IN THE SENATE OF THE UNITED STATES


submitted the following resolution; which was

RESOLUTION

Resolved, That the existing Federal Old-Age and Survivors Insurance System as established in the Social Security Act, as amended, is deficient in many respects and particularly in that (1) the benefits payable under it are not adequate to enable the beneficiaries to maintain even a minimum subsistence level, (2) the coverage of the system is so limited as to exclude a large percentage of the gainfully employed, (3) no provision is made for the payment of benefits to workers who become physically disabled prior to retirement age, and (4) the system requires the keeping of such extensive records by the Federal Government and employers as to result in excessive administrative costs; and

Whereas the deficiencies in the coverage of and benefits payable under the Federal Old-Age and Survivors Insurance System have been responsible to a considerable extent for the establishment of an ever increasing number (currently more than 13,000) of systems of private pensions and have necessitated the maintenance of the Old-Age Assistance System under which the Federal Government makes grants to the States to defray a substantial portion of the costs borne by the States in making grants to the needy aged; and

Whereas the operation of the Old-Age Assistance System by the States results in a wide variance in the eligibility requirements and in the scale of payments in the different States; and
Whereas the costs of the benefits payable under, and the expenses of administering, the existing Federal and private systems for the payment of benefits to the aged are borne either by direct or hidden taxes or high prices by the public at large although the benefits are shared by a limited group; and

Whereas there is now pending before the Senate Finance Committee a bill (H. R. 6000) which, if enacted, would correct to some extent some of the deficiencies in the existing Social Insurance System but which is totally inadequate to provide for a simplified system for the payment of adequate benefits to enable the aged and physically disabled to maintain a decent standard of life; and

Whereas the formulation of the necessary amendments to H.R. 6000, or of other appropriate legislation, to provide for such a simplified system will require extensive hearings and investigations by the committee and a sweeping revision of existing laws:

Therefore be it

Resolved, That the Senate Committee on Finance is authorized and directed to make a full and complete study and investigation of the problem of providing for a simplified Federal system for the payment of adequate benefits to the aged and disabled citizens of the United States to enable them to maintain a decent standard of life, with a view to the recommendation to the Senate of legislation (either in the form of amendments to H. R. 6000 or a substitute for such bill) providing for (1) the payment by the Federal Government of an adequate pension to any citizen who attains the age of 65 or who becomes physically disabled and applies for such pension, (2) the imposition of a tax of 100 per centum on the annual income (including old-age or disability pension) in excess of $1,500 (or such other sum as the committee may determine) of any person eligible for old age or disability pension who elects to receive such pension, (3) the financing of the payment of old-age and disability pensions by the imposition of a Federal tax at the final point of manufacture or production or by such other method of raising revenue as may be determined by the committee, after adequate hearings, to be more economically sound for raising the required revenue, and (4) the use of moneys in the Federal Old-Age and Survivors Insurance Trust Fund as a capital fund with which to place the system of old-age and disability pensions in operation.

Sec. 2 For the purposes of this resolution, the committee, or any duly
authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $ , shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.