

CRS Report for Congress

Major Decisions in the House and Senate Chambers on Social Security: 1935-1985

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ABSTRACT

This paper reviews the major voting decisions taken by the House and the Senate in passing the original Social Security Act and in amending it from 1936 through 1985. Discussion centers on Old-Age, Survivors and Disability Insurance (OASDI) votes, although votes on Medicare and other programs are brought up occasionally. This paper attempts to give the reader the tone and context of House and Senate debate on individual social security issues.

PREFACE

During the **50-year** period since the enactment of the Social Security Act, there have been hundreds of amendments to the Act. Many, perhaps most, of the amendments have been to the Social Security program itself, which encompasses just one title of the Act. Consequently, this paper could not possibly be comprehensive) nor does it try to be. Instead, it briefly summarizes discussions on individual major amendments. These summations clearly do not capture the range of motivations behind social security votes; rather they record the arguments expressed at the time and, by so doing, attempt to give the reader the tone and context of the debate on major social security issues brought before the House and Senate chambers.

The impetus for this report comes from the many inquiries that CRS gets for social security vote information, which range from requests for general information about legislative action over the years to requests for information about specific floor amendments. The paper is thus intended to be a reference document on the major statutory decisions taken by Congress on the Social Security program. A detailed table of contents and a summary table of the legislation discussed are provided to aid the reader.

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MAJOR DECISIONS IN THE HOUSE AND SENATE CHAMBERS ON
SOCIAL SECURITY: 1935-1985

I. INTRODUCTION

The Social Security Act of 1935 established a Federal old-age pension, financed with employee-employer payroll taxes, for most workers in commerce and industry. Congress since then has changed the social security program many times.

Amendments to the original Act have: added survivors' and dependents' benefits; added disability, hospital, and medical insurance; expanded coverage to new groups of workers; lowered the minimum age for retirement benefits; increased payroll taxes; raised benefits; provided for automatic adjustment of benefits to reflect inflation; and made numerous other changes.

This paper reviews the major votes taken by the House and Senate in passing the original Act and in amending it from 1936 through 1985. Discussion centers on Old-Age, Survivors and Disability Insurance (OASDI) votes, although Medicare and other programs are brought up occasionally. The discussion of the votes is set forth in terms of House action, Senate action, and conference agreements, and it gives the party breakdown for most votes discussed (D = Democrat, R = Republican, I = Independent). The paper looks not only at votes on final passage of bills and adoption of conference reports, but also at votes on amendments considered on the floor of the House and Senate and at votes for recommitment to committee just before passage. It generally does not examine votes that occurred at the committee level. The primary source of the vote information

was the Congressional Record. The primary source of the information for the separation of the vote by political party was the Congressional Quarterly.

From the start the old-age benefits program aroused argument. Opponents said that the payroll or social security tax was likely to overburden industry, reduce the purchasing power of workers, and endanger the growth of private pension plans. In addition, some argued that huge reserves to be built up in the old-age reserve account would **become** a tempting source of funds that the Government could borrow for current spending and, thus, would lead to an increase in the Federal debt. Fear that the reserve account would be used to subsidize "New Deal" projects was one reason why some members argued for current financing (pay-as-you-go) of old-age benefits. Some opponents maintained that the Federal Government did not have the constitutional power to create a national pension plan. Some questioned whether the system could be kept financially sound and whether adequate earnings records could be maintained for so many millions of workers. Still others criticized the program as not generous enough. They protested that it gave only partial protection and minimal benefits, and that it imposed a regressive, "soak-the-poor" tax.

Proponents maintained that social security would provide protection against destitution and dependency in old age and that it would provide persons with an opportunity to care for themselves in old age on a more adequate basis than could be obtained from State old-age assistance payments (welfare). Some **re-**garded the proposal's self-financing method--payroll taxes on employer and employees--as a strength. Since workers would be required to pay taxes on their wages in order to receive social security, they would acquire an earned right to benefits, and no income test would apply. Further, some said that because the system would be financed by earmarked payroll taxes, it would be relatively free from political and economic pressures that might impair its financial soundness and capacity to do the job intended.

TABLE 1. Social Security Laws, 1935-85

Year	Title	Public law	Bill number
1935	Social Security Act	P.L. 74-271*	H.R. 7260
1939	Social Security Amendments of 1939	P.L. 76-379*	H.R. 6635
1942	Revenue Act of 1942	P.L. 77-753*	H.R. 7378
1943	Joint Resolution Regarding Tariff Act	P.L. 78-211*	H.J. Res. 171
1943	Revenue Act of 1943	P.L. 78-235*	H.R. 3687
1944	Federal Insurance Contributions Act of 1945	P.L. 78-495*	H.R. 5564
1945	Revenue Act of 1945	P.L. 79-214*	H.R. 4309
1946	Social Security Amendments of 1946	P.L. 79-719"	H.R. 7037
1947	Social Security Amendments of 1947	P.L. 80-379"	H.R. 3818
1948	Exclusion of Certain Newspaper and Magazine Vendors from Social Security Coverage	P.L. 80-492*	H.R. 5052
1948	Maintain Status Quo Concept of Employee	P.L. 80-642*	H.J. Res. 296
1950	Social Security Act Amendments of 1950	P.L. 81-734*	H.R. 6000
1952	Social Security Act Amendments of 1952	P.L. 82-590*	H.R. 7800
1954	Social Security Amendments of 1954	P.L. 83-761*	H.R. 9366
1956	Social Security Amendments of 1956	P.L. 84-880*	H.R. 7225
1958	Social Security Amendments of 1958	P.L. 85-840	H.R. 13549
1960	Social Security Amendments of 1960	P.L. 86-778	H.R. 12580
1961	Social Security Amendments of 1961	P.L. 87-64	H.R. 6027
1964	<u>Proposed</u> Social Security Amendments of 1964	-----	H.R. 11865
1965	Social Security Amendments of 1965	P.L. 89-97	H.R. 6675
1966	Tax Adjustment Act of 1966	P.L. 89-368	H.R. 12752
1967	Social Security Amendments of 1967	P.L. 90-248	H.R. 12080
1969	Tax Reform Act of 1969	P.L. 91-172	H.R. 13270
1971	Public Debt Limit, Increase; Social Security Act, Amendments	P.L. 92-5	H.R. 4690
1972	Public Debt Limit; Disaster Losses; Social Security Act, Amendments	P.L. 92-336	H.R. 15390
1972	Social Security Amendments of 1972	P.L. 92-603	H.R. 1
1973	Social Security Benefits, Increase	P.L. 93-233	H.R. 11333
1977	Social Security Amendments of 1977	P.L. 95-216	H.R. 9346
1980	Social Security Disability Amendments of 1980	P.L. 96-265	H.R. 3236
1980	Reallocation of OASI and DI Taxes	P.L. 96-403	H.R. 7670
1980	Retirement Test Amendments	P.L. 96-473	H.R. 5295
1981	Omnibus Budget Reconciliation Act of 1981	P.L. 97-35	H.R. 3982
1981	Social Security Amendments of 1981	P.L. 97-123	H.R. 4331
1983	An Act Relating to Taxes on Virgin Islands Source Income and Social Security Disability Benefits	P.L. 97-455	H.R. 7093

TABLE 1. Social Security Laws, 1935-85--Continued

Year	Title	Public law	Bill number
1983	Social Security Amendments of 1983	P.L. 98-21	H.R. 1900
1984	Social Security Disability Benefits Reform Act of 1984	P.L. 98-460	H.R. 3755
1985	Public Debt Limit--Balanced Budget and Emergency Deficit Control Act of 1985	P.L. 99-177	H.J. Res 372

* The printed law does not show the ordinal number of the Congress that passed it. The number is given here for reference purposes.

II. CHAMBER VOTESA. P.L. 271--74th Congress, Enactment of
the Social Security Act (H.R. 7260)

The Social Security Act became law on August 14, 1935, when President Roosevelt signed H.R. 7260. Title II of the Act created a compulsory national old-age benefits program, covering nearly all workers in commerce and industry and providing monthly pensions at age 65 for insured workers. A benefit weighted toward lower-income workers was to be based on cumulative wages and was to be payable beginning in 1942 to persons aged 65 and over who had paid social security taxes for at least five years. The benefit was to be withheld from an otherwise qualified person in any month in which he or she worked during any part of the month. Under title VIII of the Act, a payroll tax of one percent each on employees and employers, payable on earnings up to \$3,000 each year, was to be imposed as of January 1, 1937, on covered jobs, and was scheduled to rise in steps to three percent by 1949.

Besides old-age benefits, the Act provided for a system of Federal-State unemployment compensation funded with employer payroll taxes, and for grants to States to help fund assistance payments to certain categories of needy persons (the aged, the blind, and children under 16 who had been deprived of parental support), child welfare services, and maternal and child health services.

When the Act was debated in Congress, leading Republicans in the House and Senate made attempts to delete the provisions creating the old-age pension system. They said they preferred to rely solely on the assistance (charity/welfare) approach to help the aged. They argued that the payroll tax/insurance

mechanism of the old-age benefits provisions might be unconstitutional and that, at any rate, it would impose such a heavy tax burden on businesses that it would retard economic development. The minority membership of the Ways and Means Committee stated, in the Committee's report to the House, that the **old-age** benefits program (title II) and the method by which the money was to be raised to pay for the program (title VIII) established a "bureaucracy in the field of insurance in **competition** with private business." They contended further that the program would "destroy old-age retirement systems set up by private industries, which in most instances provide more liberal benefits than are contemplated under title II." 1/ Although party members tried to remove the old-age benefits provisions, the majority of Republicans in both chambers nevertheless did vote for the final social security bill. During congressional debate, Democrats generally supported the proposed old-age benefits program.

1. House Action

Debate on the social security bill started in the House on April **11** and lasted until April 19, 1935. Approximately 50 amendments were offered, but none of them came close to passing. According to Edwin Witte, a key player in the development of the Social Security Act, House leaders passed the word around that they wanted all amendments defeated. 2/

Four particularly significant votes were: Mr. Monaghan's amendment proposing a revised Townsend plan (see pages 14-16) and Mr. Connery's amendment proposing the Lundeen plan, both amendments (described below) calling for a

1/ U.S. Congress. House. Committee on Ways and Means. The Social Security Bill. Report to Accompany **H.R.** 7260. Report No. 615, 74th Cong., 1st Sess. Washington, U.S. Govt. Print. Off., 1935. **p.** 44.

2/ Witte, Edwin E. The Development of the Social Security Act. The **University** of Wisconsin Press, 1963. **p.** 98.

more generous social insurance system; Mr. Treadway's motion to recommit H.R. 7260 to delete the old-age benefits program and taxes related thereto; and the vote on final passage of the bill.

- a. On April 18, 1935, Mr. **Monaghan** (D-Mont.) offered an amendment, introduced in its original form by Mr. **McGroarty** (D-Calif.) and referred to as the Townsend plan, which required the Federal Government to pay a **\$200-a-month** pension to everyone 60 years of age and older, to be financed by a two percent tax on "all financial" transactions (essentially a sales tax). (For more details on the Townsend plan see discussion of the 1939 amendments, page 14.) Mr. Monaghan's amendment, although less costly than the original Townsend plan, was rejected by a vote of 56 to 206. 3/ 4/
- b. On **April** 18, 1935, Mr. Connery (D-Mass.) offered an amendment that contained the provisions of a bill sponsored by Mr. Lundeen (Farmer-Laborite-Minn.). The Lundeen bill, which was approved 7-6 by the House Labor Committee, called for the "establishment of a system of social insurance to compensate all workers and farmers, 18 years of age and over, in all industries, occupations, and professions, who are unemployed through no fault of their own" 5/ Mr. Lundeen's plan offered higher benefits than the **Committee's** bill, and tied benefits to the cost of living. Under the Lundeen proposal, a more generous social insurance program was to be extended to all workers and farmers unable to work because of illness, old age, maternity, industrial injury, or any other disability. This system was to be financed by taxes falling most heavily on persons with higher incomes (by levying additional taxation on inheritances, gifts, and individual and corporation incomes of \$5,000 a year and over). There was a division vote of 52 in favor and 204 opposed. Mr. Connery

3/ Congressional Record. Apr. 18, 1935. House. p. 5958.

4/ The vote on the Townsend plan amendment was not taken by roll call, but **by** division. Note: A division vote, also called a standing vote, is taken as follows: Members in favor of a proposal stand and are counted by a presiding officer; then Members opposed stand and are counted. There is no record of how individual Members voted.

The members voting for the Townsend plan amendment, however, were listed in newspapers. The majority of Members who voted for the Townsend plan were conservative Republicans who opposed the entire social security bill. Witte, *The Development of the Social Security Act*, p. 99.

5/ Congressional Record. Apr. 18, 1935. House. In floor remarks by Mr. **Lundeen**. p. 5965.

asked for tellers. The Connery amendment was rejected by a 40-158 teller vote. 6/

- c. On April 18, 1935, Mr. **Treadway** (R-Mass.) offered an amendment to strike title II, the old-age benefits provisions, from the bill. Mr. **Treadway** was opposed to the old-age benefits provision and to the taxing provisions of title VIII. He said that it set up a form of payment that was financed in an unconstitutional manner. He indicated that the tax would be particularly burdensome on industry, running up to six percent on payrolls. He said that "business and industry are already operating under very heavy burdens*" and maintained that many businesses were barely able to keep their heads above water and to add a payroll tax to their burden would probably cause more unemployment and more uncertainty. 7/ Mr. Jenkins (R-Ohio), supporter of the **Treadway** amendment, stated that making each worker pay three percent of his money for old-age benefits, whether he wanted to or not, and requiring employers to do the same was clearly unconstitutional. He said, "Why talk about wanting to relieve the depression, why talk about charity, why talk about all these other things when you are placing a financial lash upon the backs of the people whose backs are breaking under a load of debts and taxes?" He described the old-age benefits system as "compulsion of the rankest kind ." 8/ The **Treadway** amendment was defeated by a 49-125 teller **vote. 9/**
- d. On April 19, 1935, Mr. **Treadway** (R-Mass.), ranking minority member of the Ways and Means Committee, made a motion to recommit H.R. 7260. The recommittal motion included instructions to the Ways and Means Committee to strike out the old-age and unemployment insurance provisions and to increase the Federal contribution for the welfare program of old-age assistance, title I of the bill. 10/ Mr. **Treadway** was opposed to both the old-age benefit and **unemployment** insurance provisions of the bill. He stated that those provisions were not emergency measures and that they

6/ Congressional Record. Apr. 18, 1935. House. p. 5969. In the House, members would file past tellers and be counted as for or against a measure, but they were not recorded individually. A teller vote did not identify the voters by name. The teller vote has not been used in the House in many years and was never used in the Senate.

