

Although the contribution rates recommended do not change in 1967-68, there will be an immediate fiscal impact.

Both income and outlays of the trust funds will be higher than they otherwise would be. In both calendar 1967 and calendar 1968 the excess of income over outgo will be less if the changes are made than if no benefit increases are made. This decrease, unless other offsetting actions are taken, will have a stimulating effect upon the economy. The Actuary estimates that, if the 1967 proposals are adopted, the OASDI trust funds will sustain a \$1.7 billion excess of income over outgo in calendar 1967; or about \$600 million in calendar 1968. If no changes are made, the excess would be \$3.8 billion in calendar 1967 and \$4.2 billion in calendar 1968.

Representative REUSS. May I interrupt you there to do a little arithmetic?

What is the difference between adopting the proposal and not adopting it?

Mr. COHEN. If the proposals are adopted, the buildup in the reserves in those 2 years would be \$2.1 billion less in calendar year 1967 and \$3.6 billion in calendar 1968.

We believe that the policy which has been pursued by Congress since 1950—a policy of virtual pay-as-you-go financing accompanied by frequent examinations of longer range actuarial needs—has proven it merit and should be continued.

The President's proposals would make important improvements in the social security program that would help to meet the needs of the aged and reduce the extent of poverty. There is no reason, in my opinion, in a country as prosperous as the United States why social security beneficiaries—the retired, widowed, orphaned, and disabled—should be denied a measure of dignity and self-sufficiency in our society. They have contributed a share in the growth of this Nation and I believe that the social security system is a mechanism by which they should and can share in our expanding prosperity.

HEALTH AND EDUCATION

Now, turning very briefly to some of the education and health aspects of our Department, which are, of course, among the Nation's overriding concerns. They are essential to human development and fulfillment. Unnecessary suffering and illness, illiteracy and inferior education hold men in bondage.

While great strides have been made in recent years in both health and education, there are still many unfilled needs and our task is not yet complete. Thus, the President has proposed major improvements in education and health programs. These include—

Additional funds for the Elementary and Secondary Education Act so that we may reach an additional 1 million culturally deprived children.

An increase in the amount of aid provided or guaranteed to college students of \$200 million allowing an increase of over 300,000 in the number of students aided or a total exceeding 2 million individuals.

Additional funds to increase the number of community mental health centers, the number of medical schools, and the number of students enrolled in the health and allied health professional fields.