always think in a system like this, in an economy which is as dynamic as ours, in which the purpose of social security is to assure people of continued payment of benefits, that a somewhat larger current reserve would be more satisfactory.

Representative WIDNALL. One other thing. I am very deeply concerned by the fact that I believe right now we have built into the social security system a means of trying to keep people on the poverty level, and that is by the limitation on earnings.

It seems to me that that is one of the first things we should do. We should materially increase the amount of earnings a person could have and still retain their social security, and I know in our own office and many other congressional offices, we are told there are thousands and thousands of people who are physically capable of working who find difficulty in getting full-time jobs at their age, but are perfectly capable of taking part-time jobs that could materially add to their earnings, and also maintain them on a far better than poverty level.

Mr. COHEN. The President's recommendations would increase the present $1,500 limitation to $1,680, Mr. Widnall. That is a 12-percent increase.

Representative WIDNALL. But I think that is really chickenfeed when you are talking about the rise in the cost of living in our economy, the material increases that have taken place. I think something substantially more than that must be done.

Mr. COHEN. Well, I think the problem presented there is the distinction between part-time and full-time work. I think the question is at what point would you be paying people their full benefit while they are working full time.

In other words, at some point along here, we will have to make a decision of whether we want to pay social security benefits when people are working full time. Should it be an annuity program or should it be a retirement program?

Now I appreciate that there are differences of opinion where the exempt amount should be, $1,500 or $1,680 or some higher amount, but if you pay all individuals over 65 who are working, it would cost $2 billion more in benefit expenditures per year. And all of that money would be going to people who were working, while the people who were not working wouldn't get any increase in benefits. So I think you have to balance those factors.

I am just saying that major fiscal, economic and social policies are involved in making that decision.

Representative WIDNALL. Thank you, Mr. Cohen. My time is up.

Chairman PROXMIRE. Mrs. Griffiths?

Representative GRIFFITHS. Thank you, Mr. Chairman.

May I ask, Mr. Secretary, if a man is working in covered employment and passes away, what is the maximum family maximum that the widow and children can draw?

Mr. COHEN. Today, under the present law?

Representative GRIFFITHS. Yes.

Mr. COHEN. $368, Mrs. Griffiths.

Representative GRIFFITHS. How many children?

Mr. COHEN. A widow and two children, or a family consisting of three children would get $368.