Notes and Brief Reports

Trust Fund Operations, 1958*

Among the trust funds managed by the Treasury Department in whole or in part (for example, portfolio management only) are the social insurance and related trust funds. These funds include the old-age and survivors insurance trust fund, the disability trust fund, the unemployment trust fund, the railroad retirement account, the civil-service retirement fund, and the several veterans' insurance funds.

Old-Age and Survivors Insurance Trust Fund

All financial operations of the old-age, survivors, and disability insurance program are carried on through the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund.

Income-outgo.—Amounts equivalent to 100 percent of current collections under the Federal Insurance Contributions Act and under chapter 21 of the Internal Revenue Code of 1954, as amended, are transferred by permanent appropriations to the trust funds on the basis of estimates made by the Secretary of the Treasury. Differences between these estimates and the contributions actually payable on the basis of reported earnings are adjusted periodically. Contributions received under voluntary agreements with States for the coverage of State and local government employees are deposited directly in the trust funds.

Contributions appropriated to and deposited in the old-age and survivors insurance trust fund—less reimbursements to the General Treasury for refund of excess employee tax collections[1]—totaled $7,565.8 million in 1958 or 10.8 percent more than 1957 collections. The major cause of the rise in contribution income was the increase in taxable wages paid in 1958 as recovery from the recession continued.

The invested assets of the old-age and survivors insurance trust fund earned $551.4 million in interest in 1958. The fund also received $287,882 in interest on reimbursed administrative expenses from the disability insurance trust fund. No interest was transferred in 1958 from the railroad retirement account under the financial interchange provisions of the Railroad Retirement Act as amended.[2] When the 1957 transfer from the railroad retirement account and the much smaller 1958 transfer from the disability insurance trust fund are excluded, it is found that interest on the old-age and survivors insurance trust fund in 1958 was 0.8 percent less than in 1957, declining slightly as the total invested assets of the trust fund declined.

Expenditures for old-age and survivors insurance benefit payments totaled $8,327.0 million—$979.6 million or 13.3 percent more than in 1957. In addition, $124.4 million was transferred to the railroad retirement account under the financial interchange provisions, bringing benefit payments and transfers with respect to benefit payments to a total of $8,451.4 million.

Net administrative costs paid out of the old-age and survivors insurance trust fund in 1958 amounted to $194.4 million, an increase of $33.0 million or 20.4 percent from 1957. About $20 million of the rise is attributable to an increase in salary and expense items of the Bureau of Old-Age and Survivors Insurance. Administrative expenses include disability insurance operations costs for 1958 but not for 1957. The earlier year's costs have been reimbursed from the disability insurance trust fund (in the amount of $9.1 million plus interest), and 1958 costs will be repaid in a subsequent year. The remainder of the increase consists of a $7.3-million rise from 1957 in the Treasury Department costs for the program and a rise of $5.5 million in construction costs, with the beginning of actual construction of the new headquarters building for the Bureau of Old-Age and Survivors Insurance.

The total assets of the trust fund at the end of 1958 were $21,864.4 million, a net decrease during the year of $528.4 million or 2.4 percent. Of these assets, $20,953.4 million was invested in Government securities (table 1), and $911.0 million was held in cash on the last day of the year largely to pay benefit checks issued the beginning of January.

Investments.—Under the provisions of the Social Security Act, as amended, the old-age and survivors insurance trust fund and the disability insurance trust fund are administered by a Board of Trustees composed of the Secretary of the Treasury as Managing Trustee, the Secretary of Labor, and the Secretary of Health, Education, and Welfare. The Commissioner of Social Security is Secretary of the Board.

The Managing Trustee invests the portions of the trust funds that, in his judgment, are not required for current expenditures for benefit payments and administrative expenses. The Social Security Act restricts permissible investments of the trust funds to interest-bearing obligations of the United States Government and to obligations guaranteed as to principal and interest by the United States. Obligations of these types may be acquired on original issue at par or by purchase of outstanding issues at market price, and they may be sold at market price. In addition, the act authorizes issuance of public-debt obligations exclusively to the trust funds that may be redeemed at par plus accrued interest.