7/ Congressional Record. Apr. 18, 1935. House. In floor remarks by Mr. Treadway. p. 5990. Also see, Congressional Record. Apr. 12, 1935. House. p. 5531.

8/ Congressional Record. Apr. 18, 1935. House. In floor remarks by Mr. Jenkins. p. 5993.

9/ Congressional Record. Apr. 18, 1935. House. p. 5994.

10/ Congressional Record. Apr. 19, 1935. House. p. 6068.

"would not become effective in time to help present economic conditions, but, on the contrary would be a definite drag on recovery." 11/ He maintained that old-age benefits and the taxes to **support it** would impose a tremendous burden upon employees and employers. Mr. **Treadway** was opposed to levying a tax against the payroll of the employer and then again on that same payroll when it reached the employee. During his remarks on April 12, 1935, Mr. **Treadway** stated that he would "vote most strenuously in opposition to the bill at each and every opportunity." 12/ During his April 19, 1935, remarks, Mr. **Treadway** said he **was** disgusted "at the attitude of business in that it has not shown the proper interest in protecting itself by stating its case before Congress • " 13/ His motion to recommit was rejected by a vote of 149 (95-R, 45-D, 9-I) to 253 (1-R, 252-D). 14/

- e. On April 19, 1935, after the motion to recommit was rejected, the House passed the social security bill by a vote of 372 (77-R, 288-D, 7-I) to 33 (18-R, 13-D, 2-I). 15/

2. Senate Action

There were also four major votes in the Senate: Mr. Long's (D-La.) proposed transaction tax; Mr. Clark's amendment to exempt from coverage employees in firms with private pensions; Mr. Hastings' motion to recommit; and the vote on final passage of the bill.

- a. On June 17, 1935, Mr. Long (D-La.) offered an amendment to liberalize the proposed old-age assistance program (title **I** of the bill) and delete the payroll tax provisions (title VIII and IX). Instead of the Federal Government's levying the payroll tax, Mr. Long recommended that States levy a tax on wealth or property.

11/ Congressional Record. Apr. 12, 1935. House. In floor remarks by Mr. **Treadway**. p. 5529.

12/ Congressional Record. Apr. 12, 1935. House. In floor remarks by Mr. **Treadway**. p. 5531.

13/ Congressional Record. Apr. 19, 1985. House. In floor remarks by Mr. **Treadway**. p. 6053.

14/ Congressional Record. Apr. 19, 1935. House. Roll call no. 56, not voting 29. pp .6068-6069.

15/ Congressional Record. Apr. 19, 1935. House. Roll call no. 57, not voting 25. p. 6069-6070.

Mr. Long stated that if the fortunes of the billionaires and millionaires were cut down considerably, to **\$1-\$3** million, "there will be practically no such thing as a social relief program.** Mr. Long's amendment was rejected by voice vote. 16/

- b. On June 19, 1935, Mr. Clark (D-Mo.) offered an amendment to exempt from coverage under the old-age benefits system employees in firms with private old-age pension systems. This idea came from an official of a Philadelphia insurance brokerage firm that specialized in group annuity contracts. The Ways and Means Committee rejected the proposal and so did the Finance Committee (by a narrow margin), but when Senator Clark offered it as an amendment on the floor, the Senate backed him, 51 to 35, with Democrats divided and Republicans solidly in favor. In the end, the bill's passage was dependent on deferring that particular issue. 17/ Proponents of the amendment stated that employees would **benefit** from more liberal private annuities--annuities that would be in true proportion to earnings and service; joint annuities--so as to protect spouses also; and earlier retirement for disability and other reasons. Supporters of the amendment also maintained that the Government would benefit, due to more tax revenue, in that the reserves of private annuity plans would flow into business channels and create more income to tax. The Administration (being opposed to the amendment) argued that the amendment did not provide true retirement income guarantees because private pension programs could be cancelled, or the firm sponsoring them could go out of business. Critics also maintained that the amendment discouraged the employment of older men. The Clark amendment was passed by a vote of 51 (16-R, 35-D) to 35 (3-R, 30-D, 2-I). 18/
- c. On June 19, 1935, Mr. Hastings (R-Del.) made a motion to strike out the old-age benefits provisions from the bill. Mr. Hastings stated that those provisions were an effort to write into law a forced annuity system for a certain group of people. He maintained that the reserve account to take care of people in the future was not a contract and the American public could not depend upon it. He also stated that the accumulation of huge sums of money for persons who had not yet reached retirement age would be subjected to all kinds of demands and most likely could not be preserved intact. He also said "let us not deceive that youth by making him believe that here is an annuity whereby he is contributing 50 percent and his employer is contributing 50 percent, and that it goes to his credit, when as a matter of fact, part of it

16/ Congressional Record. June 17, 1935. Senate. p. 9427-9437.

17/ Derthick, Martha. Policymaking for Social Security. The Brookings Institution, 1979. p. 282.

18/ Congressional Record. June 19, 1935. Senate. Not voting 9. p. 9631.

is taken from him in order that we may take care of the older people of today." 19/ Mr. Hastings' amendment was rejected by a vote of 15 (12-R, 3-D) to 63 (7-R, 54-D, 2-I). 20/

- d. On June 19, 1935, Mr. George (D-Ga.) offered an amendment to encourage formation of industrial pension plans as a substitute for titles II and VIII. Under the amendment, employers were to operate their own plans and manage their own funds. The amendment called for a uniform schedule of benefits nationwide and provided for disability and survivor benefits along with old-age and unemployment benefits. The amendment was defeated by voice vote. 21/
- e. The Senate passed the bill on June 19, 1935 by a vote of 77 (15-R, 60-D, 2-I) to 6 (5-R, 1-D). 22/

3. Conference Action

The conferees quickly settled all differences except on the Clark amendments in the Senate bill, namely, five amendments related to the rights of employees under private pension plans. The conference committee reported the bill without the Clark amendments, but with an understanding that the Chairmen of the Ways and Means and Finance Committees would appoint a special joint committee to study whether to exempt from payroll taxes (and thereby from coverage) industrial employers having private pension plans and to report to the next Congress. 23/

19/ Congressional Record. June 17, 1935. Senate. In floor remarks by Mr. **Hastings**. p. 9422.

20/ Congressional Record. June 19, 1935. Senate. Not voting 17. p. 9648.

21/ Congressional Record. June 19, 1935. Senate. p. 9646.

22/ Congressional Record. June 19, 1935. Senate. Not voting 12. p. 9650.

23/ The issue, however, does not appear to have emerged in subsequent **social security** legislation.

- a. On July 17, 1935, the House rejected Mr. Treadway's motion to accept the Clark amendment by a vote of 78 to 268; 24/ then agreed by a vote of 269 to 65 to a motion by Mr. **Doughton (D-N.C.)** that the House insist on the Senate's dropping the Clark amendment. 25/
- b. On July 17, 1935, the Senate agreed, by voice vote, to Mr. Harrison's motion to insist on keeping the Clark amendment and asked for a further conference with the House. 26/
- c. On August 9, 1935, the Senate conferees agreed to delete the Clark amendment. 27/
- d. On August 8, 1935, the conference report cleared the House by a voice vote. 28/ On August 9, 1935, the conference report cleared the Senate **by a** voice vote. 29/

B. **P.L. 379--76th Congress, Social Security Amendments of 1939 (H.R. 6635)**

The Social Security Amendments of 1939 were signed into law on August 10, 1939, by President Roosevelt.

Congress expressly provided in the 1935 Act that the Social Security Board (a three-member panel appointed by the President with advice and consent of the Senate) study and make recommendations on the most effective methods of providing economic security through social insurance. An advisory council appointed by the Senate Special Committee on Social Security and the Social Security Board was created in May 1937 to cooperate with the Social Security Board to study the advisability of amending titles II and VII of the Social Security

24/ Congressional Record. July 17, 1935. House. Roll call no. 132, not voting 83. **p. 11342-11343.**

25/ Congressional Record. July 17, 1935. House. Roll call no. 133, not voting 95. **p. 11343.**

26/ Congressional Record. July 17, 1935. Senate. **p. 11310.**

27/ Congressional Record. Aug. 9, 1935. Senate. **p. 12793012794.**

28/ Congressional Record. Aug. 8, 1935. House. **p. 12760.**

29/ Congressional Record. Aug. 9, 1935. Senate. **p. 12794.**

Act. Some members of the advisory council represented employees, some represented employers, and others represented the general public. Both the Social Security Board and the advisory council made recommendations on how the old-age benefits program should be changed; many of their recommendations were the same. The President sent the Social Security Board's recommendations to Congress on January 16, 1939. The 1939 amendments incorporated most of the recommendations.

The 1939 amendments extended monthly benefits to dependents and survivors of workers covered by the social security system. They included an aged wife, a child under 16, or under 18 if attending school, a widowed mother caring for an eligible child, an aged widow, and a dependent aged parent, if there were no surviving eligible widow or unmarried child under the age of 18. Benefits were set at 75 percent of the primary insurance amount (**PIA**) of the worker for widows, and at 50 percent of the **PIA** for all other dependents. 30/

The starting date for monthly benefits was moved up two years with benefit payments beginning on January 1, 1940, instead of January 1, 1942. Also, benefits were based on average monthly wages rather than on cumulative wages. In addition, a tax rate increase to 1.5 percent, which was scheduled to go into effect in 1940, was repealed, and Congress provided that the tax rate would be increased to 2 percent in 1943-45. The amendments also modified qualifying provisions, including the definition of insured status, for consistency with other changes in the Act. 31/ In addition, people receiving OASI benefits were permitted to earn up to \$14.99 monthly: dollar-for-dollar deductions were to

30/ The **PIA** was the basic benefit amount for a worker who began receiving **benefits** at age 65.

31/ Benefits can be paid to workers, their dependents or survivors only if the **worker** is "insured" for these benefits. Insured status is measured in terms of "quarters of coverage ." A person who had one year of coverage for every two years after 1936 and before death or reaching age 65 was fully insured.

be made for any month in which the beneficiary earned \$15 or more in covered employment. The system now was called old-age and survivors insurance (OASI). Further, the law changed the old-age reserve account to a trust fund, managed by a board of trustees.

1. House Action

After holding executive sessions over a period of six weeks following public hearings on the proposed amendments, the Committee on Ways and Means, on June 2, 1939, submitted to the House its report and recommendations for amendments to the Social Security Act.

On June 1, 1939, before the Committee reported H.R. 6635, the House had engaged in five hours of debate and voted on the Townsend old-age pension bill. The Townsend plan, embodied in a bill, H.R. 6466, introduced by Mr. **McGroarty (D-Calif.)** in January 1935, was offered as a substitute for the Committee's old-age pension provisions. 32/ The Townsend plan would have provided a monthly pension of \$200 to every citizen 60 years of age or older who had not been convicted of a felony. To receive the pension, a person could not earn wages and was required to spend all of their pension within 30 days. The plan would have been financed by a two percent tax on every commercial and financial transaction; the President would have been given discretionary power to raise the tax to three percent or to lower it to one percent. Mr. Townsend stated during a 1935 Ways and Means Committee hearing that his plan was only incidentally a pension plan. He said the principal objectives of the proposal were to solve the unemployment problem and to restore prosperity by giving purchasing power

32/ The Townsend movement, led by a California doctor named Francis **E. Townsend**, began in 1934, survived for some 20 years, and was at its peak in the 1935-41 period, according to Derthick, p. 193.

to people. He cited Census Bureau data that four million people over the age of 60 held jobs in 1930. He reiterated that in order to be eligible for the proposed pension of \$200 a month, those elderly people would have to give up their jobs, which he said meant that four million jobs would become available to middle-aged and younger people. In addition, he said that requiring eight million elderly persons to buy \$200 worth of goods and services each month would increase demand and result in more jobs. 33/

Mr. Sabath (D-Ill.) said he thought it was "decidedly out of place to bring the Townsend bill to the floor of the House." He said that the bill "had no chance of passing in the first place; neither was it feasible nor possible of operation." 34/ Others branded the bill as "crackpot," and Members in general fought against the bill on the basis that the social security program was a better means of caring for the aged. Many Members asserted that any liberalization of pensions should be done within the framework of the Social Security Act.

Mr. Witte, in his book on the development of the Social Security Act, said:

The members of the House of Representatives at all times took the Townsend movement much more seriously than did the senators. The thousands of letters which the members received in support of this plan worried them greatly. With the exception of probably not more than a half dozen members, all felt that the Townsend plan was utterly impossible; at the same time they hesitated to vote against it. 35/

The House rejected **H.R.** 6466, the Townsend plan bill, on June 1, 1939, by a vote of 97 (55-R, 40-D, 2-I) to 302 (107-R, 194-D, 1-I). 36/

33/ U.S. Congress. House. Committee on Ways and Means. Economic Security Act. Hearings on H.R. 4120, 74th Cong., 1st Sess., Jan. 21-31 and Feb. 1, 2, 4-8, and 12, 1935. Washington, U.S. Govt. Print. Off., 1935. p. 680.

34/ Congressional Record. June 6, 1939. House. p. 6681.

35/ Witte, The Development of the Social Security Act, p. 95-96.

36/ Congressional Record. June 1, 1939. House. Roll call no. 85, not voting 29. p. 6524-6525.

A New York Times editorial reported that "the psychological effect of the presentation of the Townsend bill was to make these liberalized benefits [referring to the provisions in H.R. 6635] seem small. Most of those who voted against the Townsend plan will be eager to vote for these liberalized benefits to show that their hearts are in the right place. The result is that the real cost of the new social security scale of benefits is not likely to receive very serious attention." 37/

The House took up the Ways and Means Committee's bill, H.R. 6635, on June 6, 1939. The bill had the general support of the Committee. The Republican minority stated in the Committee's report to the House that "while the bill in no sense represents a complete or satisfactory solution of the problem of social security, it at least makes certain improvements in the present law (some of which we have ourselves heretofore suggested) which we believe justify us in supporting it despite its defects." 38/

- a. On June 9, 1939, Mr. Havenner (D-Calif.) offered an amendment, endorsed by the American Federation of Labor, to include as employment covered by social security (rather than exclude from coverage) workers employed in college clubs or fraternities or sororities; employees in nonprofit religious, charitable, or educational institutions; student nurses; and some agricultural workers. The amendment was rejected by voice vote. 39/
- b. On June 9, 1939, Mr. Kean (**R-N.J.**) offered an amendment that required that the money derived from the social security payroll tax be invested in outstanding (one year) U.S. Government bonds rather than the purchase of special Treasury obligations or original issues at par. Mr. Kean remarked that the adoption of the amendment would "prevent the present practice of using old-age

37/ New York Times. June 2, 1939. Editorial page.

