dential proposal. The first column gives B/W for beneficiaries earning the highest level of taxable wages; the second column, for beneficiaries who received the legal minimum because their qualifying wages were so low the ordinary rules for computing benefit levels did not apply; the third, for beneficiaries just above the floor, a category we perhaps could consider the "normal" low-wage taxpayer.

TABLE 7.—RATIO OF MONTHLY BASIC BENEFIT TO AVERAGE TAXABLE WAGES, SELECTED BENEFIT LEVELS, 1939-65

Year enacted	Average monthly taxable wages as multiple of monthly benefit			Col. (2) as multiple of col. (1)	Col. (3) as multiple of col. (1)
	(1) Maximum wage	(2) Minimum wage qualifying [1]	(3) Minimum wage not dependent on benefit floor [2]		
1939	.24	.6	.40	2.5	1.7
1950	.27	1.2	.50	4.4	1.8
1952	.28	1.5	.55	5.4	2.0
1954	.31	1.8	.55	5.8	1.8
1958	.32	2.0	.59	6.2	1.8
1961	.32	2.4	.59	7.5	1.8
1965	.31	2.6	.63	8.5	2.0
Increase, 1939-65 (percent)	29.2	333	57.5	240.0	17.6
Presidential proposal	.32	4.2	.72	13.5	3.4

[1] Assumes $50 earned per quarter in all 4 quarters each year employed (see text footnote 22).
[2] Equal to $25 in 1939; $40 in 1950; $45 in 1952; $54 in 1954; $56 in 1958; $68 in 1951; $70 in 1965.

Source: Computations based on Robert J. Myers, Old-Age, Survivors, Disability and Health Insurance Provisions: Legislative History, 1935-65, Social Security Administration, July 1965; Committee on Ways and Means, Section-by-section analysis and explanation of provisions of H.R. 5710, the "Social Security Amendments of 1967 * * *", February 1967.

B/W has increased for all three categories. For beneficiaries earning the maximum wage, it increased from 0.24 in 1939 to 0.31 in 1954, where it stands today. For the normal-low wage beneficiary, B/W began at 0.40 in 1939, and has risen gradually to 0.63 today. In striking contrast, B/W for those receiving the minimum benefit has risen from 0.6 to 2.6 today.[2] Over the 26 years since 1939, B/W increased about 29 percent for the high-wage beneficiary, 57 percent for the normal-low wage beneficiary, and 333 percent for the minimum benefit category.

Inevitably, the uneven changes in B/W brought changes in the relationship among the three categories. B/W for the normal-low wage category began 1.7 times as large as the B/W for the high-wage category, then slowly increased until today is 2 times as large as the latter. B/W for the minimum category began at 25 times the high category, rapidly increasing to 8.5 times in 1965.

The President's proposal would accelerate the trend of the past quarter century to an incredible degree. B/W would remain unchanged at 0.31 for high beneficiaries, and shoot to 4.2 for minimum beneficiaries. Under this proposal, B/W for normal-low beneficiaries would be 3.4 times as large as for high beneficiaries, while B/W for minimum beneficiaries would be 13.5 times as large as for high beneficiaries and 4 times as large as for normal-low beneficiaries.

[2] The base used for estimating the minimum wage was conservatively set at $16.67, on the basis that since the beginning of the system, $50 earnings in a quarter will give a taxpayer a quarter of coverage. A representative of the social security regional office, New York City, has pointed out to me that present law specifies a person is covered if he has one such quarter of coverage for every year which has elapsed since 1951, or, in effect, average monthly earnings of $4.17 since that date. I prefer to assume my low-wage taxpayer earned $200 a year, rather than the $50 which could qualify him, on the practical ground that a $4.17 base would lead to results that, while technically correct, would appear too ridiculous to believe.