At the start of 1958, the old-age and survivors insurance trust fund held Government securities in the amount of $21,566 million (face value), and at the close of the year the portfolio totaled $20,956 million, a net decrease of $611 million or 2.8 percent, compared with a net decline of $265 million (1.2 percent) in 1957 and a net increase of $729 million

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1 Refunds are payable to employees who earned more than $4,200 a year in 1955–58 and who worked for more than one employer during the year, each of whom deducted the tax on wages up to $4,200. For 1959 and subsequent years, the taxable limit is $4,800.

2 For a description of the operation of the financial interchange provisions, see "Experience Under Financial Interchange, OASDI and Railroad Retirement System," *Social Security Bulletin*, September 1958, page 16.

(3.4 percent) in 1956. The entire decrease for 1958 occurred in the special obligations held by the trust fund, which totaled $18,519 million at the beginning of the year and $17,753 million at the end, while public issue holdings increased by $155 million to a total of $3,202 million. A few years ago, public issues made up scarcely 10 percent of the investment portfolio; at the end of 1957 they formed more than 14 percent, and at the end of 1958, more than 15 percent. The increasing proportion is due not so much to rapid increase in the amount of the public issues held by the trust fund but rather to the fact that the overall decreases of the past 2 years have occurred exclusively in the amount of the special issues held.

On June 30, 1958, the old-age and survivors insurance trust fund had held for 1 year $4.5 billion in special Treasury notes and bonds of original maturities of 2–10 years. Applying for the second year the 1956 provision that special obligations "shall have maturities fixed with due regard for the needs of the trust funds," the Managing Trustee invested $4.2 billion from maturing 1-year special certificates of indebtedness in these longer-term special obligations: $465 million in each of four issues of special notes maturing annually, June 30, 1960–63, and $465 million in each of five issues of special bonds maturing annually, June 30, 1964–68. In these two transactions of 1957 and 1958 the trust fund acquired a total of $8.7 billion in special obligations with maturities of more than 1 year. None has been redeemed, although those acquired in June 1957 became eligible for redemption 1 year later. As redemptions continue to be made as needed exclusively from the special certificates of indebtedness, the special notes and bonds make up a larger proportion of all special issues. At the end of 1958 these holdings represented 48.9 percent of all special obligation holdings and 41.4 percent of the total portfolio.

Interest rate.—The Social Security Act of 1935 required that the investments of the old-age reserve account (now the old-age and survivors insurance trust fund) earn at least 3 percent. The 1939 amendments removed all reference to a minimum yield except on "special obligations issued to the trust fund," which were required to bear the average rate of interest on the interest-bearing portion of the public debt, computed as of the end of the month next preceding the date of issue and rounded to the next lowest ⅛ of 1 percent if the average rate was not itself an exact multiple of ⅛ of 1 percent. The 1956 amendments changed the interest base to reflect the essentially long-term character of these investments. The rate is now "the average rate . . . borne by all *marketable* interest bearing obligations of the United States . . . *not due or callable until after the expiration of 5 years* from the date of original issue," computed as of the end of the month before and rounded to the *nearest* ⅛ of 1 percent. This provision, in effect, ties the interest rate of special obligations issued to the old-age and survivors insurance and the disability insurance trust funds to the average rate on Treasury bonds (including one relatively small issue of 3-percent Panama Canal bonds of 1961).