38/ U.S. Congress. House. Committee on Ways and Means. Social Security Amendments of 1939. Report to Accompany **H.R.** 6635. House Report No. 728, 76th Cong., 1st Sess. Washington, U.S. Govt. Print. Off., 1939. p. 113.

39/ Congressional Record. June 9, 1939. House. p. 6935.

taxes for current expenses.*' The amendment was rejected by voice vote. 40/

- c. On June 9, 1939, Mr. **Carlson** (R-Kans.) offered an amendment to restrict coverage to U.S. citizens. Mr. **Carlson's** amendment would have excluded non-citizens from coverage under social security. Mr. **Carlson** was opposed to putting foreigners under the U.S. old-age insurance provisions. Opponents argued that exemption of such people would give employers of aliens a competitive advantage over vessels owned and manned by Americans. Mr. Carlson's amendment was rejected 24 to 59 by a division vote. 41/
- d. On June 10, 1939, Mr. **Carlson** (R-Kans.) moved to recommit H.R. 6635 to the Committee on Ways and Means. The motion was rejected by voice vote. 42/
- e. On June 10, 1939, the House passed H.R. 6635 in the general form recommended by the Ways and Means Committee by a vote of 364 (142-R, 222-D) to 2 (2-R). 43/

2. Senate Action

- a. On July 13, 1939, Mr. Downey (D-Calif.) moved, in the course of his statement on how "unworkable, unjust, and unfair" the Social Security Act was, that the bill be recommitted to the Finance Committee for further study of the whole pension and savings field. Mr. Downey stated that under **H.R.** 6635 people in covered employment in 1942 would receive only one-half as much in **old-age** benefits as those receiving Government subsidies (old-age assistance benefits/cash relief). Under **H.R.** 6635, the average monthly social security benefit was projected at between \$19 and \$20 for 80 percent of workers in 1942, whereas the maximum old-age assistance benefit was \$40. The motion to recommit was rejected by a vote of 18 (12-R, 5-D, 1-I) to 47 (4-R, 41-D, 2-I). 44/

40/ Congressional Record. June 9, 1939. House. p. 6936.

41/ Congressional Record. June 9, 1939. House. p. 6937-6939.

42/ Congressional Record. June 10, 1939. House. p. 6970.

43/ Congressional Record. June 10, 1939. House. Roll call no. 91, not voting 63. p. 6970-6971.

44/ Congressional Record. July 13, 1939. Senate. Not voting 31. p. 9025.

- b. On July 13, 1939, Mr. Reynolds (D-N.C.) offered an amendment to prohibit aliens (non-U.S. citizens) from being eligible for social security coverage or benefits. Mr. Harrison (D-Miss .) offered additional language to Mr. Reynolds' amendment that allowed benefit payments to non-U.S. citizens if they lived within 50 miles of the U.S. The amendment as modified was agreed to by voice vote. 45/
- c. The Senate passed H.R. 6635 on July 13, 1939, by a vote of 57 (8-R, 45-D, 4-I) to 8 (6-R, 2-D). 46/

3. Conference Action

The conference report was agreed to by the House on August 4, 1939, by voice vote, 47/ and by the Senate on August 5, 1939, by a vote of 59 (14-R, 42-D, 3-I) to 4 (4-D). 48/

c. Payroll Tax Freeze. 1942-1947

Between 1942 and 1947, the social security payroll tax rate increase was postponed seven times. It was not until 1950 that the **1** percent social **secu-**
rity tax rate was finally allowed to rise to 1.5 percent.

- 1. The Revenue Act of 1942, P.L. 753 (H.R. 7378, 77th Congress) was signed into law by President Roosevelt on October 21, 1942. It provided that for one year, from January 1, 1943, to January 1, 1944, the payroll tax rate for old-age and survivors benefits would be frozen at the existing rate of one percent for employees and employers each, instead of being increased to two percent on each as otherwise would have been required.

45/ Congressional Record. July 13, 1939. Senate. p. 9030.

46/ Congressional Record. July 13, 1939. Senate. Not voting 31.
p. 9031.

47/ Congressional Record. Aug. 4, 1939. House. p. 11092.

48/ Congressional Record. Aug. 5, 1939. Senate. Not voting 33.
p. 11146.

2. P.L. 211, (H.J. Res. 171, 78th Congress), a joint resolution regarding the Tariff Act, signed by President Roosevelt on December 22, 1943, froze the payroll tax at the one percent rate until March 1, 1944. The purpose of the resolution was to give Congress time to consider the scheduled payroll tax increase before it automatically went into effect.
3. The Revenue Act of 1943, **P.L. 235 (H.R. 3687, 78th Congress)**, was vetoed by President Roosevelt on February 22, 1944; the veto was overridden by the House on February 24, 1944 and by the Senate on February 25, 1944. The bill deferred the scheduled payroll tax increase (from one to two percent) until 1945.

The Revenue Act of 1943 also contained an amendment by Senator Murray (D-Mont.) that authorized the use of general revenues if payroll taxes were insufficient to meet social security benefit obligations. Senator Murray stated that the amendment merely stated in law what had been implied in the Senate Committee report. Senator Vandenberg (R-Mich.) replied that the amendment "has no immediate application, it has no immediate menace, it contemplates and anticipates no immediate appropriation; but as the statement of a principle, I agree with the amendment completely." 49/ The amendment passed by voice vote. 50/ The "**Murray-Vandenberg**" general revenue provision was **repealed** in 1950, when the tax rate was finally increased.

4. The Federal Insurance Contributions Act (FICA) of 1945, **P.L. 495 (H.R. 5564, 78th Congress)**, signed by President Roosevelt on December 16, 1944, froze the payroll tax rate at one percent until 1946. Under the measure, the payroll tax rate was scheduled to rise to 2.5 percent for the years 1946 through 1948, and to 3 percent for 1949 and every year thereafter.
5. The Revenue Act of 1945, P.L. 214 (H.R. 4309, 79th Congress), signed by President Truman on November 8, 1945, deferred the tax rate increase until 1947.
6. The Social Security Amendments of 1946, P.L. 719 (**H.R. 7037, 79th Congress**), signed by President Truman on August 10, 1946, deferred the tax rate increase, to 2.5 percent, until 1948.
7. Finally, the Social Security Amendments of 1947, P.L. 379 (**H.R. 3818, 80th Congress**), signed by President Truman on August 6, 1947, continued the freeze on the tax rate increase until 1950 and provided that it would rise only to 1.5 percent for **1950-51** and to 2 percent for 1952 and every year thereafter.

49/ Congressional Record. Jan. 19, 1944. Senate. In floor statement by Mr. **Vandenberg** . p. 374

50/ Congressional Record. Jan. 19, 1944. Senate. p. 374.

Basically, Members who favored these payroll tax freezes argued that the social security reserves were adequate and that the obligations of the trust fund in the immediate future could be met with a payroll tax rate of one percent. In a 1942 letter to the Senate Finance Committee, President Roosevelt said that "a failure to allow the scheduled increase in rates to take place under the present favorable circumstances would cause a real and justifiable fear that adequate funds will not be accumulated to meet the heavy obligations of the future and that the claims for benefits accruing under the present law may be jeopardized." He also stated that "expanded social security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide **anti-**inflationary sources for financing the war." 51/ Members who were opposed to the freeze argued that the scheduled payroll tax increase was important for the long-term soundness of the OASI trust fund and that postponing the tax increase would mean higher payroll tax rates in the future and perhaps Government subsidies to meet obligations. Some proponents of the freeze maintained that the Administration wanted the tax increase to retire the public debt accumulated by wartime expenditures.

Although Senator Vandenberg (R-Mich.) was the main spokesman for postponing the payroll tax increases, the legislative effort to defer tax increases was bipartisan. "Without regard to party or ideology, elected representatives of the people were not willing to argue for increases in an earmarked tax if a current need for them could not be demonstrated," one scholar has observed. 52/

51/ Congressional Record. Oct. 9, 1942. Senate. p. 7983-7984.

52/ Derthick, Policymaking for Social Security, p. 237.

- D. P.L. 492--80th Congress, 1948 Provision for Exclusion of Certain Newspaper and Magazine Vendors From Social Security Coverage (H.R. 5052) and P.L. 642--80th Congress, 1948 Provision To Maintain Status Quo Concept of Employee (H.J. Res. 296)

Two pieces of 1948 legislation, H.R. 5052 and **H.J.** Res. 296, settled the argument of who was considered an employee for purposes of social security coverage . The term "employee" was not defined in the **Social** Security Act nor in the pertinent section of the Internal Revenue Code. However, in 1936 the Social Security Board and the Treasury Department issued regulations which to a certain extent explained the meaning of the terms "employee" and "employer." Both sets of regulations emphasized the legal right to control the performance of service in defining "employer," but other significant factors such as the the right to discharge, the furnishing of tools and the furnishing of a place to work were also mentioned in the regulations. During the first years of operation of the regulations, the Social Security Board and the Treasury Department issued numerous rulings to clarify the boundaries of the employee-employer relationship and a number of court cases established generally applicable precedents. The common-law meaning of the term employee, however, was very unclear in cases of outside salesmen. 53/

On December 31, 1946, the U.S. district court, in the case of Hearst Publications, Inc. v. The United States, ruled that newspaper vendors were to be considered employees rather than independent contractors. H.R. 5052, introduced in 1948, proposed to treat newspaper and magazine vendors as independent contractors rather than employees and thereby to exclude them from social security

53/ Social Security Administration. Social Security Legislation, **January-June 1948**: Legislative History and Background [by] Wilbur Cohen and James L. Calhoun. Social Security Bulletin, **v. 11**, no. 7, July 1948. **p.** 3-11.

coverage. In addition, in 1948, Congress addressed the broader issue of who was to be considered an employee by passing **H.J.** Res. 296, a resolution to maintain the status quo of treating newspaper vendors as independent contractors by stating that Congress, not the courts nor the Social Security Administration or other Government agencies, should determine national policy regarding social security coverage. It was reported that H.J. Res. 296 was primarily introduced to prevent the release of new Federal regulations defining the meaning of the term "employee" along the lines interpreted by the Supreme Court in three cases decided in June 1947. 54/ H.J. Res. 296 excluded from social security coverage (and unemployment insurance) any person who was not considered an employee under the common-law rules. **H.J.** Res. 296, in effect, said that independent contractors (e.g., door-to-door salesmen, insurance salesmen, and pieceworkers) were not to be considered employees. H.R. 5052 and H.J. Res. 296 were vetoed by President Truman. Congress overrode both vetoes.

In his veto of H.R. 5052, President Truman asserted that the Nation's security and welfare demanded an expansion of the Social Security program to cover the groups excluded from the Social Security program: **"Any** step in the opposite direction can only serve to undermine the program and destroy the confidence of our people in the permanence of its protection against the hazards of old age, premature death, and unemployment." 55/ The basic controversy over the question of who was actually covered under Social Security and the policy issue involved is reflected by the action taken on H.R. 5052.

54/ Ibid.

55/ Congressional Record. Apr. 6, 1948. House. p. 4134.

1. House Action

- a. On March 4, 1948, Mr. **Gearhart** (R-Calif.) asked unanimous consent for immediate consideration of H.R. 5052. Mr. **Gearhart** stated that "until the rendition of the Federal court decisions I have referred to were rendered the status of the newspaper and magazine vendors was considered by everyone, and as this Congress clearly intended, to be that of independent contractors since they bought their periodicals at a low price and sold them at a higher price, deriving their livelihood from the profit in the operation." Under the court decisions "these vendors were arbitrarily declared to be employees and therefore subject to the payroll taxes though the money they receive is not wages, as generally understood, but profits derived from an independent business operation of their own." Under the court decisions, newspaper and magazine vendors were in essence "employees" of all of the newspaper and magazine companies with which they had an arrangement. Mr. Gearhart's basic contention was that vendors were really independent contractors and were never intended to be covered as "employees" by the Social Security Act. Mr. Gearhart's bill excluded these newspaper and magazine vendors from coverage under the Social Security Act. Mr. **Gearhart** stated in his remarks that "when newspaper vendors are covered into the social security system--and I believe they will be by act of Congress before this session ends--they will be brought in as the independent contractors which they are, as the self-employed" **H.R.** 5052 was passed in the House on March 4, 1948, by unanimous consent. 56/
- b. On February 27, 1948, H.J. Res. 296 was passed by a vote of 275 to 52. 57/

2. Senate Action

- a. On March 23, 1948, the Senate passed by unanimous consent H.R. 5052 in form identical to that passed by the House. 58/
- b. On June 4, 1948, H.J. Res. 296 was passed, after public assistance amendments increasing Federal assistance to States were

56/ Congressional Record. Mar. 4, 1948. House. p. 2143.

57/ Congressional Record. Feb. 27, 1948. House. Roll call no. 18, not **voting** 103. p. 1908-1909.

58/ Congressional Record. Mar. 23, 1948. Senate. p. 3267.

added, by a vote of 74 to 6. 59/ Although there was no conference on **H.J. Res. 296**, the **House** concurred in the Senate amendments on June 4, 1948 by voice vote. 60/

3. Veto

- a. On April 6, 1948, in the veto message on H.R. 5052, President Truman stated that some vendors work under arrangements "which make them bona fide employees of the publishers, and, consequently, are entitled to the benefits of the Social Security Act." President Truman further stated that "It is said that news vendors affected by this bill could more appropriately be covered by the social security laws as independent contractors when and if coverage is extended to the self-employed. Whether that is true or not, surely they should continue to receive the benefits to which they are now entitled until the broader coverage is provided. It would be most inequitable to extinguish their present rights pending a determination as to whether it is more appropriate for them to be covered on some other basis." 61/
- b. On June 14, 1948, President Truman vetoed **H.J. Res. 296**, saying that "If our social security program is to endure, it must be protected against these piecemeal attacks. Coverage must be permanently expanded and no employer or special group of employers should be permitted to reverse that trend by efforts to avoid the burden which millions of other employers have carried without serious inconvenience or complaint. ." 62/

4. Veto Override

- a. President Truman's veto of H.R. 5052 was overridden in the House and the bill passed in the House on April 14, 1948, by a vote of 308 (207-R, 101-D) to 28 (2-R, 24-D, 2-I). 63/ On April 20, 1948,

59/ Congressional Record. June 4, 1948. Senate. Not voting 16. p. 7134.

