 (Report No. 1300, 81st Cong., 1st sess.), August 22, 1949.

Actuarial Cost Estimates for Expanded Coverage and Liberalized Benefits proposed for the Old-Age and Survivors Insurance System by H. R. 6000, October 3, 1949 (House version), June 26, 1950 (comparison of House and Senate versions), and July 27, 1950 (final law). Prepared by Robert J. Myers, Actuary to the Committee on Ways and Means.

H. R. 6297, 81st Congress, First Session.

House debate on H. R. 6000, *Congressional Record*, October 4 and 5, 1949 (Vol. 95, Nos. 184 and 185).

Hearings before a Subcommittee of the Committee on Ways and Means, House of Representatives, 81st Congress, 1st Session, on Extension of Social Security to Puerto Rico and the Virgin Islands.

Report to the Committee on Ways and Means from the Subcommittee on Extension of Social Security to Puerto Rico and the Virgin Islands, February 6, 1950.

Recommendations for Social Security Legislation, the Reports of the Advisory Council on Social Security to the Senate Committee on Finance, 1949 (S. Doc. No. 208, 80th Cong., 2d sess.).

Hearings before the Committee on Finance, United States Senate, 81st Congress, 2d Session, on H. R. 6000 (Parts 1, 2, and 3).

The Major Differences in the Present Social Security Law, the Recommendations of the Advisory Council, and H. R. 6000 (as passed by the House), printed in Part 1 of the Senate Hearings, pp. 2-18.

Report of the Senate Committee on Finance on H. R. 6000 (Report No. 1669, 81st Cong., 2d sess.), May 17, 1950.

H. R. 6000 (in the Senate of the

United States), 81st Congress, 2d Session, as reported by the Senate Finance-Committee.

Senate debate on H. R. 6000, *Congressional Record*, June 12-20, 1950 (Vol. 96, Nos. 115-121).

Summary of Principal Changes in the Old-Age and Survivors Insurance System Under H. R. 6000, According to Conference Agreement. Prepared by Robert J. Myers, Actuary to the Committee on Ways and Means, July 25, 1950.

Summary of Principal Changes in the Social Security Act Under H. R.

6000 As Passed by the House of Representatives, As Passed by the Senate, and According to Conference Agreement. Prepared by Robert J. Myers, Actuary to the Committee on Ways and Means, July 25, 1950.

Conference Report on H. R. 6000 (H. Rpt. No. 2771, 81st Cong., 2d sess.), August 1, 1950.

House and Senate debate on Conference Report, *Congressional Record*, August 16 and 17, 1950 (Vol. 96, Nos. 162 and 163).

President's Statement, White House press release, August 28, 1950.

## Chronology of Public Law No. 734 (H. R. 6000)

*January 5, 1949.*—President Truman recommends revision of social security law in message on State of the Union.

*February 21, 1949.*—President Truman sends letter and draft bills to Mr. Doughton.

*February 21, 1949.*—H. R. 2892 and H. R. 2893 are introduced by Mr. Doughton.

*February 28–April 27, 1949.*—House Ways and Means Committee holds public hearings on social security legislation.

*May 2–August 19, 1949.*—House Ways and Means Committee holds executive sessions.

*August 15, 1949.*—H. R. 6000 is introduced by Mr. Doughton.

*August 22, 1949.*—H. R. 6000 is reported out by House Ways and Means Committee.

*September 29–October 3, 1949.*—House Rules Committee holds public hearings on closed rule on H. R. 6000.

*October 3, 1949.*—H. R. 6297 is introduced by Mr. Kean.

*October 4, 1949.*—House of Representatives passes closed rule on H. R. 6000.

*October 4, 1949.*—House begins debate on H. R. 6000.

*October 5, 1949.*—H. R. 6297 is rejected as a substitute for H. R. 6000 on a motion to recommit, 112-232.

*October 5, 1949.*—H. R. 6000 is passed by House of Representatives, 333-14.

*January 17–March 23, 1950.*—Senate Finance Committee holds public hearings on H. R. 6000.