The new formula with its change of base and of rounding method was used to set the special obligation interest rate for the first time on October 1, 1956. For the next 21

Table 1.—*Investment of the social security trust funds, by type and earnings, end of December 1957 and 1958*

[In millions]

Type of investment	Old-age and survivors insurance trust fund		Disability insurance trust fund		Unemployment trust fund	
	1958	1957	1958	1957	1958	1957
Total	$20,953.4	$21,565.9	$1,320.8	$611.9	$7,114.0	$9,098.1
Public issues	3,200.2	3,046.7	63.7	32.1	1,059.2	1,060.0
Treasury bonds	2,769.8	2,454.7	36.8	10.0	999.0	979.0
2¼ percent	4.2	4.2	----	----	4.0	4.0
2⅜ percent	----	.5	----	----	----	----
2½ percent	1,223.5	1,201.3	----	----	150.0	150.0
2⅝ percent	211.9	----	16.8	----	----	----
2¾ percent [1]	1,066.9	1,083.9	----	----	760.0	760.0
3 percent	110.2	68.2	10.0	----	10.0	----
3¼ percent	45.1	45.1	----	----	57.0	50.0
3½ percent	56.5	----	----	----	3.0	----
3⅞ percent	25.0	25.0	5.0	5.0	5.0	5.0
4 percent	26.5	26.5	5.0	5.0	10.0	10.0
Treasury notes	432.6	536.1	27.0	12.0	60.2	50.2
2⅝ percent	30.0	----	10.0	----	----	----
2⅞ percent	----	143.5	----	----	----	----
3½ percent	72.5	62.5	5.0	----	20.0	10.0
3⅝ percent	176.0	176.0	----	----	5.2	5.2
3¾ percent	20.0	20.0	7.0	7.0	15.0	15.0
4 percent	134.1	134.1	5.0	5.0	20.0	20.0
Treasury certificates of indebtedness	----	50.3	----	10.0	----	30.0
3¾ percent	----	25.0	----	----	----	10.0
4 percent	----	25.3	----	10.0	----	20.0
Treasury bills [2]	----	6.2	----	----	----	----
3.485 percent	----	6.0	----	----	----	----
4.173 percent	----	.2	----	----	----	----
Net unamortized premium and discount [3]	−2.3	−.7	−.1	----	(4)	.7
Accrued interest purchased	(4)	.1	(4)	.1	----	.1
Special issues	17,753.3	18,519.2	1,257.1	579.9	6,054.7	8,038.1
Treasury bonds, 2½ percent	4,825.0	2,500.0	187.5	37.5	----	----
Treasury notes, 2½ percent	3,860.0	2,000.0	150.0	30.0	----	----
Treasury certificates of indebtedness	9,068.3	14,019.2	919.6	512.4	6,054.7	8,038.1
2½ percent	5,308.4	14,019.2	484.8	512.4	----	----
2⅝ percent	3,759.9	----	434.8	----	6,054.7	7,816.8
2⅞ percent	----	----	----	----	----	221.3

[1] Includes, for the old-age and survivors insurance trust fund, $1,064.9 million of public nonmarketable 2¾-percent investment series B bonds in 1958 and $1,081.9 million in 1957 and, for the unemployment insurance trust fund, $745.0 million of the same issue in both 1958 and 1957.

[2] Treasury bills are non-interest-bearing and are sold on a discount basis with competitive bids for each issue. The average sale price of these series gives an approximate yield on a bank-discount basis (360 days a year) as indicated here.

[3] Refers only to the investments acquired above or below par value in open-market operations. "Premium" is the excess of the price paid in the open market over par value; "discount" is the amount by which the price paid is less than par value. The Treasury Department amortizes this positive or negative difference over the remaining life of the obligations. At any given time, the "net unamortized" figure represents a subtraction of the amount remaining to be written off between that time and maturity on issues bought at a premium from the amount still to be "written on" for issues bought at a discount.

[4] Less than $50,000.

Source: *Daily Statement of the U.S. Treasury* and unpublished Treasury releases.

months—through the "rollover" of maturing special certificates of indebtedness on June 30, 1958—the interest rate remained at 2½ percent. It was 2⅝ percent for the last 6 months of 1958.