60/ Congressional Record. June 4, 1948. House. p. 7215.

61/ Congressional Record. Apr. 6, 1948. House. p. 4134.

62/ Congressional Record. June 14, 1948. House. p. 8188.

63/ Congressional Record. Apr. 14, 1948. House. Roll call no. 44, not voting 93. p. 4432.

the Senate overrode the President's veto and passed H.R. 5052 by a vote of 77 (48-R, 29-D) to 7 (7-D). 64/

- b. On June 14, 1948, President Truman's veto of H.J. Res. 296 was overridden in the House by a vote of 298 to 75; 65/ and in the Senate by a vote of 65 (37-R, 28-D) to 12 (2-R, 10-D). 66/

E. P.L. 734--81st Congress, Social Security Act Amendments of 1950 (H.R. 6000)

The Social Security Act Amendments of 1950 were signed into law on August 28, 1950, by President Truman. The amendments broadened the Social Security Act to cover roughly 10 million additional persons, including regularly employed farm and domestic workers, self-employed people other than doctors, lawyers, engineers and certain other professional groups, certain Federal employees not covered by government pension plans, and workers in Puerto Rico and the Virgin Islands. On a voluntary group basis, coverage was offered to employees of State and local governments not under public employee retirement systems and to employees of nonprofit organizations. The amendments also made benefits available to dependent husbands, dependent widowers, and, under certain circumstances, children of insured women (under the 1939 amendments such benefits were not generally available to children of women workers).

In addition, Congress raised benefits by about 77 percent; raised the wage base from \$3,000 to \$3,600; raised employer and employee taxes gradually from

64/ Congressional Record. Apr. 20, 1948. Senate. Not voting 12.
p. 4594.

65/ Congressional Record. June 14, 1948. House. Roll call no. 105, not voting 57. p. 8191.

66/ Congressional Record. June 14, 1948. Senate. Not voting 19.
p. 8093.

1.5 percent to an ultimate rate of 3.25 percent each in 1970 and years thereafter; set the OASI tax rate for the self-employed at 75 percent of the combined employer-employee rate; eased requirements for eligibility for benefits by making 1950 the starting date for most people in determining the quarters of coverage needed; permitted recipients to have higher earnings (\$50 a month) without losing any OASI benefits (those aged 75 and over could now earn any amount without losing OASI benefits); and gave free wage credits of \$160 for each month in which military service was performed between September 16, 1940, and July 24, 1947. 67/

1. House Action

On August 22, 1949, the Committee on Ways and Means reported **H.R.** 6000, a bill granting a substantial portion of the President's recommendations for broader social security coverage (virtually identical requests were made in the 1948, 1949, and 1950 budgets) and making other significant changes. **H.R.** 6000 did not include President Truman's recommendations for health insurance nor his request to lower the OASI eligibility age to 60 for women, but it did include disability protection for both social security and public assistance recipients; further, it extended coverage to farm and domestic workers.

All 10 Republicans on the Committee (including 7 who voted to send H.R. 6000 to the floor) filed a minority report stating that OASI coverage and

67/ In 1952 the same military wage credits were extended to periods of service up to December 31, 1953. Then, in 1953 they were extended to periods of service up to June 20, 1955, in 1955 to periods of service up to March 31, 1956, and in 1956 to periods of service to December 31, 1956. The 1967 amendments gave military wage credits of \$300 per calendar quarter of service after 1967 (amended in 1972 to be effective in 1957). The 1977 amendments gave wage credits of \$100 per \$300 of basic pay, up to a maximum of \$1,200 credit per year, beginning in 1978.

benefits should be limited so as to provide only a "basic floor" of economic protection. The minority report opposed the disability insurance provision, saying that aid to the disabled should be limited to charity aid provided under the proposed public assistance program for the permanently and totally disabled. **68/**

The Committee on Rules at first refused to send **H.R.** 6000 to the floor, but, after much debate, a closed rule barring floor amendments was granted. A number of Members opposed the rule because they said it foreclosed their right to improve the bill through floor amendments.

- a. On October 4, 1949, Mr. Sabath (D-Ill.) offered a resolution for four days of debate on **H.R.** 6000, with only the Committee on Ways and Means having the right to offer amendments, and with only the motion to recommit being in order.

Those favoring the resolution for a closed rule stated that the Ways and Means Committee had devoted six months to considering the bill, had heard testimony from 250 witnesses and thus knew best how to improve the program. Those opposing the closed rule said the bill was very controversial and that the whole House should settle difficult questions of policy. They said the closed rule negated the importance of other House Members and in fact usurped their rights.

The House agreed to the resolution for a closed rule by a vote of 189 (12-R, 176-D, 1-I) to 135 (123-R, 12-D) on October 4, 1949. **69/**

- b. On October 5, 1949, Mr. Mason (R-Ill.) moved to recommit **H.R.** 6000, and offered **H.R.** 6297 (a bill which carried out the minority view on **H.R.** 6000) as a substitute for **H.R.** 6000.

The minority bill, **H.R.** 6297, introduced by Mr. Kean (R-N.J.) on October 3, 1949, held the wage base to \$3,000; recommended greater coverage for domestic workers so that those who were less regularly employed would be included; exempted teachers, firemen, and policemen with their own pension systems from

68/ U.S. Congress. House. Committee on Ways and Means. Social Security Act of 1949. Report to Accompany **H.R.** 6000. Report No. 1300, **81st Cong.**, 1st Sess. Washington, U.S. Govt. Print. Off., 1949. p. 157-165.

69/ Congressional Record. Oct. 4, 1949. House. Roll call no. 215, not voting **106.** p. 13819.

coverage; confined disability payments to the public assistance program; and recommended that Congress establish an independent social security system in Puerto Rico, the Virgin Islands, and other possessions rather than include them in the existing OASI program.

The motion to recommit was defeated by a vote of 113 (112-R, 1-D) to 232 (29-R, 202-D, 1-I). 70/

- c. Immediately following the rejection of the motion to recommit, H.R. 6000 was passed in the House by a vote of 333 (R-130, D-202, I-1) to 14 (R-12, D-2). 71/

2. Senate Action

Since Congress adjourned shortly after the House action, the Senate did not consider **H.R.** 6000 until 1950. The Senate Finance Committee held extensive hearings and adopted many amendments to H.R. 6000. The Committee stated that the chief purpose of the bill was to strengthen the OASI system so that OASI would be the primary method of offering "basic security to retired persons and survivors," 72/ with public assistance (particularly old-age assistance) playing a strictly supplementary and secondary role. The Finance Committee version of the bill did not include the disability insurance provision passed by the House nor the provision providing Federal grants to States for needy persons who were permanently and totally disabled, nor President Truman's health insurance proposal. The bill was reported to the Senate on May 17, 1950, and debate began on June 12, 1950.

70/ Congressional Record. Oct. 5, 1949. House. Roll call no. 217, not voting **84**. p. 13972-13973.

71/ Congressional Record. Oct. 5, 1949. House. Roll call no. 218, not voting **84**. p. 13973-13974.

72/ **U.S.** Congress. Senate. Committee on Finance. Social Security Act **Amendments** of 1950. Report to Accompany H.R. 6000. Report No. 1669, 81st Cong., 2d Sess. May 17, 1950. Washington, U.S. Govt. Print. Off., 1950. **p. 2.**

- a. On June 14, 1950, following a Senate Republican Policy Committee meeting, Mr. Millikin (R-Colo.) and Mr. Taft (R-Ohio) indicated that Republicans would support H.R. 6000 but favored a study to determine whether, eventually, the OASI and old-age assistance programs should be united in a universal pay-as-you-go system. Under this proposal, all elderly persons in the U.S. would become eligible for subsistence-level pensions at age 65, with no eligibility requirements except being age 65, with pension amounts the same for all (rather than varied to reflect earnings during the work career), and with pensions financed from current revenues rather than from a trust fund. 73/
- b. An amendment offered by Mr. Myers (D-Pa.) to add a disability insurance program to OASI was rejected by a voice vote. 74/
- c. On June 20, 1950, another amendment offered by Mr. Myers (D-Pa.) to boost the OASI wage base from \$3,000 to \$4,200, closer to what President Truman had requested (instead of \$3,600 specified in the George amendment--see below), was rejected 36 (9-R, 27-D) to 45 (27-R, 18-D). 75/
- d. On June 20, 1950, Mr. Long (D-La.) introduced an amendment to provide Federal grants to States for needy disabled persons. The amendment was rejected by a vote of 41 (4-R, 37-O) to 42 (33-R, 9-D). 76/
- e. On June 20, 1950, Mr. George's (D-Ga.) amendment to increase the basic wage base from \$3,000 to \$3,600 was agreed to by voice vote. 77/
- f. On June 20, 1950, by a voice vote, the Senate adopted S. Res. 300, authorizing a two-year study of a universal pay-as-you-go old-age pension system. 78/
- g. The Senate passed H.R. 6000 on June 20 by a vote of 81 to 2. 79/

73/ Congress and the Nation: 1945-1964. Washington, Congressional Quarterly Inc., 1965. p. 1243.

74/ Congressional Record. June 20, 1950. Senate. p. 8904.

75/ Congressional Record. June 20, 1950. Senate. Not voting 15.
p. 8883.

76/ Congressional Record. June 20, 1950. Senate. Not voting 13.
p. 8889.

77/ Congressional Record. June 20, 1950. Senate. p. 8883.

78/ Congressional Record. June 20, 1950. Senate. p. 8878.

79/ Congressional Record. June 20, 1950. Senate. Not voting 13.
p. 8910.

3. Conference Action

In conference, the House's disability insurance proposal was dropped, but the new public assistance program for the permanently and totally disabled was retained (the so-called charity approach). The conference report was submitted to the House on August 1, 1950.

- a. On August 16, 1950, Mr. Byrnes (**R-Wisc.**) moved to recommit the conference report on **H.R. 6000**. He stated that his main reason for doing so was to prevent any attempt to remove from the bill a Senate floor amendment by Mr. **Knowland** (R-Calif.) to reduce Federal control over State administration of unemployment insurance. Mr. **Doughton** (D-N.C.) moved the previous question on the motion to recommit. **80/** The motion on the previous question was passed by a vote of 188 (120-R, 68-D) to 186 (20-R, 165-D, 1-I). The motion to recommit the conference report was rejected.
- b. The conference report was agreed to by the House on August 16, 1950, by a vote of 374 (140-R, 234-D) to 1 (1-R); **81/** and by the Senate on August 17, 1950, by voice vote. **82/**

F. P.L. 590--82d Congress, Social Security Act Amendments of 1952 (H.R. 7800)

The Social Security Amendments of 1952 were signed into law on July 18, 1952, by President Truman. The amendments increased monthly OASI benefits for both present and future beneficiaries (for those already receiving OASI, benefits increased by an average of 15 percent), permitted recipients to earn \$75 a month (instead of \$50) without losing OASI benefits, extended wage credits of \$160 for each month in which active military or naval service was performed

80/ Previous question--a motion for the previous question, when carried, has the effect of cutting off all debate, preventing the offering of further amendments, and forcing a vote on the pending matter. This parliamentary maneuver is used only in the House.

81/ Congressional Record. Aug. 16, 1950. House. Roll call no. 242, not voting **55**. p. 12673.

82/ Congressional Record. Aug. 17, 1950. House. p. 12718.

during the period from July 24, 1947, through December 1953, and provided for a disability "freeze," which in principle preserved the social security benefits of qualified workers who became permanently and totally disabled before retirement by averaging the person's wages only over his or her working years. (See following conference action section for more details.)

1. House Action

In the House, debate centered largely on a so-called "disability freeze" provision proposed by the Committee on Ways and Means. Under the provision, if a person became permanently and totally disabled, the period of disability was to be excluded in computing the number of quarters in covered employment he needed to be eligible for OASI benefits at age 65 (or for survivors' benefits), and in computing the average monthly wage on which his OASI benefits would be based. The provision, in effect, preserved benefit rights for persons disabled for long periods. The Ways and Means provision specifically provided for medical examinations by doctors and public institutions to be designated and paid for by the Federal Security Agency (FSA).

The American Medical Association (AMA) claimed that allowing the FSA to make disability determinations would lead to socialized medicine. Mr. Reed (R-N.Y.), the minority leader of the Ways and Means Committee, was the primary spokesman for Members who endorsed the AMA position.

- a. On May 19, 1952, when H.R. 7800 was brought to the floor under suspension of the rules procedure--requiring a two-thirds vote for passage and barring amendments--the majority of Republicans voted against it on account of the disability provision, and it was rejected by a vote of 151 (52-R, 98-D, 1-I) to 141 (99-R, 42-D), failing to win a two-thirds vote. 83/

83/ Congressional Record. May 19, 1952. House. Roll call no. 79, not voting 139. pm 5483-5484.

- b. On June 16, 1952, Democratic leaders brought H.R. 7800 to the floor under suspension of the rules. An amended version of the revised bill empowered the FSA to make disability determinations, but omitted the language specifying how the FSA administrator should do so. Mr. Reed said ". . . let no person on this floor be deceived. You have the same old **H.R.** 7800 here before you. While the socialized medicine advocates pretend to remove the specific instructions to the Administrator, they now give him more powers under general provisions of the law than he had before. You have socialized medicine here stronger in this bill than was **H.R.** 7800, heretofore defeated.*' 84/ Mr. Reed later contended that because of the **approaching election** many Members chose to go on record in favor of the other OASI provisions and so voted for the amended version of H.R. 7800. The bill was passed overwhelmingly, 361 (165-R, 195-D, 1-I) to 22 (20-R, 2-D) on June 17, 1952. 85/

2. Senate Action

The major change in the Social Security program made by the Senate Finance Committee when the bill came to the Senate was to drop the disability freeze provision. The Finance Committee said there was inadequate time to properly study the issue.

- a. The Committee amendment, offered by Mr. George (**D-Ga.**), to drop the disability freeze provision, was passed by voice vote on June 26, 1952. 86/
- b. **H.R.** 7800 (without the disability freeze provision) was passed in the Senate by a voice vote on June 26, 1952. 87/

84/ Congressional Record. June 16, 1952. House. p. 7293.

85/ Congressional Record. June 17, 1952. House. Roll call no. 106, not voting 46. pm 7387.

86/ Congressional Record. June 26, 1952. Senate. p. 8141.

87/ Congressional Record. June 26, 1952. Senate. p. 8155.