*February 6, 1950.*—Subcommittee on Puerto Rico and Virgin Islands of House Ways and Means Committee files report recommending inclusion of those Territories in the insurance and assistance programs.

*April 3–May 17, 1950.*—Senate Finance Committee holds executive sessions on H. R. 6000.

*May 17, 1950.*—Amended version of H. R. 6000 is reported out by Senate Finance Committee.

*June 12, 1950.*—Senate begins debate on H. R. 6000.

*June 20, 1950.*—Senate passes H. R. 6000, 81-2.

*July 17–August 1, 1950.*—Conference Committee holds executive sessions on H. R. 6000.

*August 1, 1950.*—Conference Committee files report.

*August 16, 1950.*—House of Representatives approves Conference Report.

*August 17, 1950.*—Senate approves Conference Report.

*August 28, 1950.*—President Truman approves H. R. 6000.

**Chart 2.—Principal changes in the Social Security Act under the 1950 amendments—as passed by the House of Representatives, as passed by the Senate, and as enacted**

Old law	H. R. 6000 as passed by House	H. R. 6000 as passed by Senate	New law
<b>OLD-AGE AND SURVIVORS INSURANCE</b>			
(1) Benefits payable to—			
(a) Insured worker, aged 65 or over. (b) Wife, aged 65 or over, of insured worker.	No change. No change in age requirement other than that no age requirement if child under age 18 is present.	No change. No change from existing law, except benefits provided for dependent husbands aged 65 or over.	No change. Same as Senate bill but with provision in House bill for no age requirement if child under age 18 is present.
(c) Widow, aged 65 or over, of insured worker.	No change.	No change, except benefits provided for dependent widowers aged 65 or over.	Same as Senate bill.
(d) Children (under age 18) of retired worker, and children of deceased worker and their mother regardless of her age.	Certain dependency and relationship requirements liberalized, especially with respect to dependency on married insured women.	Same as House bill, except provisions as to dependency on married women further liberalized.	Same as Senate bill.
(e) Dependent parents, aged 65 or over, of deceased worker if no surviving spouse or child could receive monthly benefits.	No change.	No change.	No change.
(f) Lump-sum death payment when no monthly benefits immediately payable.	Lump sum for all insured deaths.	Same as existing law, except special provision when monthly benefits paid in first year are less than lump sum.	Same as House bill.
(2) Insured status			
(a) Based on "quarters of coverage," namely, calendar quarters with \$50 or more of wages.	After effective date, \$100 of wages and \$200 of self-employment income required for quarter of coverage. Special provision for converting annual self-employment income into quarters of coverage.	Same as House bill, except only \$50 of wages and \$100 of self-employment income required for quarter of coverage.	Same as Senate bill.
(b) Fully insured (eligible for all benefits) requires 1 quarter of coverage for each 2 quarters after 1936 and before age 65 (or death if earlier). In no case more than 40 quarters of coverage required. Minimum of 6 quarters of coverage required.	Alternative requirement provided; namely, 20 quarters of coverage out of 40 quarters preceding death or attainment of age 65, or any later date.	Same as present law, except "new start" provides that such quarters of coverage (acquired after 1936) must at least equal half the quarters after 1950. Thus all now aged 62 or over need have only 6 quarters of coverage. Not applicable for deaths prior to effective date.	Same as Senate bill.