The year 1958 was a year of generally mixed trends in interest rates on public marketable Government securities. The shortest-term issues dropped sharply, but the overall rate was prevented by the general stability and even slight rise of the longer-term (and particularly the longest-term) issues from falling as rapidly. The difference over the years between the average rate on the total interest-bearing debt and on the long-term bonds is indicated in table 2, which also shows the computed average interest rate on all investments (special obligations and public marketable and nonmarketable issues) of the three social security trust funds. The long-term marketable securities had the higher average rate in the 16 years 1936–51. During the past 7 years, 1952–58, the average rate on the total debt took the lead, but by a smaller margin than the reverse situation in many of the earlier years.

Disability Insurance Trust Fund

The disability insurance trust fund was activated as of January 1, 1957, to receive contributions at the rate of ¼ of 1 percent of payroll each from employers and employees and at ⅜ of 1 percent from the self-employed. In 1957, contribution income was received during 11 months, benefits were paid during 5 months, and no administrative expenses were paid out except the cost of the Treasury Department's operation of the fund.

In 1958, the first year of full operation, $965.5 million was received in contribution income, and the invested assets of the fund—governed by the same provisions that apply to the old-age and survivors insurance trust fund—earned $25.1 million in interest. Total receipts for the year amounted to $990.6 million. Benefit payments totaling $249.0 million were made to disabled persons aged 50–64 on the basis of their past covered employment and, beginning in October 1958, to their dependents.[3] Administrative expenditures amounted to $12.5 million; this amount includes the $9.1 million reimbursed to the old-age and survivors insurance trust fund (plus $287,882 interest) for administrative costs of the disability program advanced by that trust fund in the past but does not include most of such administrative costs for 1958. At the end of 1958 the assets of the disability insurance trust fund totaled $1,378.5 million, of which $1,320.8 million was invested in Government securities and the remaining $57.8 million held in cash balances.

The disability insurance trust fund portfolio contained the same types of public and special Government securities as did the old-age and survivors insurance trust fund. At the year-end the $64 million it held in public issues (Treasury bonds and notes) amounted to 4.8 percent of its total holdings, compared with the 15.3 percent in public issues held by the old-age and survivors insurance trust fund. Of the $1,257 million in special obligations, $920 million or 73.2 percent was in 1-year special certificates of indebtedness; the remaining $338 million was in special Treasury notes and bonds with maturities of 2–10 years.

Since the interest rate on special obligations issued to the disability insurance trust fund is governed by the same provisions that apply to the old-age and survivors insurance trust fund, the rates for new special issues to the two funds are always the same at any given time. In 1958, special obligations were issued at 2½-percent interest in January–June and at 2⅝ percent during the second half of the year.

Table 2.—*Computed average interest rate (percent) on social security trust fund investments, total interest-bearing public debt, and long-term marketable debt at end of specified period, 1936–58*

At end of—	Total interest-bearing public debt	Long-term marketable U.S. obligations	Social security trust fund investments [1]		
			Old-age and survivors insurance trust fund	Disability insurance trust fund	Unemployment trust fund
1936	2.570	3.088	----	----	2.50
1937	2.568	3.059	3.00	----	2.50
1938	2.586	2.978	3.00	----	2.50
1939	2.598	2.915	3.00	----	2.50
1940	2.566	2.868	2.84	----	2.50
1941	2.409	2.751	2.66	----	2.49
1942	2.059	2.675	2.44	----	2.24
1943	1.956	2.421	2.22	----	1.89
1944	1.919	2.326	2.20	----	1.91
1945	1.965	2.323	2.14	----	1.93
1946	2.057	2.307	2.04	----	1.94
1947	2.144	2.296	2.09	----	2.05
1948	2.216	2.310	2.20	----	2.16
1949	2.208	2.316	2.20	----	2.16
1950	2.209	2.359	2.19	----	2.16
1951	2.308	2.322	2.20	----	2.18
1952	2.353	2.320	2.30	----	2.30
1953	2.414	2.393	2.41	----	2.41
1954	2.291	2.480	2.29	----	2.30
1955	2.490	2.485	2.31	----	2.31
1956	2.671	2.482	2.52	----	2.53
1957	2.889	2.505	2.55	2.57	2.66
1958:					
June	2.638	2.576	2.55	2.54	2.65
December	2.689	2.592	2.57	2.57	2.65

