

income maintenance and welfare service programs—the expenditures reported in table 12—do not cover the whole range of income maintenance. Retired persons, disabled earners, and widows and orphans have sources of support that are not identifiable in statistics of income flows and therefore are not represented in the totals.

Moreover, public-private comparisons are complicated further by tax considerations. Federal and State tax systems extend direct advantages to incomes of families whose earning power is affected by age or infirmity or is spread thin in supporting a large number of dependents. Also, private programs enjoy substantial tax benefits.

In this connection, it should be noted that the Joint Economic Committee has given attention to various questions that have been raised about the income maintenance system of the United States. Partly as background for its consideration of public policy issues in this field, the committee has in recent years published studies of the status of low-income families in relation to economic growth, income distributions in the United States, and European social security systems. Currently the committee is studying selected aspects of private pension programs, as a basis for assessing their role in the income structure.

It may be significant that aggregate public and private expenditures for organized maintenance and welfare service programs have grown faster than the GNP over the past 15 years—and that the growth in the private sector relative to GNP has been the more rapid. Private expenditures reported in the table rose from 0.3 percent of the GNP in 1950 to 0.7 percent in 1955, passed 1 percent in 1961, and were estimated at 1.1 percent in 1966. Public expenditures—Federal, State, and local together—rose from 4.0 percent of GNP in 1950 to 5.5 percent in 1960 and fluctuated at 6.0 to 6.2 percent during 1961–66.

In the public programs, the maturing and extensions of coverage of the old-age, survivors, and disability and the unemployment insurance systems, first established on a much smaller scale in the depression of the 1930's, have been major factors in providing assured minimum incomes to millions of our people at times of special need. In an increase of nearly \$34 billion in public expenditures for income maintenance and welfare service programs from 1950 through 1966 (as shown in table 12), some \$26.5 billion was in the social insurance programs. In the years immediately ahead, the medicare program will be a major new element.

Now there is growing public attention focused on more effective governmental provisions to maintain or provide minimum levels of income. This includes measures to bolster the OASDHI and unemployment insurance systems. It may involve substantial reorientation of public assistance. It may require new comprehensive programs. There is growing recognition that every family or individual should have access at all times to purchasing power that will assure a socially acceptable minimum level of support; and that, to this end, steps should be taken to establish an effective income floor for all those who are incapable of self-support, whether by reason of age, ill health, physical or mental impairment, family burdens, or other handicaps.

The recent report of the Advisory Council on Public Welfare, appointed by the Secretary of Health, Education, and Welfare, began with the following comments:

Public welfare is the only governmental program operating in the United States today which has as its assigned task the provision of an ultimate guarantee