

The income deficiency of the poor, that is the gap in the amount of income between what they actually have and the social security standard of poverty in 1965 was \$11 billion; this is the total amount by which their incomes fell short of the poverty line. Without the social security and public assistance programs the deficiency would have approached \$20 billion. The impact of the present programs is very substantial, but of course a substantial gap remains as well.

Despite the improvements that have been made in these programs in recent years many persons still remain poor. Legislation proposed this year, both for social security and public assistance will further improve these programs—but we will still be short of filling the basic income needs of the poor—even of the poor who could not be considered potential labor force members.

SOCIAL SECURITY PROPOSALS

The President has proposed a number of significant improvements in the social security program. They are designed primarily to raise benefits from their present inadequate levels, but there are other objectives as well; to permit greater work force participation of beneficiaries who are able to work; to provide health insurance benefits to disabled beneficiaries; to seek better coverage of farmworkers who are presently severely disadvantaged because of the transitory nature of their employment; to provide benefits for disabled widows; and to guarantee at least \$100-per-month benefit for anyone who has worked substantially in covered employment, under the social security program, for 25 years. There are other significant but less general changes proposed. These revisions will increase old-age, survivors, and disability insurance (OASDI) outlays by about 20 percent—by \$4.1 billion—in the first year after they take effect in July 1, 1967.

Many people not only have been but are disturbed when they learn that almost 2.5 million OASDI beneficiaries have benefits of \$44 or less per month; that 2 million aged persons are receiving public assistance; and that one-half of the OAA recipients are OASDI beneficiaries whose incomes are below destitution level even though they earned social security eligibility. It is an uncomfortable fact that despite OASDI over 5 million of the aged have incomes below the poverty level at the present time.

Some persons are convinced that we should not spend additional amounts for social programs at the present time. The administration has taken the view that although some types of expenditure should be postponed; others should not. There is a vast difference between rescheduling the completion of public works such as superhighways and putting off action on the plight of elderly citizens. Similarly, action must be taken promptly for widows and children who are trying to subsist on lagging survivor benefits.

The administration seeks in its proposals:

(1) To make some adjustments which improve protection for currently active workers. For most of them the social security system is their major bulwark against income loss when they retire, are disabled, or die leaving dependents.

I want to emphasize, Mr. Chairman, and members of the Joint Economic Committee that the social security system is not solely a