(c) Currently insured (eligible only for child's, widowed mother's, and lump-sum survivor benefits) requires 6 quarters of coverage in the 13-quarter period consisting of the quarter of death and the 12 preceding quarters.	No change.	No change.	No change.
(3) Worker's monthly old-age benefit ("primary amount")			
(a) Average monthly wage based on period from 1937 to age 65 (or death if earlier) regardless of whether in covered employment in all such years. A year of coverage is a calendar year in which \$200 is credited.	Average monthly wage based on average over years of coverage (after either 1936 or 1949, whichever is higher). A year of coverage is a calendar year in which \$400 is credited (\$200 before 1950).	Same as existing law, except "new start" average beginning after 1950 may be used for those with 6 quarters of coverage after 1950.	Same as Senate bill.
(b) Monthly amount is 40 percent of first \$50 of average wage plus 10 percent of next \$200, all increased by 1 percent for each year of coverage.	Monthly amount is 50 percent of first \$100 of average wage plus 10 percent of next \$200, increased by 1/2 percent for each year of coverage, and unless in covered employment in entire period reduced by percentage of time out of covered employment since 1936 or 1949, whichever gives smaller reduction. Benefits of present beneficiaries increased by conversion table that gives effect to new benefit formula and new average wage concept; the average primary benefit will be increased by 70 percent, with somewhat greater relative increases for those receiving smallest amounts, as indicated by the following tabulation for certain illustrative cases:	For those with "new start" average wage, monthly amount is 50 percent of first \$100 of average wage plus 15 percent of next \$200. For all others (including present beneficiaries) and those with "new start" if it produces a larger benefit, the benefit is computed under existing law (but with no 1-percent increase for years after 1950) and then increased by conversion table; the average primary benefit will be increased on the average by 85 percent, as indicated by the following tabulation for certain illustrative cases:	Same as Senate bill except that conversion table is lowered so that the average primary benefit is increased by 77 1/2 percent, as indicated by the following tabulation for certain illustrative cases:
<i>Primary insurance benefit</i>	<i>Primary insurance amount</i>	<i>Primary insurance amount</i>	<i>Primary insurance amount</i>
\$10.00	\$25.00	\$20.00	\$20.00
15.00	30.90	31.00	30.00
20.00	36.30	37.00	37.00
25.00	44.50	48.50	46.50
30.00	50.90	56.20	54.00
35.00	55.40	62.20	59.20
40.00	59.90	67.60	64.00
45.00	64.40	72.50	68.50
(c) Minimum primary benefit, \$10.	\$25.	\$25, unless average monthly wage is less than \$34—then \$20.	\$25 unless average monthly wage is less than \$35—then graduated down to \$20 for average monthly wage of \$30 or less. Same as House bill.
(d) Maximum family benefit, \$85 or 80 percent of average wage or twice the primary benefit, whichever is least (but in no case less than \$20).	\$150, or 80 percent of average wage if less (but in no case less than \$40).	Same as House bill.	

