and principles of the contributory program by making it unnecessary for social insurance to try to do the whole job. A temptation that we are faced with right now is that, in this first generation of coverage under social insurance, there are so many of the poor among retired people—those whose jobs (or in the case of widows, whose husband's jobs) were not covered until relatively recent years—that one is tempted to push up the minimum under contributory insurance so that it is reasonably adequate in itself. But to go too far in this direction is to risk undermining the principle of the benefit-wage relationship to solve what, in major impact, is a relatively shortrun problem. We compromise, correctly I believe, when realizing that the low-paid worker regularly under the program will get much more than the minimum, we try to arrive at a minimum for the short-term contributor that will do a lot of good now but will not be so high as to endanger for the long run the principle that benefit essentially should grow out of work and contributions.

The other basic issue on the benefit side is how much social insurance should do for middle income and higher paid people. To what extent is the Federal system to be thought of not as guaranteeing a minimum level of living but designed to maintain in retirement a reasonable relationship of income to the past earnings of workers at all levels—middle and higher earnings as well as low-income levels? There is now widespread acceptance that our arrangements for retirement should be made up of a universal Federal system supplemented by private pensions. It probably is not true that we count on most workers in the future having protection under both social security and private pensions. We need to give some thought, it seems to me, to ways in which we can assure that postretirement benefits will be adequate for persons who do not have a private pension supplement so that the income of such people, in all likelihood the great majority of workers, is reasonably related to their previous level of living.

In considering the proper course of development for either social security or private plans, it is important to take into account what effect a given plan of action or inaction in one area will have on the other. There is, in my opinion, a great need for more analyses comparing the social efficiency of the two approaches. For example, there has been considerable criticism of the incidence of the social security payroll tax but very little recognition that the incidence of the cost of private plans is undoubtedly very similar. Questions are raised around the issue of supplying more than the minimum income guarantee in a social security system that is compulsory, but little recognition is given to the fact that coverage under private pension plans is not really a matter of individual choice and that the private plans are institutional arrangements through which people earn protection as they work, just as under social security—automatically. Comparative analyses would, I believe, make clearer the considerable differences between the arrangements in terms of a worker's freedom to move from job to job, the security of payment, the ability of the systems to adjust to rising price and wage levels, the ability to provide universal coverage, and other differences pertinent to social efficiency.

One of the most important issues in connection with long-range financing of the social security program is whether, if benefits are to