[1] Includes public and special Government obligations. Interest rate on special obligations issued to the old-age and survivors insurance trust fund from 1937 to August 1939, 3 percent; to the old-age and survivors insurance trust fund from September 1939 to August 1956 and to the unemployment trust fund from 1936 to date, average coupon rate at end of preceding month of total interest-bearing public debt, rounded to next lowest ⅛ of 1 percent; and to the old-age and survivors insurance and disability insurance trust funds from September 1956 to date, average coupon rate at end of preceding month of all marketable interest-bearing U.S. obligations of more than 5-year maturity from issue date, rounded to nearest ⅛ of 1 percent.

Source: *Daily Statement of the U.S. Treasury* and other Treasury Department releases.

[3] Under the 1958 amendments, dependents of disabled beneficiaries include wives and dependent husbands who have reached retirement age, unmarried dependent children (including those aged 18 or over who were disabled before they reached that age), and wives who have an entitled child in their care. Payments to disabled persons aged 18 or over whose disability began before they reached age 18 and who were children of retired or deceased insured workers are, however, chargeable to the old-age and survivors insurance trust fund.

Unemployment Trust Fund

Income-outgo.—The unemployment trust fund is composed of the 51 accounts for the State unemployment insurance programs, the railroad unemployment insurance account, and the Federal unemployment account. The total assets of the trust fund on December 31, 1958, amounted to $7,124.0 million, a decrease of $1,984.6 million or 21.8 percent from assets of $9,108.7 million at the end of 1957.

During 1958 the State accounts were credited with deposits of $1,490.1 million, 3.7 percent less than the $1,547.1 million of 1957. Interest earned by the State accounts was $199.0 million in 1958, compared with $220.4 million in the preceding year. The $3,541.4 million withdrawn from the State accounts for benefit payments in 1958 is the largest sum ever withdrawn in a single year. The nearest approach to it was the $2,032.2 million withdrawn in the 1954 recession year. It is more than twice the 1957 withdrawals and accounts for practically the entire decline in the total assets of the trust fund. It should be noted that the sum represents not actual benefit payments but withdrawals by the States from their unemployment accounts with the Federal Government for deposit in their local accounts, from which the benefits are paid.

The railroad unemployment insurance account—from which are paid cash sickness and maternity benefits to railroad workers as well as unemployment insurance benefits—is at present in financial difficulties. From a peak in 1948 of almost $1 billion, the balance has gradually declined until it now stands at its lowest level. From $262.3 million at the beginning of 1958 the balance dropped to $133.6 million by September and to $88.2 million by the end of the year. As a result the tax rate for 1959, tied by law to the size of the account the preceding September, was raised to the 3-percent maximum. (The rate is on a sliding scale, ranging from a minimum of ½ of 1 percent of taxable payroll if the September balance is $450 million or more to a maximum of 3 percent if the balance is less than $250 million, in steps of ½ of 1 percent for each $50-million drop.) Deposits in 1958 (including the annual transfer from the railroad unemployment insurance administration fund) totaled $103.9 million, the highest annual amount since before the 1948 peak. Interest earned in 1958, however, decreased along with the size of the total account, the bulk of which is held in the form of Government securities, with a minimum in cash. The account earned $4.4 million in interest in 1958; it earned $7.4 million in 1957, $8.1 million in 1956, and $9.5 million in 1955. Benefits totaling $282.3 million were paid in 1958—90.5 percent more than in 1957 and 38.3 percent more than in 1954, when the previous record high was paid.