3. Conference Action

The conferees retained the disability freeze provision, in principle. The compromise terminated the freeze provision on June 30, 1953; at the same time, it did not allow an application to be accepted before July 1, 1953. Thus, the disability freeze provision was made inoperative unless Congress, in subsequent legislation, were to take action to remove the bar. The stated intent in making the provision inoperative was to permit "the working out of tentative agreements with the States for possible administration of these provisions." * 88/ In addition, the conferees gave responsibility for determining whether an applicant was disabled to appropriate State agencies (public assistance, vocational rehabilitation, or workmen's compensation), instead of the FSA. The Federal Security Administrator would be able to overturn a ruling by the State agencies that a person was disabled, but would not be able to reverse a ruling by the State agencies that a person was not disabled.

- a. The conference report was agreed to July 5, 1952, by voice votes in both chambers. 89/

G. P.L. 761--83d Congress, Social Security Amendments of 1954 (H.R. 9366)

The Social Security Amendments of 1954 were signed into law on September 1, 1954, by President Eisenhower. In his February 2, 1953, State of the Union Message, President Eisenhower recommended that the "old age and survivors insurance should promptly be expanded to cover millions of citizens who have been left out

88/ U.S. Congress. Conference Committee, 1952. Social Security Act **Amendments** of 1952. Conference Report to Accompany H.R. 7800. July 1952. House Report No. 2491, 82d Cong., 2d Sess. Washington, U.S. Govt. Print. Off., 1952. p. 9.

89/ Congressional Record. July 5, 1952. House. p. 9670. **Also see,** Congressional Record. July 5, 1952. Senate. p. 9523.

of the social security system." The Social Security Amendments of 1954 extended (1) mandatory coverage to, among others, some self-employed farmers, self-employed engineers, architects, accountants, and funeral directors, all Federal employees not covered by government pension plans, farm and domestic service workers not covered by the 1950 amendments, and (2) voluntary coverage to ministers, and certain State and local government employees already covered by staff retirement systems. The bill also raised the wage base for the OASI tax from \$3,600 a year to \$4,200; raised the tax rate to 3.5 percent each for employer and employees beginning in 1970, and to 4.0 percent each beginning in 1975, with the tax rate for the self-employed continuing at 1.5 times the employee rate (or 75 percent of the combined employee-employer rate). OASI monthly benefits were raised by roughly 15 percent for those already receiving them, with the maximum individual benefit rising from \$85 to \$98.50, and a revised benefit formula was provided for future retirees which increased benefits by roughly 27 percent, with the maximum individual benefit rising from \$85 a month to \$108.50. The bill also put the disability freeze into effect (with disability determinations to be made by the appropriate State agencies), 90/ permitted an OASI retiree to earn up to \$1,200 a year without deductions and eliminated the retirement (earnings) test for people age 72 and over, and permitted the five years of lowest earnings to be dropped out of average monthly wage determinations for purposes of computing OASI monthly benefits.

90/ Periods of long-term disability would not be counted against an **individual** in computing quarters of coverage and average monthly wages on which OASI benefits were based. The effect was to preserve OASI benefit rights for people who would have lost them because they were disabled and not working in covered employment for long periods before reaching retirement age.

1. House Action

- a. On June 1, 1954, Mr. Smith (D-Va.) and other farm area Democrats objected to bringing H.R. 9366 to the floor under a closed rule because coverage of self-employed farmers was included in the bill. Mr. Smith stated, "I object to the feature of this bill that prohibits you from offering any amendment. I think that requires a little discussion and a little understanding. We all agree that on an ordinary tax bill it is not feasible or practical to write it on the floor of the House, and therefore we have adopted the theory that we have closed rules on tax bills. But all we asked for in the Rules Committee was that the individual members of this House be given an opportunity to offer amendments to designate what classifications of persons should be included." 91/ On June 1, 1954, by a vote of 270 (**171-R**, 98-D, 1-I) to 76(5-R, 71-D), 92/ debate of the closed rule was cut off, and the closed **rule was** then adopted by voice vote.
- b. The House bill also included provisions extending mandatory coverage to all self-employed professionals but doctors (dentists and other medical professionals would have been covered under the House bill). 93/
- c. The House passed H.R. 9366 on June 1, 1954, by a vote of 356 (181-R, 174-D, 1-I) to 8 (2-R, 6-D). 94/

2. Senate Action

The Senate version of H.R. 9366 reported by the Senate Finance Committee included the coverage of farm and domestic service workers, ministers, employees of State and local governments covered by a retirement system, and a small

91/ Congressional Record. June 1, 1954. House. In floor remarks by Mr. **Smith**. p. 7423.

92/ Congressional Record. June 1, 1954. House. Roll call no. 77, not voting **87**. p. 7425.

93/ The American Dental Association (ADA) and the American Medical **Association** (AMA) strongly opposed social security coverage for their groups. The AMA said it was **incompatible** with the free enterprise system. Congressional Record. Aug. 13, 1954. Senate. In floor remarks by Mr. Millikin (R-Colo.). p. 14422.

94/ Congressional Record. June 1, 1954. House. Roll call no. 78, not voting **68**. p. 7468.

number of professionals. **H.R.** 9366 as reported by the Finance Committee also increased the retirement test threshold from \$1,000 to \$1,200 a year, reduced from 75 to 72 the age at which benefits were to be payable irrespective of retirement, and increased the lump-sum death benefit to \$325.50, from \$255. During the Senate debate on H.R. 9366, nine amendments were adopted, six were rejected, and six were presented and then withdrawn. 95/

- a. Among the amendments adopted on the floor by the Senate was a provision by Mr. Long (D-La.) to require the Department of Health, Education, and Welfare to study the feasibility and costs of providing increased minimum benefits of \$55, \$60, and \$75 a month under the Social Security program. On August 13, 1954, Mr. Long's amendment was agreed to by voice vote. 96/
- b. Among the amendments defeated were the Johnston (D-S.C.) amendment to reduce the social security eligibility age from 65 to 60; the Stennis (D-Miss.) amendments that would have left the coverage of farm workers under the 1950 amendments unchanged; and the Humphrey (D-Minn.) amendment to increase the widow's benefit from three-fourths of the primary insurance amount to 100 percent. On August 13, 1954, Mr. Johnston's amendment was rejected by voice vote. 97/ On August 13, 1954, the Stennis amendments were rejected% bloc by voice vote. 98/ And, on August 13, 1954, Mr. Humphrey's amendment was **rejected** on a division vote. 99/
- c. Among the amendments that were presented and then withdrawn was an amendment by Mr. Lehman (D-N.Y.) to extend social security coverage, increase benefits, add permanent and total disability and temporary disability social security benefits, and to make other changes. 100/

95/ Social Security Administration. Social Security Act Amendments of 1954: A Summary and Legislative History [by] Wilbur J. Cohen, Robert M. Ball, and Robert J. Myers. Social Security Bulletin, v. 17, no. 9, Sept. 1954. p. 3-18.

96/ Congressional Record. Aug. 13, 1954. Senate. p. 14442.

97/ Congressional Record. Aug. 13, 1954. Senate. p. 14433.

98/ Congressional Record. Aug. 13, 1954. Senate. p. 14435.

99/ Congressional Record. Aug. 13, 1954. Senate. p. 14444.

100/ Congressional Record. Aug. 13, 1954. Senate. p. 14419.

- d. On August 13, 1954, the Senate passed H.R. 9366, as amended, by voice vote. 101/

3. Conference Action

The conferees, among other things, accepted a provision mandatorily covering self-employed farmers, accountants, architects, engineers, and funeral directors, but excluding lawyers, doctors, dentists, or other medical professionals, and extended coverage to Federal employees not covered by Federal staff retirement systems.

- a. Both chambers agreed to the conference report without amendments by voice vote on August **20**, 1954, the last day of the session. 102/

H. P.L. 880--84th Congress, Social Security Amendments of 1956 (H.R. 7225)

The Social Security Amendments of 1956 were signed into law on August 1, 1956, by President Eisenhower. The amendments provided cash benefits, after a **6-month** waiting period, for permanently and totally disabled workers aged 50 to 64, who were fully and currently insured and had at least 20 quarters of coverage in the 10-year period prior to becoming disabled; provided benefits to a dependent child 18 and older of a deceased or retired insured worker if the child became disabled before age 18; made benefits payable to women workers and wives at the age of 62, instead of 65, with actuarially reduced benefits; reduced from 65 to 62 the age at which benefits were payable to widows or parents, with no reduction; extended coverage to lawyers, dentists, veterinarians,

101/ Congressional Record. Aug. 13, 1954. Senate. p. 14446.

102/ Congressional Record. Aug. 20, 1954. House. **p.** 15544. Also, **Congressional** Record. Aug. 20, 1954. Senate. **p.** 15414.

optometrists, and all other self-employed professionals except doctors; 103/ increased the tax rate by 0.25 percent on employer and employee each (0.375 percent for self-employed people) to finance disability benefits (thereby raising the aggregate tax rate ultimately to 4.25 percent); and created a separate disability insurance (DI) trust fund. The Social Security program was now comprised of old-age, survivors, and disability insurance (OASDI).

1. House Act ion

Major House Ways and Means Committee provisions reduced the age at which women could first receive OASI benefits to 62 and provided social security benefits to disabled persons age 50 and older. Although some Members maintained that not enough time was spent in working out the details of the two controversial provisions mentioned above, H.R. 7225 was brought to the floor under the suspension of the rules procedure, which barred floor amendments and required a two-thirds vote for passage. H.R. 7225 was passed by the House on July 18, 1955, by a vote of 372 (169-R, 203-D) to 31 (23-R, 8-D). 104/

2. Senate Action

At Senate Finance Committee hearings on the House-passed bill, the Secretary of Health, Education, and Welfare, Mr. Folsom, stated that the Administration was opposed to the House provisions reducing the retirement age for OASI

103/ P.L. **881--84th** Congress, the Servicemen's and Veterans' Survivor **Benefit Act** (H.R. **7089**), extended coverage of the OASDI system to members of the uniformed services on active duty on a permanent contributory basis beginning in 1957. The measure passed the House in 1955 and the Senate in 1956, and was signed into law on August 1, 1956.

104/ Congressional Record. July 18, 1955. House. Roll call no. 119, not **voting** 29. **p.** 10798-10799.

benefits to 62 for women and incorporating disability benefits into the OASI program. According to Congress and the Nation, Mr. Folsom said that OASI had stayed actuarially sound without excessive taxes because it had been restricted to one purpose with "predictable costs": providing income for the aged. 105/ Spokesmen for the AFL-CIO and several other groups maintained that union experience with welfare plans and Federal studies dating back to 1937 showed that disability insurance was both administratively and financially sound.

- a. On June 5, 1956, the Senate Finance Committee reported H.R. 7225 after eliminating the Disability Insurance program and the tax increase to pay for it, and limiting retirement benefits at age 62 to widows only.
- b. On July 17, 1956, Mr. George (D-Ga.) offered an amendment reinstating the Disability Insurance program and the tax increase to finance it. The amendment provided for a separate disability insurance trust fund (instead of operating the new program out of the OASI fund). The amendment was passed by a vote of 47 (6-R, 41-D) to 45 (38-R, 7-D). 106/
- c. Also, on July 17, 1956, the Senate agreed to Mr. Kerr's (D-Okla.) amendment that permitted all women eligible for OASI benefits to receive them at age 62, though at actuarially reduced rates for women receiving a retired worker's benefit or a wife's benefit. The amendment passed by a vote of 86 (40-R, 46-D) to 7 (5-R, 2-D). 107/
- d. On July 17, 1956, the Senate passed H.R. 7225 by a vote of 90 (45-R, 45-D) to 0. 108/

105/ Mr. Folsom further stated that until it was known what the ultimate **costs would** be, whether it was possible to make disability determinations good enough to avoid "fraudulent" claims for benefits, and whether the availability of disability pensions might discourage individual rehabilitative efforts, adding disability insurance to OASI would risk '*overburdening and thus wrecking*' the social security system. Congress and the Nation: 1945-1964. p. 1251.

106/ Congressional Record. July 17, 1956. Senate. Not voting 4.
p. 13056.

107/ Congressional Record. July 17, 1956. Senate. Not voting 3.
p. 13073.

108/ Congressional Record. July 17, 1956. Senate. Not voting 6.
p. 13103.

3. Conference Action

The House on July 26, 1956, 109/ and the Senate on July 27, 1956, 110/ (the last night of the session) cleared the conference report on H.R. 7225 without amendments by voice votes.

I. P.L. 85-840, Social Security Amendments of 1958 (H.R. 13549)

The Social Security Amendments of 1958 were signed into law on August 28, 1958, by President Eisenhower. The amendments raised monthly benefits an average of 7 percent for those already receiving them, with benefits ranging from \$33 to \$116 per month, and from \$33 to \$127 per month for future beneficiaries; increased maximum family benefits from \$200 to \$254; raised the wage base from \$4,200 to \$4,800 a year; increased the tax rate by 0.25 percent on employers and employees each and 0.375 percent for the self-employed; made benefits available to dependents of workers receiving disability benefits; and permitted the aged dependent parents of an insured deceased worker to receive survivors' benefits even if the worker's widow or dependent widower or child were alive and also eligible for benefits.

1. House Action

Most of the controversy over the 1958 amendments pertained to provisions that increased the Federal matching rate for public assistance programs. There was relatively little controversy over the proposed OASDI provisions. Mr. Reed

109/ Congressional Record. July 26, 1956. House. p. 14828.

110/ Congressional Record. July 26, 1956. Senate. p. 15107.

(R-N.Y.) during debate on **H.R.** 13549 stated that the bill would strengthen the actuarial soundness of the social security program. 111/

- a. On July 31, 1958, the House passed **H.R.** 13549 by a vote of 374 to 2. 112/

2. Senate Action

- a. On August 15, 1958, Mr. Yarborough (D-Tex.) offered an amendment to increase social security benefits by 10 percent (rather than 7 percent, as proposed in **H.R.** 13549). Mr. Yarborough stated that in many States old-age public assistance payments were higher than the "social security payments the people have earned by putting their money into the social security fund." 113/

Proponents of the amendment mentioned that a 10 percent increase would alleviate erosion of benefits due to inflation. Opponents of the amendment argued that many persons getting social security also received income from other sources. Some opponents of the amendment maintained that it would jeopardize the enactment of the bill. Mr. Yarborough's amendment was rejected by a vote of 32 (6-R, 26-D) to 53 (33-R, 20-D). 114/

- b. On August 16, 1958, Mr. Kennedy (D-Mass.) offered an amendment to increase social security benefits eight percent (rather than seven percent). The Kennedy-Case amendment was rejected by voice vote. 115/
- c. On August 16, 1958, Mr. Morse (D-Ore.) offered an amendment to increase social security benefits by 25 percent and to provide health insurance, and to make other changes. Mr. Morse's amendment was rejected by voice vote. 116/

111/ Congressional Record. July 31, 1958. House. p. 15740.

