retirement system. It also provides disability insurance and survivors benefits—what you might call a form of monthly life insurance protection. Survivors' benefits for the widow and children are really a form of monthly payments of a life insurance character. There are three types of benefit provisions.

The proposed revisions increase coverage for some new workers and in a series of steps broaden the base upon which benefits are calculated. The base will increase by steps from the current $6,600 a year to $10,800 in 1974. The change will increase the value of survivor's insurance for the worker's family. It will do that, of course, reasonably promptly.

It also raises the size of the disability and retirement benefit which the average worker may utlimately receive. As a result he may look forward to a more satisfactory level of income replacement when he becomes disabled or retires.

(2) To raise benefits for the 23 million beneficiaries already on the rolls who have been experiencing loss of real purchasing power because of price increases and whose benefits even before such deterioration were lower than I think this country should accept. At the present time a man who had earnings at about the average for male workers today will get a retirement benefit that replaces only about 30 percent (the man and wife both of whom are 65 and over, about 45 percent) of his previous earnings. Each of the 23 million social security beneficiaries will gain as a result of the changes but gains will be relatively greatest for those currently receiving minimum benefits.

The proposed changes are designed to improve protection for both covered workers (roughly, 86 million if you take into account people who come in and out of the labor market and not just the ones who are just working at the given moment), and current beneficiaries (roughly, 23 million).

The new benefit formula provides that persons currently receiving minimum benefits will have their benefits increased by 59 percent. More than 1 million persons over 72 years of age who receive benefits although they do not meet the insured status requirements will receive sharply increased benefits. These changes, which seen modest in absolute terms (the minimum primary insurance amount will go up from $44 to $70; payments to the special group over 72 increases from $35 to $50 for an individual) should have a substantial impact on poverty among the aged.

New provisions extending coverage to an additional 500,000 farmworkers would increase protection for a group among whom the incidence of poverty is high.

The combined changes in social security suggested by the President would reduce by more than 1.5 million the number of persons in the United States living in poverty, and I think that is a rather striking and important aspect of these recommendations. It would reduce the number of aged poor as well as the number of disabled and survivors, who are living in poverty.

Proposals that would provide only an 8-percent-benefit increase, a number of which have been introduced in Congress, would reduce the numbers of persons in poverty by only one-half million.

The proposals, made by the President, also include liberalization of the retirement test. Beneficiaries who are in a position to earn will