Although the quarterly balance in the Federal unemployment account remained slightly above its statutory level of $200 million during the first half of 1958, there was more activity in this loan fund in 1958 than in any other year since its activation in December 1954, and its assets were depleted to $95 million by the year's end. In the first and third quarters, Alaska borrowed a total of $5.6 million, raising its outstanding debt to the account to more than $8 million. In April, Oregon borrowed $14 million in anticipation of a continuation of the decline in its economy; fortunately the loan became unnecessary, and the $14 million was returned early in June. During the third quarter, Michigan was obliged to borrow $113 million to continue unemployment insurance benefit payments. All these loans except Oregon's remained outstanding at the end of 1958. At the turn of the fiscal year, $6.1 million was placed in the account and $33.5 million was distributed directly to the State accounts from an undistributed appropriations (suspense) account in which had been held amounts—additional to the $200 million in the Federal unemployment account — by which Federal employment taxes exceeded administrative expenditures for employment security. Transfers from the account totaling $6.0 million to cover the administrative expenses of the Bureau of Employment Security of the Department of Labor were taken care of almost entirely by the $5.5 million earned in interest during the year by the account's assets.

Investments.—Although the unemployment trust fund is composed of the separate State accounts, the railroad unemployment account, and the

Table 3.—*Investments of social security trust funds and interest-bearing public debt at end of specified period, 1936–58*

[Amounts in millions]

At end of—	Interest-bearing public debt	Social security trust fund investments (face value): Total amount	Percent of public debt	Old-age and survivors insurance trust fund	Disability insurance trust fund	Unemployment trust fund
1936	$33,699	$64	0.2	----------	----------	$64
1937	36,715	1,138	3.1	$513	----------	625
1938	38,899	1,926	5.0	862	----------	1,064
1939	41,445	2,944	7.1	1,435	----------	1,509
1940	44,458	3,962	8.9	2,016	----------	1,945
1941	57,451	5,468	9.5	2,736	----------	2,732
1942	107,308	7,342	6.8	3,655	----------	3,687
1943	164,508	9,874	6.0	4,779	----------	5,095
1944	228,891	12,546	5.5	5,967	----------	6,579
1945	275,694	14,562	5.3	7,054	----------	7,508
1946	257,649	15,643	6.1	8,079	----------	7,564
1947	254,205	17,363	6.8	9,262	----------	8,101
1948	250,579	19,044	7.6	10,549	----------	8,495
1949	255,019	19,417	7.6	11,722	----------	7,695
1950	254,283	20,963	8.2	13,325	----------	7,638
1951	257,070	23,438	9.1	15,012	----------	8,426
1952	265,293	25,977	9.8	16,956	----------	9,022
1953	272,881	27,832	10.2	18,288	----------	9,544
1954	275,731	28,598	10.4	19,860	----------	8,739
1955	277,799	29,853	10.7	21,101	----------	8,753
1956	274,219	30,890	11.3	21,830	----------	9,060
1957	272,874	31,276	11.5	21,566	$612	9,097
1958:						
June	274,698	30,539	11.1	21,764	1,055	7,720
December	280,839	29,390	10.5	20,956	1,321	7,114

Source: *Daily Statement of the U.S. Treasury* and other Treasury Department releases.

Federal unemployment account, investments are made by the Secretary of the Treasury for the fund as a unit. Interest earned on investments is distributed quarterly among all accounts on the basis of the average daily balance of each account. Permissible types of investments are the same as for the other two social security trust funds.

During 1958 the fund's invested assets declined by $1,983 million, although cash balances were relatively the same at the end of the year as at the beginning—about $8.5 million. This decrease is far more than double the declines in previous recession years: in 1949 the portfolio ended the year $800 million smaller than it started, and in 1954 it became $805 million smaller. Practically the entire decrease occurred in the special obligations held by the fund; total holdings of public issues remained almost exactly the same during the year although, as in the other two trust funds, there was some shifting from short-term to longer-term issues.

Among them, the three social security trust funds had a net decrease in their invested assets of $1,886 million during the year. Their total investments on December 31 stood at $29,390 million (table 3). This sum represented 10.5 percent of the total interest-bearing public debt, compared with 11.5 percent on December 31, 1957.