112/ Congressional Record. July 31, 1958. House. Roll call no. 149, not voting 54. p. 15775015776.

113/ Congressional Record. Aug. 15, 1958. Senate. p. 17798.

114/ Congressional Record. Aug. 16, 1958. Senate. Not voting 11. p. 17971-17972.

115/ Congressional Record. Aug. 16, 1958. Senate. p. 17985.

116/ Congressional Record. Aug. 16, 1958. Senate. p. 18005.

- d. On August 16, 1958, Mr. Humphrey (D-Minn.) offered an amendment to provide health insurance (Mr. Morse's amendment was based in part on this Humphrey amendment). Mr. Humphrey withdrew his amendment. 117/
 - e. On August 16, 1958, Mr. Kennedy (D-Mass.) offered an amendment for himself and Mr. Smathers (D-N.J.) to eliminate the dollar ceiling of \$255 on the lump-sum death benefit and restore the 3-to-1 ratio between the death benefit and the regular monthly benefit. The amendment was rejected by voice vote. 118/
 - f. On August 16, 1958, Mr. Revercomb (R-W. Va.) offered an amendment to provide full social security retirement benefits at age 62, for both men and women. Mr. Revercomb's amendment was rejected by voice vote. 119/
 - g. On August 16, 1958, four minor amendments affecting OASDI were adopted by voice vote. 120/
 - h. The Senate passed H.R. 13549 with amendments on August 16, 1958, by a vote of 79 (37-R, 42-D) to 0. 121/
3. House Concurrence

On August 19, 1958, the House by a voice vote agreed to the Senate amendments. 122/

117/ Congressional Record. Aug. 16, 1958. Senate. p. 18008.

118/ Congressional Record. Aug. 16, 1958. Senate. p. 17986.

119/ Congressional Record. Aug. 16, 1958. Senate. p. 17982.

120/ Social Security Administration. Social Security Amendments of 1958: A **Summary** and Legislative History [by] Charles I. Schottland. Social Security Bulletin, v. 21, no. 10, Oct. 1958. p. 6.

121/ Congressional Record. Aug. 16, 1958. Senate. Not voting 17.
p. 18014.

122/ Congressional Record. Aug. 19, 1958. House. p. 18540.

J. P.L. 86-778, Social Security Amendments of 1960 (H.R. 12580)

The Social Security Amendments of 1960 were signed into law on September 13, 1960, by President Eisenhower. Although a number of OASDI provisions were enacted, health care for the aged was the primary issue in 1960. At the crux of the debate was the question of whether the Federal Government should assume major responsibility for the health care of the Nation's elderly people, and, if so, whether medical assistance should be provided through the social security system or through the public assistance programs (charity approach).

The 1960 amendments made available to States more Federal funds for **old-age** assistance (OAA) programs so that States, at their option, would be able to improve or establish medical care services to OAA recipients. In addition, the amendments known as the so-called "Kerr-Mills" legislation established a new voluntary program (under jurisdiction of the **OAA** program) of medical assistance for the aged, under which States received Federal funds to help pay for medical care for persons aged 65 and older who were not recipients of OAA but whose income and resources were insufficient to meet their medical expenses.

The 1960 amendments also contained a number of OASDI provisions. The amendments made disability benefits available to workers under age 50; established a new retirement test whereby each dollar of earnings between \$1,200 and \$1,500 per year would cause only a **50-cent** reduction in benefit amount with a dollar-for-dollar reduction for earnings above \$1,500; liberalized requirements for fully insured status so that to be eligible for benefits a person needed only one quarter of covered work for every three calendar quarters (rather than one for every two quarters, as under the old law) elapsing after 1950 and before retirement, disability, or death; and raised the survivor benefit of each child to 75 percent of what his deceased parent's benefit would have been.

1. House Action

H.R. 12580 as reported by the Ways and Means Committee contained two medical care provisions for elderly people. The first provision provided the States with additional funding to improve or to establish medical care programs for old-age assistance recipients. The second provision established a new **Federal-State** program (under a new title of the Social Security Act) designed to assist aged persons who were not eligible for public assistance but who were unable to pay their medical bills (medically needy persons).

The Ways and Means Committee rejected **H.R.** 4700, a health insurance bill introduced by Mr. **Forand (D-R.I.)**, by a vote of 17 to 8. The **Forand** bill would have provided insurance against the cost of hospital, nursing home, and surgical services for persons eligible for OASDI benefits.

Proponents of the health care provisions in **H.R.** 12580 said that it provided a medical assistance program for every aged person in any State that implemented one, whether the person was on old-age assistance or on social security, or on neither, if the person had a need for medical **care**.

Mr. Thompson (D-N.J.), a supporter of the **Forand** bill as opposed to the charity approach built into **H.R.** 12580, stated that people would be "denied the opportunity of contributing to their old-age health insurance coverage while employed and would be forced to rely upon charity after their working days were over." 123/ They contended further that "even this charity . . . is contingent upon the action of the separate States." 124/

123/ Congressional Record. June 22, 1960. House. In floor remarks by Mr. Thompson (D-N.J.). p. 13846.

124/ Congressional Record. June 22, 1960. House. In floor remarks by Mr. Thompson. p. 13845.

minimum benefit to \$40 per month; permitted men to retire at age 62, instead of 65, with actuarially reduced benefits; liberalized the insured status requirement so that, subject to the **6-quarter** minimum and the **40-quarter** maximum, an individual was fully insured if he had one quarter of coverage for every calendar year that elapsed between January 1, 1951, or age 21, whichever was later, and the year before he died, became disabled, or reached retirement age; increased benefits to a surviving aged widow, widower, or dependent parent of an insured deceased worker from 75 to 82.5 percent of the benefit the worker would have been entitled to if alive; changed the earnings test so that an aged recipient had no benefits withheld for the first \$1,200 a year of earnings, \$1 withheld for each \$2 earned between \$1,200 and \$1,700, and a dollar-for-dollar reduction of earnings above \$1,700; and raised the employer and employee tax rates by 0.125 percent and the self-employed tax rate by 0.1875 percent. 133/

1. House Action

In the House, the principal point of dissention was the Ways and Means Committee provision (in **H.R.** 6027) that lowered the eligibility age for men from 65 to **62**. Several Republicans opposed the provision on the basis that it would likely start a trend toward "compulsory retirement" at age 62. Speaking for himself and most of the minority Committee members, Mr. Curtis (R-Mo.) stated, "The reason [we are] against the age 62 [provision] is this: Our older people are having a hard enough time now to stay in the labor market. This provides further incentive to drive them out." 134/

133/ Congress and the Nation: 1945-1964. p. 1255.

134/ Congressional Record. Apr. 20, 1961. House. In floor remarks by Mr. Curtis. p. 6471.

- a. On April 20, 1961, Mr. Curtis (R-Mo.) made a motion to recommit H.R. 6027, 135/ and substitute a measure that cut out the provisions for **lowering** the first eligibility age for men, increasing benefits for widows, and raising the minimum benefit from \$33 to \$40. The motion was rejected by voice vote. 136/ Note that the provisions raising the minimum benefit and **increasing** benefits for widows were already in H.R. 6027 as reported out of the Ways and Means Committee.
- b. The House passed **H.R.** 6027 on April 20, 1961, by a vote of 400 (149-R, 251-D) to 14 (14-R). 137/

2. Senate Action

In the Senate, debate focused on an amendment by Mr. Cotton (R-N.H.), called up on June 26, 1961, to increase to \$1,800 a year the amount an aged beneficiary could earn without loss of benefits. 138/ Mr. Kerr (**D-Okla.**) said that Mr. Cotton's amendment failed to provide increased OASDI taxes to pay for the additional **\$427-\$615** million that would be paid out each year under the proposed amendment. 139/ Mr. Kerr stated that "**an amendment which would result in the impairment of the fiscal integrity of the fund should not be pressed.**" 140/

- a. Mr. Hartke (D-Ind.) offered a substitute amendment for himself, Mr. Humphrey (D-Minn.), and Mr. Randolph (D-W. Va.), which was less generous than the Cotton amendment (\$1,700 limit rather than

135/ Congressional Record. Apr. 20, 1961. House. p. 6492.

136/ Congressional Record. Apr. 20, 1961. House. p. 6495.

137/ Congressional Record. Apr. 20, 1961. House. Roll call no. 40, not

138/ Congressional Record. June 26, 1961. Senate. p. 11309.

139/ Congressional Record. June 26, 1961. Senate. p. 11314.

140/ Congressional Record. June 26, 1961. Senate. In floor remarks by Mr. **Kerr**. p. 11310.

the \$1,800 limit proposed by Mr. Cotton). The substitute amendment was passed June 26, 1961, by a vote of 59 (3-R, 56-D) to 30 (30-R). 141/ Provisions to finance this change were agreed to by **unanimous consent.** 142/

- b. On June 26, 1961, Mr. Hartke's (D-Ind.) amendment to broaden the definition of disability was rejected by voice vote. 143/
- c. The Senate passed H.R. 6027 by a vote of 90 (33-R, 57-D) to 0 on June 26, 1961. 144/

3. Conference Action

Both chambers cleared the conference report by voice votes June 29, 1961. 145/

L. Proposed Social Security Amendments of 1964 (H.R. 11865)

The proposed Social Security Amendments of 1964 were passed by both the House and the Senate but the Conference Committee could not reach agreement. The Conference Committee adjourned on October 3, 1964, without making any recommendations.

The proposed Social Security Amendments of 1964 as passed by the House contained a five percent across-the-board social security benefit increase; extended the child's benefit to age 22 if he were in school; allowed widows to

141/ Congressional Record. June 26, 1961. Senate. Roll call no. 83, not **voting** 11. **p.** 11318.

142/ Congressional Record. June 26, 1961. Senate. **p.** 11325.

143/ Congressional Record. June 26, 1961. Senate. **p.** 11327.

144/ Congressional Record. June 26, 1961. Senate. Roll call no. 85, not **voting** 10. **p.** 11328.

145/ Congressional Record. June 29, 1961. House. **p.** 11791. And, **Congressional Record.** June 29, 1961. Senate. **p.** 11693.

retire at age 60, with actuarially reduced benefits; provided limited benefits to persons aged 72 and over who had some social security coverage but not enough to meet the minimum requirements of existing law; and extended social security coverage to groups of persons who previously had been excluded. The **House-**passed bill contained no provision relating to hospital insurance for the aged.

The proposed Social Security Amendments of 1964 as passed by the Senate contained a hospital insurance program, the so-called King-Anderson bill; increased the primary insurance amount and the earnings base; liberalized the retirement test; changed the eligibility requirements for the blind; and permitted religious groups to be exempt from social security coverage if they had religious objections to insurance (including social security insurance).

1. House Action

H.R. 11865, the proposed Social Security Amendments of 1964, was reported out of the Ways and Means Committee on July 7, 1964. The bill, H.R. 11865, was debated under a rule that permitted only Committee amendments. No amendments were offered.

- a. On July 29, 1964, the House passed H.R. 11865 by a vote of 388 to 8. 146/

2. Senate Action

H.R. 11865 was reported out of the Finance Committee on August 21, 1964. The Committee had rejected several proposed amendments to H.R. 11865 which would

146/ Congressional Record. July 29, 1964. House. Roll call no. 193, not voting 35. p. 17298-17299.

have provided for financing a hospital insurance program for the aged through the Social Security program.

- a. On August 31, 1964, Mr. Gore (D-Tenn.) offered an amendment to Mr. Long's (D-La.) amendment. 147/ The Long amendment would have provided an across-the-box seven percent social security benefit increase (instead of the proposed five percent increase) and liberalized the retirement test. 148/ Mr. Gore's amendment embodied the 1963 King **(D-Calif.)-Anderson** (D-N. Mex.) bill (H.R. **3920/S. 880**), which would have provided hospital insurance benefits for the aged under the Social Security program.
- b. On September 2, 1964, the Gore amendment to the Long amendment was agreed to by a vote of 49 to 44. 149/
- c. On September 3, 1964, the Senate passed H.R. 11865 by a vote of 60 to 28. 150/

3. Conference Action

The Conference Committee on **H.R.** 11865 could not reach agreement. The conferees from the Senate voted 4 to 3 to insist on including the hospital insurance provisions; the conferees from the House, by a 3 to 2 vote, refused to accept such provisions. 151/ The Conference Committee adjourned on **October 2, 1964.**

147/ Congressional Record. Aug. 31, 1964. Senate. p. 21103.

148/ Congressional Record. Aug. 31, 1964. Senate. p. 21086.

149/ Congressional Record. Sept. 2, 1964. Senate. Roll call no. 558, not **voting** 7. p. 21318.

150/ Congressional Record. Sept. 3, 1964. Senate. Roll-call no. 561, not **voting** 12. p. 21553.

151/ Social Security Administration. Social Security Legislation. **Commissioner's** Bulletin, no. 17, Oct. 3, 1964.

M. P.L. 89-97. Social Security Amendments of 1965 (H.R. 6675)

The Social Security Amendments of 1965 were signed into law on July 30, 1965, by President Johnson. Although a federally operated health insurance program covering the entire nation was considered by the Roosevelt Administration in 1935, it was not explicitly endorsed until January 1945, when President Roosevelt's budget message called for an "extended social security including medical care." Such a plan was submitted to Congress by President Truman in November 1945, but neither chamber acted on the proposal. One of the reasons for this was the strong opposition by the AMA. The controversy surrounding the establishment of a Federal health insurance program for the aged was finally ended in 1965, when Congress enacted H.R. 6675. 152/ The 1965 amendments established a basic two-part health insurance program called **medicare** (title XVIII of the Social Security Act). The costs of hospitalization and related care would be met in part by a compulsory program of Hospital Insurance (HI, part A), financed by a separate payroll tax. The program would serve beneficiaries of the social security and railroad retirement programs, age 65 and older. A voluntary Supplementary Medical Insurance (SMI) plan (part B) would help pay doctor bills and related services, for all persons age 65 and older, financed through monthly premiums paid by the beneficiary and a matching Federal payment from general revenues.