**Chart 2.—Principal changes in the Social Security Act under the 1950 amendments—as passed by the House of Representatives, as passed by the Senate, and as enacted—Continued**

Old law	H. R. 6000 as passed by House	H. R. 6000 as passed by Senate	New law
(4) Benefit amounts of dependents and survivors relative to worker's primary benefit			
(a) Wife, one-half of primary benefit. (b) Widow, three-quarters of primary benefit. (c) Child, one half of primary benefit.  (d) Parent, one-half of primary benefit. (e) Lump sum at death, six times primary benefit.	No change. No change. No change, except for deceased worker family, when first child gets three-quarters of primary benefit. Three-quarters of primary benefit. Three times primary benefit.	No change. No change. Same as House bill. Same as existing law. Same as House bill.	No change. No change. Same as House bill. Same as House bill. Same as House bill.
(5) Amount of employment permitted beneficiary for benefit receipt (work clause)			
No benefits paid for month in which \$15 or more earned in covered employment.	Same except \$15 limit is increased to \$50 and no limitation at all after age 76.	Same as House Bill.	Same as House bill.
(6) Covered employment			
All employment except self-employment and employment in Federal and State Governments, railroads, nonprofit (charitable, educational, and religious), agriculture, and domestic service. Employment covered only in the 48 States, the District of Columbia, Alaska, and Hawaii, and on American ships outside the United States under certain circumstances.	In addition to existing coverage, includes the following groups: (a) Nonfarm self-employed other than certain professions (physicians, lawyers, dentists, osteopaths, veterinarians, chiropractors, optometrists, Christian Science practitioners, and certain professional engineers); (b) State and local government employees on elective basis by the State, except that, where retirement system exists, employees and beneficiaries must favor by two-thirds majority in referendum, and except for certain transit workers who are covered compulsorily; (c) Regularly employed nonfarm domestic servants (based on 26 days of work during a quarter); (d) Employees of nonprofit institutions other than ministers (on compulsory basis for employees and voluntary basis for employer); (e) Agricultural processing workers off the farm; (f) Federal employees not covered under retirement system other than those in very temporary or casual employment; (g) Americans employed by American employer outside the United States and employees on American aircraft outside the United States in the same manner as for ships; (h) Employment in Puerto Rico and Virgin Islands; (i) Salesmen and certain other employees who were deprived of coverage as employees by Public Law 642, Eightieth Congress; (j) Tips reported to the employer included as wages.	Same as House bill except: (a) Coverage of regularly employed farm workers, based on 60 days of work during a quarter; (b) Exemption from coverage as professional self-employed extended to architects, naturopaths, certified, licensed, and registered public accountants, funeral directors and all professional engineers (instead of certain named ones), while publishers are covered; (c) Coverage of regularly employed nonfarm domestic servants, based on 24 days of work during a quarter; (d) Coverage of nonprofit employees on compulsory basis for nonreligious organizations and on completely voluntary basis for religious organizations; (e) Coverage of Federal civilian employees not covered by a retirement system clarified and extended to those occupying positions pending permanent or indefinite appointment; (f) Coverage not permitted for State and local employees covered by an existing retirement plan; (g) Definition of "employee" restricted to strict common-law basis except for following named occupational groups covered as "employees": full-time life insurance salesmen; agent-drivers and commission-drivers distributing meat products, bakery products, or laundry or dry cleaning services; and full-time wholesale salesmen; (h) Tips not included as wages as in existing law.	Same as Senate bill except: (a) Coverage of regularly employed farm workers based on 60 full days of work during a quarter if worker had continuous employment with the same employer during a preceding 3-month period; (b) Exemption from coverage as professional self-employed extended to full-time practicing public accountants; (c) Coverage of nonprofit employees on voluntary basis. Employer must elect coverage, and at least two-thirds of employees must concur in coverage. Then all employees concurring in coverage and all new employees are covered; (d) Additional occupational groups covered as "employees": agent-drivers and commission-drivers distributing vegetable or fruit products or beverages (other than milk) and industrial homeworkers earning at least \$50 during a quarter if subject to regulation under State law and working under specifications supplied by employer.
(7) Permanent and total disability benefits			
None.	For worker both currently insured and having 20 quarters of coverage out of last 10 years. Amount of primary benefit determined as for retired worker. No benefit for dependents of disabled worker. Benefits begin in January 1951.	None.	None.
(8) Wage credits for World War II service			
None.	World War II veterans (including those who died in service) given wage credits of \$160 for each month of military service in World War II.	Same as House bill except that credit not given if service is used for any other Federal retirement system and except that additional cost is to be borne by trust fund (instead of by General Treasury as in House bill).	Same as Senate bill.

**Chart 2.—Principal changes in the Social Security Act under the 1950 amendments—as passed by the House of Representatives, as passed by the Senate, and as enacted—Continued**