Special obligations accounted for $25,065 million or 85.3 percent of the total investments of $29,390 million in the portfolios of the three funds at the end of the year. Of this amount, $16,043 million was in special certificates of indebtedness maturing on June 30, 1959—$5,793 million at 2½-percent interest and $10,249 million at 2⅝-percent—and the remainder was in 2½-percent Treasury special bonds and notes totaling $9,022 million.

Interest rate.—The 1956 amendments to the Social Security Act did not affect the interest formula or the maturities of special obligations issued to the unemployment trust fund—a fund essentially different in character and purpose from the old-age and survivors insurance and disability insurance trust funds. The formula remained the same as the "old" formula for the other two funds. As a result of the continuing drain on the trust fund, there were no investments in special obligations during the first half of 1958 except one of $209.5 million in May, with interest at 2⅝ percent. The "rollover" of the 1-year special certificates of indebtedness was also at 2⅝-percent interest. Had special certificates been purchased in January they would have carried 2⅞-percent interest; in February and March, 2¾ percent; and in April, 2⅝ percent. Special certificates were acquired for the trust fund in each month of the second half of the year except October. The interest rate was 2⅝ in each month but September, when $6.6 million was invested at 2½ percent and redeemed before the end of the month. (October's acquisitions, had there been any, would also have been at 2½ percent.)

Related Trust Funds

In 1958, total receipts of the railroad retirement account amounted to $652 million—$535 million in contributions and $117 million in interest. Railroad retirement benefits of $621 million were paid in 1958 (net of $124 million received from the old-age and survivors insurance trust fund under the financial interchange provisions mentioned earlier). Administrative expenses for the year were $9 million. Total assets of the account on December 31, 1958, were $3,624 million, of which $3,621 million was invested and $3 million was in undisbursed cash balances. The interest rate for special obligations issued to the railroad retirement account is set by law at 3 percent.

Contributions to the civil-service retirement fund totaled $1,462 million in 1958, and interest earned $199 million. Benefits of $735 million were paid during the year. The administrative expenses of the civil-service retirement program are chargeable not to the fund but to the General Treasury. At the end of 1958 the invested assets of the fund amounted to $8,571 million.

All types of special Government obligations totaled $44,840 million at the end of 1958, 16.0 percent of the outstanding interest-bearing Federal debt. Together, the three social security funds held 55.9 percent of all special obligations, compared with 59 percent in 1957 and the 2 previous years. Most of the remainder was held by related trust funds, including the civil-service retirement fund (18 percent), the several veterans' insurance funds (15 percent), and the railroad retirement account (8 percent).

National Conference on Homemaker Services

To encourange the development of programs to help families maintain themselves at home when illness or some other major crisis occurs, a National Conference on Homemaker Services was held in Chicago on February 10 and 11, 1959. About 285 persons attended. The conference was sponsored by 26 national agencies and by the following units of the Department of Health, Education, and Welfare—the Social Security Administration (Office of the Commissioner, the Children's Bureau, the Bureau of Public Assistance, and the Bureau of Old-Age and Survivors Insurance); the Public Health Service; the Office of Education; and the Special Staff on Aging.

The conference advanced a basic new concept in community social planning—that homemaker services[1] should be available to any family or individual needing them, regardless of income—and the members agreed that, if the services are to be extended throughout the Nation, a vigorous partnership must be established at Federal, State, and local levels. Recommendations to achieve this purpose took various forms.

1. That the Executive Committee of the National Conference on Homemaker Services take steps "without delay to sponsor and plan a multidiscipline study and evaluation of the existent variations in homemaker services programs."

2. That a continuing mechanism be established at the national level to study programs and guide and help

[1] The question of the appropriate name for the services was discussed during the conference but was left unresolved. One group suggested that the service should be renamed "family-aide" service; another, "home-aide" service.