The amendments also provided a seven percent across-the-board increase in OASDI benefits, extended compulsory self-employment coverage to doctors, made child's benefits available through age 21 if the child attended school full time (under prior law, they were available only through age 17), permitted

152/ President Johnson flew to Independence, Missouri, to sign H.R. 6675 in **the presence** of Harry S. Truman, the first President to actually propose a national health insurance program.

widows to receive actuarially reduced benefits at age 60 rather than age 62, provided benefits to divorced wives and widows under certain conditions, increased the retirement test amount to \$1,500 with \$1 ~~withheld for~~ every \$2 earned up to \$2,700, and provided that an insured worker would be eligible for disability benefits if his or her disability was expected to end in death or to last for 12 consecutive months, instead of indefinitely. The 1965 amendments also increased the payroll tax rate and the taxable wage base. In addition, P.L. 89-97 reduced the number of quarters of work coverage necessary for persons age 72 or over to have insured status (from 6 quarters to 3 quarters for a worker and from 6 quarters to 3 quarters for a wife who reaches age 72 in or before 1966, to 4 quarters for a wife who turns 72 in 1967, and to 5 quarters for a wife who attains age 72 in 1968).

Further, a new Federal-State medical assistance program established under title XIX of the Social Security Act replaced the Kerr-Mills law--medical assistance for the aged that was enacted in 1960. The program was to be administered by the States, with Federal matching funds. The new Medicaid program was available to all people receiving assistance for basic maintenance under the public assistance titles (title I, title IV, title X, and title XIV) and also to people who were able to provide for their own maintenance but whose income and resources were insufficient to meet their medical costs.

1. House Action

During its long legislative history prior to 1965, a Federal hospital insurance program, "medicare," had been passed only once by the Senate, in 1964, and then by a narrow margin. It had never been approved by the House Ways and Means Committee and thus had not been put to a House vote. The 1964

congressional elections, however,, brought-42 new Northern Democrats into the House, almost all of them **medicare** supporters. 153/

The Ways and Means Committee began holding executive sessions on H.R. 1, a bill to establish a social insurance program for hospital and related care for the aged, on January 27, 1965. The sessions continued regularly until March 29, 1965, when the Committee ordered reported **H.R.** 6675. All 17 Democrats favored the bill, while all 8 Republicans opposed it.

House floor debate centered on the **medicare** proposal. Supporters said it was long overdue. Critics opposed its compulsory nature, argued that it would be financed by a "regressive" payroll tax, and said it would endanger the social security cash benefit program. Republican spokesmen instead wanted a voluntary health plan (as opposed to a mandatory social insurance approach) with a medicaid-like program underpinning it to provide medical assistance for the needy aged.

- a. On April 8, 1965, the House rejected Mr. Byrnes' (R-Wis.) motion to recommit **H.R.** 6675 to the Ways and Means Committee with instructions to substitute the text of H.R. 7057, a **bill** that Mr. Byrnes had introduced a week earlier. H.R. 7057 was not offered as an amendment because the rule did not permit such action. **H.R.** 7057 provided for all hospitalization, nursing home care, or medical and surgical care to be financed through a voluntary system with payment partially made by the person receiving the medical care and partially out of general revenues rather than from a tax on the payrolls of employers. The motion to recommit was rejected by a vote of 191 (128-R, 63-D) to 236 (**10-R**, 226-D). 154/
- b. On April 8, 1965, the House passed H.R. 6675 by a vote of 313 (65-R, 248-D) to 115 (73-R, 42-D). 155/

153/ Congressional Quarterly Almanac: 1965. Washington, Congressional Quarterly, Inc. p. 236.

154/ Congressional Record. Apr. 8, 1965. House. Roll call no. 70, not voting 5. p. 7443-7444.

155/ Congressional Record. Apr. 8, 1965. House. Roll call no. 71, not voting 5. p. 7444.

2. Senate Action

On June 30, 1965, the Finance Committee reported its version of H.R. 6675. The Committee approved the bill by a vote of 12 (2-R, 10-D) to 5 (4-R, 1-D). Although the Committee added numerous amendments to **H.R.** 6675, the basic premise of the bill remained unchanged.

- a. On July 7 and 8, 1965, three moves to expand **H.R.** 6675 were rejected. Mr. **Ribicoff's** (D-Conn.) amendment to remove all time limits on length of hospital stay under **medicare** was rejected by a vote of 39 (13-R, 26-D) to 43 (12-R, 31-D). 156/ Mr. Miller's (R-Iowa) amendment to provide for an **automatic three** percent increase in social security pensions whenever a three percent increase occurred in the "retail" price index was rejected by a vote of 21 (15-R, 6-D) to 64 (9-R, 55-D). 157/ Mr. **Prouty's** (R-Vt.) amendment to provide benefit **increases ranging** from 75 percent in the low-income brackets to 7 percent in the upper-income brackets was rejected by a vote of 12 (**10-R**, 2-D) to 79 (18-R, 61-D). 158/ In addition, Mr. Curtis' (R-Nebr.) amendment to provide that the **medicare** patient pay a deductible based on ability to pay was rejected by a vote of 41 (25-R, 16-D) to 51 (4-R, 47-D). 159/
- b. On July 7, 1965, Mr. Byrd's (D-W. Va.) amendment to lower the age at which workers could receive social security benefits to 60 (rather than age 62, the existing **minimum**) **was** agreed to by voice vote. 160/
- c. On July 8, 1965, Mr. Kennedy's (**D-N.Y.**) amendment to prohibit Federal payments under the basic health insurance plan to any hospital not meeting the standards required by the State **or** local government was passed by voice vote. 161/

156/ Congressional Record. July 7, 1965. Senate. Roll call no. 165, not **voting** 18. p. 15835.

157/ Congressional Record. July 8, 1965. Senate. Roll call no. 166, not **voting** 15. p. 15869.

158/ Congressional Record. July 8, 1965. Senate. Roll call no. 167, not **voting** 9. p. 15909.

159/ Congressional Record. July 8, 1965. Senate. Roll call no. 168, not **voting** 8. p. 15927.

160/ Congressional Record. July 7, 1965. Senate. p. 15794.

161/ Congressional Record. July 8, 1965. Senate. p. 15904.

- d. On July 9, 1965, Mr. **Hartke's (D-Ind.)** amendment to liberalize the definition of blindness under the Social Security program, provide benefits to blind workers with at least six quarters of social security coverage, and permit blind workers to receive benefits regardless of other earnings was passed by a vote of 78 (28-R, 50-D) to 11 (11-D). 162/
- e. On July 9, 1965, Mr. Hartke's (D-Ind.) amendment to eliminate the time limit on hospital care under the proposed compulsory Medicare program was agreed to by voice vote. 163/
- f. On July 9, 1965, Mr. Smathers' (D-Fla.) amendments, on behalf of the Finance Committee, to raise the rates of payroll taxes to finance the increased benefits provided in floor amendments were accepted by the Senate. Mr. Smather's amendment was passed by voice vote. 164/
- g. On July 9, 1965, Mr. Curtis (R-Nebr.) offered an amendment to strike **medicare**, parts A and B, from the bill. The amendment was rejected by a vote of 26 (18-R, 8-D) to 64 (**11-R**, 53-D). 165/ Mr. Curtis also reintroduced, in a slightly different form, **his amendment** to provide a deductible based on the **medicare** patient's ability to pay. This amendment, too, was rejected by a vote of 40 to 52. 166/ In addition, Mr. Curtis moved to recommit H.R. 6675 with **instructions** to strike out the portions related to **medicare** and substitute a plan patterned after the health insurance program used by retired Federal civil service employees, but financed from current premiums. The motion to recommit H.R. 6675 was rejected by a vote of 26 (18-R, 8-D) to 63 (**10-R**, 53-D). 167/
- h. H.R. 6675 was **passed** by the Senate on July **9**, 1965, by a vote of 68 (13-R, 55-D) to 21 (14-R, 7-D). 168/

<u>162/</u>	Congressional Record.	July 9, 1965.	Senate.	p. 16115.
<u>163/</u>	Congressional Record.	July 9, 1965.	Senate.	p. 16130.
<u>164/</u>	Congressional Record.	July 9, 1965.	Senate.	p. 16138.
<u>165/</u>	Congressional Record.	July 9, 1965.	Senate.	Roll call no. 170,
not voting	10.	p. 16100.		
<u>166/</u>	Congressional Record.	July 9, 1965.	Senate.	Roll call no. 174,
not voting	8.	p. 16119.		
<u>167/</u>	Congressional Record.	July 9, 1965.	Senate.	Roll call no. 175,
not voting	11.	p. 16126.		
<u>168/</u>	Congressional Record.	July 9, 1965.	Senate.	Roll call no. 176,
not voting	11.	p. 16157.		

3. Conference Action

On July 27, 1965, the House adopted the conference report by a vote of 307 (70-R, 237-D) to 116 (68-R, 48-D). 169/ On July 28, 1965, the Senate adopted the conference report by a vote of 70 (13-R, 57-D) to 24 (17-R, 7-D). 170/

N. P.L. 89-368, Tax Adjustment Act of 1966 (H.R. 12752)

P.L. 89-368, signed into law on March 15, 1966, by President Johnson, was expected to raise \$1.1 billion in fiscal year 1966 and \$4.8 billion in fiscal year 1967 in income taxes. In addition, the Tax Adjustment Act of 1966 extended social security benefits of \$35 per month to persons age 72 and over who were not covered, but stipulated that the amount of any benefit accruing to a person under the special age 72 benefit would be reduced by the amount of payments received under government pension plans, veteran's or civil service pensions, teacher's retirement pension plans, or welfare programs.

1. House Action

- a. The House passed H.R. 12752, the Tax Adjustment Act of 1966, by a vote of 246 (46-R, 200-D) to 146 (88-R, 58-D). 171/ H.R. 12752, as passed by the House, did not contain **any** social security provisions.

169/ Congressional Record. July 27, 1965. House. Roll call no. 203, not **voting** 11. p. 18393-18394.

170/ Congressional Record. July 28, 1965. Senate. Roll call no. 201, not **voting** 6. p. 18514.

171/ Congressional Record. Feb. 23, 1966. House. Roll call no. 20, not **voting** 41. p. 3719-3720.

2. Senate Action

During the floor debate on H.R. 12752, **Mr. Prouty** (R-Vt.) offered an amendment to extend a minimum social security payment of \$44 a month to all persons age 70 or older who were not then eligible for benefits (according to the Social Security Administration, an estimated 1.8 million persons at a cost of \$760 million--fiscal year 1967). **172/**

- a. On March 8, 1966, Mr. Long (D-La.) moved to table the Prouty amendment, but **his** motion was rejected by a vote of 37 (1-R, 36-D) to 51 (30-R, 21-D). **173/**
- b. On March 8, 1966, the Senate passed the Prouty (R-Vt.) amendment by a vote of 45 (21-R, 24-D) to 40 (9-R, 31-D); **174/** and adopted, by a vote of 44 (25-R, 19-D) to 43 (6-R, 37-D) **a motion** by Mr. Prouty to table Mr. Mansfield's (D-Mont.) motion to reconsider the vote on passage of the amendment. **175/**
- c. On March 9, 1966, the Senate passed the Tax Adjustment Act of 1966 by a vote of 79 (24-R, 55-D) to 9 (4-R, 5-D). **176/**

3. Conference Action

On March 10, 1966, House and Senate conferees agreed to a final version of H.R. 12752 which modified the Prouty amendment.

172/ Congressional Record. Mar. 8, 1966. Senate. In floor remarks by Mr. **Prouty**. p. 5289-5292.

173/ Congressional Record. Mar. 8, 1966. Senate. Roll call no. 46, not **voting** 12. p. 5298.

174/ Congressional Record. Mar. 8, 1966. Senate. Roll call no. 47, not **voting** 15. p. 5298.

175/ Congressional Record. Mar. 8, 1966. Senate. Roll call no. 48, not **voting** 13. p. 5301.

176/ Congressional Record. Mar. 9, 1966. Senate. Roll call no. 52, not **voting** 12. p. 5485.

- a. On March 15, 1966, the House adopted the conference report on H.R. 12752 by a vote of 288 (68-R, 220-D) to 102 (59-R, 43-D). 177/
- b. On March 15, 1966, the Senate adopted the conference report on H.R. 12752 by a vote of 72 (23-R, 49-D) to 5 (4-R, 1-D). 178/

0. P.L. 90-248, Social Security Amendments of 1967 (H.R. 12080)

The Social Security Amendments of 1967 were signed into law on January 2, 1968, by President Johnson. The controversial features of these amendments revolved primarily around the APDC program. With respect to social security, the amendments provided a 13 percent across-the-board increase in benefits; raised the taxable wage base from \$6,600 to \$7,800; increased the payroll tax rate from 4.4 percent on employers and employees to 4.8 percent in 1969; raised the minimum benefit from \$44 to \$55 per month; liberalized the retirement test, allowing a beneficiary to earn \$1,680 a year instead of \$1,500, without a reduction in benefits, for earnings between \$1,680 and \$2,880 the beneficiary lost \$1 for every \$2 earned, with benefits reduced dollar-for-dollar for earnings above \$2,880; added benefits for disabled widows and widowers at age 50, with a special more strict definition of disability; liberalized the definition of blindness for disability payments; and clarified the definition of disability. The 1967 amendments further made some change⁶ in the Medicare program and limited Federal participation in the portion of the Medicaid program affecting the "medically needy" poor (i.e., those who were eligible for **medicaid** but who did not qualify for cash welfare payments).

177/ Congressional Record. Mar. 15, 1966. House. Roll call no. 36, not **voting** 41. p. 5801.

178/ Congressional Record. Mar. 15, 1966. Senate. Roll call no. 57, not **voting** 23. p. 5960.

President Johnson's first special message to the 90th Congress called for a 15 percent across-the-board increase in OASDI benefits and numerous other changes in the Social Security Act. The proposals were embodied in H.R. 5710, introduced in the House on February 20, 1967, by the Committee on Ways and Means Chairman, Wilbur Mills (D-Ark.).

1. House Action

The House Ways and Means Committee held extensive hearings on the Administration's bill (H.R. 5710) between March 1 and April 11, 1967. In addition to public hearings, it held more than 60 sessions of executive hearings during the following months. On August 7, 1967, it reported a new bill, **H.R.** 12080. The bill included, with modifications, most of the Administration's social security proposals, including a provision that raised from \$1,500 to \$1,680 the amount of money 'a beneficiary could earn without a reduction in social security benefits. 179/ Little of the floor debate dealt with the proposed increases in social security benefits. Instead, it focused on proposed changes in the AFDC program.