Old law	H. R. 6000 as passed by House	H. R. 6000 as passed by Senate	New law
(9) Maximum annual wage and self-employment income for tax and benefit purposes			
\$3,000.	\$3,600 after 1949.	\$3,600 after 1950.	Same as Senate bill.
(10) Tax (contribution) rates			
1 percent on employer and 1 percent on employee through 1949, 1½ percent for 1950-51, and 2 percent thereafter.	1½ percent on employer and 1½ percent on employee for 1950, 2 percent for 1951-59, 2½ percent for 1960-64, 3 percent for 1965-69, and 3¼ percent thereafter, except— (a) For self-employed, 1½ times rate for employees. Self-employment income taxed would be, in general, net income from trade or business; (b) For nonprofit employment, no tax is imposed on employer, who can pay it voluntarily. If employer does not pay tax, employee receives credit for only 50 percent of his taxed wages.	Same as House bill, except that increase to 2 percent is in 1956 instead of 1951 and except that nonprofit employment when covered is on same basis as all other employment.	Same as Senate bill, except that increase to 2 percent is in 1954.
(11) Appropriations from general revenues			
Appropriations authorized for such sums as may be required to finance the program.	Provision in existing law repealed.	Same as House bill.	Same as House bill.
(12) Time within which benefit payments must be claimed			
(a) Monthly benefits payable retroactively for 3 months before month of application. (b) Lump-sum death payments must be claimed within 2 years of death.	Same as existing law except that period extended to 6 months. Same as existing law except that for deaths outside continental United States during war period, lump sum may be claimed any time before 1952.	Same as House bill. Same as House bill.	Same as House bill. Same as House bill.
PUBLIC ASSISTANCE			
(1) Groups eligible for aid			
Three categories defined for assistance purposes as needy persons—(1) 65 years of age and over, (2) blind, and (3) children under 16 years of age and children aged 16-17, if they are regularly attending school.	Fourth category provided for permanently and totally disabled individuals who are in need. For aid to dependent children the mother or other relative with whom a dependent child is living is included as a recipient for Federal matching purposes.	Same as House bill except fourth category (aid to disabled) not provided for.	Same as House bill, except that permanently and totally disabled individuals must be at least 18 years old.
(2) Federal share of public assistance expenditures			
Federal share for old-age assistance and aid to blind is three-fourths of first \$20 of a State's average monthly payment plus one-half of the remainder within individual maximums of \$50; for aid to dependent children, three-fourths of the first \$12 of the average monthly payment per child, plus one-half the remainder within individual maximums of \$27 for the first child and \$18 for each additional child in a family. Administrative costs shared 50 percent by Federal Government and 50 percent by States.	Federal share for old-age assistance, aid to the blind, and aid to the permanently and totally disabled is four-fifths of the first \$25 of a State's average monthly payment, plus one-half of the next \$10, plus one-third of the remainder within individual maximums of \$50; for aid to dependent children, four-fifths of the first \$15 of the average monthly payment per recipient, plus one-half of the next \$6, plus one-third of the next \$6 within individual maximums of \$27 for the relative with whom the children are living, \$27 for the first child, and \$18 for each additional child in a family. Administrative costs same basis as present law.	Same as existing law, except that individual maximums for aid to dependent children are raised from \$27 to \$30 for the relative with whom the children are living and for the first child and from \$18 to \$20 for all other children and except that for old-age assistance payments supplementing old-age insurance benefits for those first becoming entitled to such benefits in or after the second month after enactment, Federal share is on a 50-50 basis.	Same as existing law, except that relative with whom children are living is included for Federal matching purposes within individual maximum of \$27 a month. Matching basis for aid to disabled same as for old-age assistance.
(3) Medical care			
Federal sharing in costs of medical care limited to amounts paid to recipients that can be included within the monthly maximums on individual payments. No State-Federal assistance provided persons in public institutions unless they are receiving temporary medical care in such institutions.	Federal Government will share in cost of payments made directly to medical practitioners and other suppliers of medical services, which when added to any money paid to the individual, does not exceed the monthly maximums on individual payments. Federal Government shares in the cost of payments to recipients of old-age assistance, aid to the blind, and aid to the permanently and totally disabled living in public medical institutions other than those for mental disease and tuberculosis.	Same as House bill, except that no plan for aid to disabled is provided and except for specific authorization for Federal Government to share in direct payments made to suppliers of remedial care as well as to suppliers of medical care.	Same as Senate bill, except that plan for aid to disabled is provided.

