

1993

[June 19-22, 1949]

Memorandum for governors' conference

SOCIAL SECURITY AND WELFARE

There is general agreement among many authorities on the need for a review of the old-age and survivors insurance program and of other phases of the Federal government's participation in the public welfare.

Specific proposals for extensive revision of the system, such as HR 2893 and the report of the Advisory Council to the Senate Finance Committee, are already pending. Both proposals call for broadly expanded coverage, higher benefit levels, liberalized eligibility requirements, and additional types of benefits.

No further specific legislation should be undertaken by the Congress until a comprehensive review of the entire field can be made by a legislative committee. It appears that an attempt to add to or revise the social security system without an authoritative study of its many aspects might be unsound at this time. This study should include not only the benefit formula, the coverage afforded, and the scope of protection of the system, but also contributions and financial policy.

In view of current national trends, such a study also should be made with the particular purpose in mind of providing, in our social security laws, the maximum of state management and control. Every precaution should be taken in any new legislation

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to preserve our federal system, and to maintain the traditional balance among local, state, and federal levels.

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In any consideration of possible revision of social security and Public Welfare legislation, <sup>I think</sup> two points appear to be of special worth. They are:

(1) That the Federal government should apportion its assistance to the states ~~(in this field)~~ on the basis of need.

~~Since~~ The theory of public welfare legislation is based upon the protection of the general welfare, <sup>It</sup> is apparent that such protection may best be afforded if the states having the lowest per capita income receive the most assistance. [The present formula places the least aid where the need is greatest.

(2) That every attempted revision of social security laws/should tend to strengthen the insurance phase of the system, so that the need for public assistance/may be rendered less compelling.

As the self-help principle of social security insurance is extended, the cost of direct benefits will be correspondingly decreased.

*encourage more thrift and self reliance but, will  
this will not only relieve the Fed. Govt.  
+ the states of a great portion of the terrific  
burdens for public assistance, which they now  
bear.*