**Chart 2.—Principal changes in the Social Security Act under the 1950 amendments—as passed by the House of Representatives, as passed by the Senate, and as enacted—Continued**

Old law	H. R. 6000 as passed by House	H. R. 6000 as passed by Senate	New law
(4) Changes in requirements for State public assistance plans			
(a) Residence			
For old-age assistance and aid to the blind, a State may not require, as a condition of eligibility, residence in a State for more than 5 of the 9 years immediately preceding application and 1 continuous year before filing the application. For aid to dependent children, the maximum requirement for the child is 1 year of residence immediately preceding application, or if the child is less than a year old, birth in the State and continuous residence by the mother in the State for 1 year preceding the birth.	No change in requirements for old-age assistance and aid to dependent children. For aid to the blind, effective July 1, 1951, a State may not require, as a condition of eligibility, residence in the State for more than 1 continuous year before the filing of the application for aid. For aid to the permanently and totally disabled, no State may impose a residence requirement more restrictive than that in its plan for aid to the blind on July 1, 1949, and beginning July 1, 1951, the maximum residence requirement is 1 year immediately preceding the application for aid. (All other requirements for aid to the permanently and totally disabled are the same as for old-age assistance.)	Same as existing law.	Same as Senate bill, except that for aid to the permanently and totally disabled, residence requirement is same as that for old-age assistance and aid to the blind.
(b) Income and resources			
For the three categories a State must, in determining need, take into consideration the income and resources of an individual claiming assistance.	Provision in existing law is made applicable to aid to the permanently and totally disabled. For aid to the blind, effective October 1, 1949, a State may disregard such amount of earned income, up to \$50 per month, as the State vocational rehabilitation agency for the blind certifies will serve to encourage or assist the blind to prepare for or engage in remunerative employment; effective July 1, 1951, a State must, in determining the need of any blind individual, disregard any income or resources that are not predictable or actually not available to the individual and take into consideration the special expenses arising from blindness.	Effective July 1, 1952, a State must disregard earned income, up to \$50 per month, of an individual claiming aid to the blind; before July 1, 1952, the exemption of earned income, up to \$50 per month, is discretionary with each State. Same income and resources provisions as in existing law for the other categories.	Same as Senate bill.
(c) Temporary approval of State plans for aid to the blind			
No provision.	For the period October 1, 1949, to June 30, 1953, any State that did not have an approved plan for aid to the blind on January 1, 1949, shall have its plan approved even though it does not meet the requirements of clause (8) of section 1002 (a) of the Social Security Act (relating to consideration of income and resources in determining need). The Federal grant for such State, however, shall be based only upon expenditures made in accordance with the aforementioned income and resources requirement of the act.	Same as House bill except that provision applies after October 1, 1950, and with no termination date.	Same as House bill except that provision applies after October 1, 1950, and terminates June 30, 1955.
(d) Examination to determine blindness			
No provision.	A State aid to the blind plan must provide that, in determining blindness, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist.	A State aid to the blind plan must provide that, in determining blindness, there shall be an examination by a physician skilled in diseases of the eye. Also the plan must provide that the services of optometrists within the scope of their practice as prescribed by State law shall be available to individuals already determined to be eligible for aid to the blind (if desired and needed by them) as well as to recipients of any grant-in-aid program for improvement or conservation of vision.	Same as House bill, but mandatory July 1, 1952, and discretionary with each State prior thereto.
(e) Assistance to be furnished promptly			
No specific provision relating to opportunity to apply for assistance promptly.	Opportunity must be afforded all individuals to apply for assistance, and assistance must be furnished promptly to all eligible individuals.	Same as House bill but clarified.	Same as Senate bill.
(f) Fair hearing			
Fair hearing must be provided individual whose claim for assistance is denied. No specific provision for individual whose claim is not acted upon within a reasonable time.	Fair hearing must be provided by State agency to individual whose claim for assistance is denied or not acted upon within reasonable time.	Same as House bill but clarified.	Same as Senate bill.

**Chart 2.—Principal changes in the Social Security Act under the 1950 amendments—as passed by the House of Representatives, as passed by the Senate, and as enacted—Continued**

Old law	H. R. 6000 as passed by House	H. R. 6000 as passed by Senate	New law
(g) Standards for institutions			
No provision.	If a State plan for old-age assistance, aid to the blind, or aid to the permanently and totally disabled provides for payments to individuals in private or public institutions, the State must have a State authority to establish and maintain standards for such institutions. (Effective July 1, 1953.)	Same as House bill.	Same as House bill.
(h) Training program for personnel			
No specific provision.	States must provide a training program for the personnel necessary to the administration of the plan.	No specific provision.	Same as Senate bill.
(i) Notification to law enforcement officials			
No provision.	In aid to dependent children the States must provide for prompt notice to appropriate law-enforcement officials in any case in which aid is furnished to a child who has been deserted or abandoned by a parent.	Same as House bill.	Same as House bill.
(5) Puerto Rico and the Virgin Islands			
Federal funds for public assistance not available to Puerto Rico and the Virgin Islands.	The four categories of assistance are extended to Puerto Rico and the Virgin Islands. The Federal share for old-age assistance, aid to the blind, and aid to the permanently and totally disabled is limited to one-half the total sums expended under an approved plan up to a maximum payment for any individual of \$30 per month. For aid to dependent children the Federal share is limited to one-half the expenditures under an approved plan up to individual maximums of \$18 for the first child and \$12 for each additional child in a family. Administrative costs are matched by the Federal Government on a 50-50 basis.	Same as existing law.	Same as House bill, except that maximum annual Federal grant shall be \$4,250,000 for Puerto Rico and \$160,000 for the Virgin Islands.
MATERNAL AND CHILD HEALTH AND CHILD WELFARE SERVICES			
(1) Maternal and child health services			
Authorizes an annual appropriation of \$11,000,000. One-half this amount is distributed among the States as follows: \$35,000 to each State, and the remainder on the basis of the relative number of live births in the State. The second half is distributed among the States on the basis of the financial need of each State after consideration of the number of live births in the State.	Same as existing law.	Authorization for annual appropriation increased to \$20,000,000 and the \$35,000 uniform allotment to each State is increased to \$60,000. Otherwise, the provisions of present law relating to the apportionment of funds are unchanged. (Effective for fiscal years beginning after June 30, 1950.)	Same as Senate bill, except that annual authorization is \$15,000,000 for fiscal year beginning July 1, 1950, and \$16,500,000 for subsequent years.
(2) Services for crippled children			
Authorizes an annual appropriation of \$7,500,000. One-half this amount is distributed among the States as follows: \$30,000 to each State, and the remainder on the basis of need after consideration of the number of crippled children in the State needing services and the cost of such services. The second half is distributed on the same basis of need.	Same as existing law.	Authorization for annual appropriation increased to \$15,000,000 and the \$30,000 annual allotment to each State is increased to \$60,000. Otherwise, the provisions of present law relating to the apportionment of funds are unchanged. (Effective for fiscal years beginning after June 30, 1950.)	Same as Senate bill, except that annual authorization is \$12,000,000 for fiscal year beginning July 1, 1950, and \$15,000,000 for subsequent years.
(3) Child welfare services			
Authorizes an annual appropriation of \$3,500,000 for grants to the States for child welfare services in rural areas and areas of special need. Funds allotted to States with approved plans as follows: \$20,000 to each State and remainder on basis of rural population of the respective States.	Authorization for annual appropriation increased to \$7,000,000 and the \$20,000 now allotted to each State is increased to \$40,000 with the remainder to be allotted on the basis of rural population of the respective States. Specific provision is made for the payment of the cost of returning any runaway child under age 16 to his own community in another State if such return is in the interest of the child and the cost cannot otherwise be met. (Effective for fiscal years beginning after June 30, 1950.)	Same as House bill except that annual authorization is increased to \$12,000,000 and except that allotment is on basis of rural population under age 18. (Effective for fiscal years beginning after June 30, 1950.) Also provision added that in developing the various services under the State plans, the States would be free, but not compelled, to utilize the facilities and experience of voluntary agencies for the care of children in accordance with State and community programs and arrangements.	Same as Senate bill, except that annual authorization is \$10,000,000.