- a. On August 17, 1967, Mr. Utt (R-Calif.) moved to recommit **H.R.** 12080. Mr. **Utt's** motion was rejected by voice vote. 180/
- b. On August 17, 1967, the House passed **H.R.** 12080 by a roll call vote of 416 (182-R, 234-D) to 3 (1-R, 2-D). 181/ The bill was debated under a closed rule prohibiting floor amendments. Most of the debate centered on the **contrcrversial** new welfare **provisions.**

179/ Social Security Administration. Social Security Amendment 6 of 1967: **Summary and Legislative History** [by] Wilbur J. Cohen and Robert M. Ball. Social Security Bulletin, v. 31, no. 2, Feb. 1968.

180/ Congressional Record. Aug. 17, 1967. House. p. 23132.

181/ Congressional Record. Aug. 17, 1967. House. Roll call no. 222, not voting 13. p. 23132.

2. Senate Action

The Senate Finance Committee held hearings on H.R. 12080 in August and September. On November 14, 1967, it reported a heavily amended bill that contained several of the OASDI provisions as they had been recommended by the Administration rather than as they had been modified by the House. The Senate bill provided a 15 percent across-the-board social security increase, in contrast to the 12.5 percent increase in the House bill, and contained AFDC work training provisions passed by the House, but in a modified version that exempted mothers of preschool children.

- a. On November 17, 1967, Mr. Prouty (R-Vt.) offered an amendment to keep existing payroll tax rates and the taxable wage base and to finance the higher benefits out of general revenue funds rather than social security taxes. Mr. Prouty's amendment was rejected by a vote of 6 (3-R, 3-D) to 62 (23-R, 39-D). 182/
- b. On November 17, 1967, Mr. Metcalf (D-Mont.) offered an amendment to delete from H.R. 12080 a new and more stringent definition of disability, and thus retain the existing law. The Metcalf **amend-** was passed by a vote of 34 (6-R, 28-D) to 20 (16-R, 4-D). 183/
- c. On November 21, 1967, the Senate, by a vote of 22 (17-R, 5-D) to 58 (9-R, 49-D), rejected a Republican proposal offered by Mr. Curtis (R-Nebr.) and Mr. Williams (R-Del.) substituting the 12.5 percent OASDI benefit increase and financing plan contained in the House bill for the 15 percent benefit increase and financing plan recommended by the Finance Committee. 184/
- d. On November 21, 1967, Mr. Bayh (D-Ind.) offered an amendment to raise from \$1,680 to \$2,400 the amount of money a beneficiary could earn without a reduction in social security benefits. Mr.

182/ Congressional Record. Nov. 17, 1967. Senate. Roll call no. 327, not **voting** 32. p. 33078.

183/ Congressional Record. Nov. 17, 1967. Senate. Roll call no. 329, not **voting** 46. p. 33119.

184/ Congressional Record. Nov. 21, 1967. Senate. Roll call no. 337, not **voting** 20. p. 33510.

Bayh's amendment passed by a vote of 50 (14-R, 36-D) to 23 (10-R, 13-D). 185/

- e. On November 21, 1967, Mr. Williams (R-Del.) offered an amendment to implement the Finance Committee's recommended payroll tax increase in January 1968 (before the general election) rather than in January 1969 (after the election). The amendment was defeated by a vote of 27 (22-R, 5-D) to 49 (4-R, 45-D). 186/
- f. The Senate passed **H.R.** 12080 on November 22, 1967, by a 78 (23-R, 55-D) to 6 (4-R, 2-D) roll call vote. 187/ During seven days of debate the Senate added approximately **29 amendments** to the bill.

3. Conference Action

The conference report on H.R. 12080 was filed on December 11, 1967. All of the major Senate floor amendments were dropped from the bill. The conferees split the difference between many of the other House-Senate provisions.

- a. The House adopted the conference report on December 13, 1967, by a vote of 390 (167-R, 223-D) to 3 (1-R, 2-D). 188/
- b. The Senate adopted the conference report on December 15, 1967, by a vote of 62 (26-R, 36-D) to 14 (3-R, 11-D). 189/ Adoption of the report came over the vigorous objections **of many** who were opposed to the **bill's** welfare provisions: mandatory work registration for "appropriate" members of AFDC families whose father was neither dead nor disabled, but continuously absent from home, and the freeze in the proportion of a State's AFDC children who could receive Federal matching funds.

185/ Congressional Record. Nov. 21, 1967. Senate. Roll call no. 349, not **voting** 27. **p.** 33587-33588.

186/ Congressional Record. Nov. 21, 1967. Senate. Roll call no. 335, not **voting** 24. **p.** 33496.

187/ Congressional Record. Nov. 22, 1967. Senate. Roll call no. **350**, not **voting** 16. **p.** 33637.

188/ Congressional Record. Dec. 13, 1967. House. Roll call no. 439, not **voting** 38. **p.** 36393.

189/ Congressional Record. Dec. 15, 1967. Senate. Roll call no. 392, not **voting** 24. **p.** 36924.

P. P.L. 91-172, The Tax Reform Act of 1969 (H.R. 13270)

The Tax Reform Act of 1969 was signed by President Nixon on December 30, 1969. The President said that the decision to sign had not been easy. The new law included a 15 percent increase in social security benefits beginning in January 1, 1970.

1. House Action

On August 7, 1969, the House passed **H.R.** 13270 by a vote of 395 to 30. **190/**
The bill did not contain any social security provisions.

2. Senate Action

- a. On December 5, 1969, Mr. Long (D-La.) offered an amendment to raise basic social security benefits by 15 percent beginning in January 1970. Mr. Long's amendment was **passed** by a vote of 73 (23-R, 50-D) to 14 (14-R). **191/**
- b. A Byrd (D-W. Va.)-Mansfield (D-Mont.) amendment to increase the minimum benefit to \$100 for single persons and to \$150 for married couples and to increase the taxable wage base from \$7,800 to \$12,000 beginning in 1973 was passed December 5, 1969, by a vote of 48 (8-R, 40-D) to 41 (28-R, 13-D). **192/**
- c. On December 5, 1969, Mr. Williams (R-Del.) offered a substitute for the Long amendment to provide a 10 percent benefit increase (instead of 15 percent). The substitute amendment was rejected by a vote of 34 (33-R, 1-D) to 56 (S-R, 51-D). **193/**

190/ Congressional Record. Aug. 7, 1969. House. Roll call no. 149, not voting 7. p. 22808-22809.

191/ Congressional Record. Dec. 5, 1969. Senate. Roll call no. 179, not voting 13. p. 37247.

192/ Congressional Record. Dec. 5, 1969. Senate. Roll call no. 177, not voting 10. p. 37240.

193/ Congressional Record. Dec. 5, 1969. Senate. Roll call no. 175, not voting 9. p. 37230.

- d. On December 11, 1969, **the Senate** passed H.R. 13270 by a vote of 69 (18-R, 51-D) to 22 (20-R, 2-D). 194/

3. Conference Action

The conferees agreed to the Senate provision increasing social security benefits by 15 percent, effective January 1, 1970. The House had not included the provision in the tax reform bill but had approved an identical provision in separate legislation, **H.R.** 15095. The conferees dropped the other provisions that were added on the Senate floor.

- a. On December 22, 1969, the **House** adopted the conference report on the Tax Reform Act, **H.R.** 13270, by a vote of 381 (169-R, 212-D) to 2 (2-R). 195/
- b. On December 22, 1969, the Senate adopted H.R. 13270 by a vote of 71 (25-R, 46-D) to 6 (6-R). 196/

Q. P.L. 92-5, Public Debt Limit, Increase;
Social Security Act, Amendment 6 (H.R. 4690)

President Nixon signed **H.R.** 4690 into law on March 17, 1971. H.R. 4690 provided a 10 percent across-the-board increase in OASDI benefits, retroactive to January 1, 1971; raised the minimum benefit to \$70.40 from \$64 per month; increased the taxable wage base from \$7,800 to \$9,000 effective January 1, 1972; increased the OASDI tax rates on employers and employees to 5.15 percent each beginning in 1976 from 5 percent scheduled to take effect in 1973 under prior

194/ Congressional Record. Dec. 11, 1969. Senate. Roll call no. 223, not **voting** 6. p. 38396.

195/ Congressional Record. Dec. 22, 1969. House. Roll call no. 351, not **voting** 50. p. 40899-40900.

196/ Congressional Record. Dec. 22, 1969. Senate. Roll call no. 273, not **voting** 23. p. 40718.

law; and provided a 5 percent increase in special benefits payable to individuals age 72 and older who were not insured for regular benefits, retroactive to January 1, 1971.

1. House Action

In 1970, a comprehensive social security bill (**H.R.** 17550) was passed by the House by a vote of 344 (166-R, 178-D) to 32 (32-D). 197/ H.R. 17550 increased benefits by five percent, provided for automatic benefit increases with rises in the cost of living, and made numerous other changes in the operation of the cash benefit⁶ and Medicare and Medicaid programs.

2. Senate Action

In the Senate, H.R. 17550 became a conglomerate bill containing import quotas and welfare provisions as well as the social security changes. On December 29, 1970, the Senate separated the social security change⁶ from the rest of the bill. H.R. 17550, with provisions raising social security benefits 10 percent, providing a \$100 minimum benefit, raising the taxable wage base from \$7,800 to \$9,000, and making change⁶ in the Medicare and Medicaid programs, was passed by the Senate on December **29, 1970**, by a vote of 81 (**35-R**, 46-D) to 0. 198/ However, a conference on the bill was never agreed to with the House. 199/

197/ Congressional Record. May 21, 1970. House. Roll call no. 136, not **voting** 53. **p.** 16587-16588.

198/ Congressional Record. Dec. 29, 1970. Senate. Roll call no. 455, not **voting** 19. **p.** 43868.

199/ Congresssional Quarterly Almanac: 1971. **p.** 421-425.

Mr. Long (D-La.), **Chairman of** the Finance Committee and floor manager of H.R. 4690, said that he had asked the House to take immediate action to raise social security benefits and since the House had not responded, he was offering a social security increase as an amendment to **H.R. 4690**, a bill to increase the debt ceiling. 200/

- a. On March 12, 1971, Mr. Long's amendment to provide a 10 percent increase in social security payments, a \$100 minimum benefit, increases in earnings limitations, and other changes passed by a vote of 82 (38-R, 44-D) to 0. 201/
- b. The Senate, on March 12, 1971, passed **H.R. 4690**, after approving several social security changes, including the benefit increase proposed by Mr. Long, by a vote of 80 (37-R, 43-D) to 0. 202/

3. Conference Action

No change was made by conferees in the debt ceiling provisions since both chambers' actions on that portion of the bill were identical. On the social security provisions, conferees accepted the Senate's 10 percent benefit increase but reduced the \$100 minimum benefit to \$70.40 (a 10 percent increase over the previous minimum of \$64) and made several other modifications.

- a. On March 16, 1971, the House adopted the conference report by a vote of 360 (150-R, 210-D) to 3 (3-R). 203/
- b. On March 16, 1971, the Senate adopted the report by a vote of 76 (37-R, 39-D) to 0. 204/

200/ Congressional Record. Mar. 12, 1971. Senate. p. 6374.

201/ Congressional Record. Mar. 12, 1971. Senate. Roll call no. 20, not **voting** 18. p. 6381.

202/ Congressional Record. Mar. 12, 1971. Senate. Roll call no. 23, not **voting** 20. p. 6390.

203/ Congressional Record. Mar. 16, 1971. House. Roll call no. 20, not **voting** 68. p. 6741-6742.

204/ Congressional Record. Mar. 16, 1971. Senate. Roll call no. 24, not **voting** 24. p. 6688.

R. P.L. 92-336, Public Debt Limit; Disaster Losses; Social Security Act, Amendments (H.R. 15390)

H.R. 15390 was signed into law on July 1, 1972, by President Nixon. At the beginning of the year, a number of changes in the social security system were proposed, along with the President's controversial welfare reform plan, in H.R. 1. Congress at mid-year used a more promising vehicle to pass a separate **20** percent increase in social security benefits. The increase was added in the Senate to a House-passed bill that raised the debt limit (H.R. 15390). The bill also provided for future automatic-increases in social security benefits when the consumer price index (CPI) rose by three percent or more. To finance the increase, the taxable wage base was raised from \$9,000 to \$10,800 in 1973 and to \$12,000 in 1974, with automatic adjustment thereafter.

The Congressional Quarterly Almanac reported that:

Backers of the social security benefits package decided to attach it to the debt increase bill for two reasons: President Nixon, who opposed a **20-percent** increase as inflationary, would be unlikely to veto a bill that contained a debt limit increase. **And H.R. 1**, the bill under which a proposed benefit increase was then **being considered**, faced an uncertain future because of controversy over its welfare provisions. 205/

1. House Action

- a. On June 22, 1971, the **House** had passed **H.R. 1** (See P.L. **92-603**, below) which included provision for a general benefit increase of five percent.
- b. On February 23, 1972, Mr. Mills (D-Ark.), Chairman of the Ways and Means Committee, introduced H.R. 13320; providing for an immediate benefit increase of 20 percent. 206/

205/ Congressional Quarterly Almanac: 1972. p. 399.

206/ Congressional Record. Feb. 23, 1972. House. p. 5269-5270.

- c. On June 27, 1972, the **House passed H.R. 15390**, providing only for an increase in the debt ceiling, by a vote of 211 to 168. 207/

2. Senate Action

- a. On June 29, 1972, Mr. Aiken (R-Vt.) offered an amendment to the Church amendment (See (c) below) to increase social security benefits by 30 percent. Mr. Long (D-La.) made a motion to table the Aiken amendment. Mr. **Aiken's** amendment was tabled by a vote of 71 (31-R, 40-D) to 18 (8-R, 10-D). 208/
- b. On June 30, 1972, an amendment by Mr. Bennett (R-Utah) to increase social security benefit⁶ by 10 percent instead of 20 percent was rejected by the Senate by a vote of **20** (17-R, 3-D) to 66 (21-R, 45-D). 209/
- c. On June 30, 1972, Mr. Church's (D-Idaho) amendment calling for a 20 percent benefit increase and the automatic adjustment of benefits and the taxable wage base in the future was adopted by the Senate by a vote of 82 (34-R, 48-D) to 4 (4-R). 210/ The amendment authorized an automatic increase in social **security** benefits whenever the consumer price index rose more than three percent in any calendar year.
- d. On June 30, 1972, the Senate passed H.R. 15390 by a vote of 78 (36-R, 42-D) to 3 (1-R, 2-D). H.R. 15390 was then sent back to the House. 211/

207/ Congressional Record. June 27, 1972. House. Roll call no. 237, not **voting** 53. **p.** 22558-22559.

208/ Congressional Record. June 29, 1972. Senate. Roll call no. 266, not **voting** 11. **p.** 23294.

209/ Congressional Record. June 30, 1972. Senate. Roll call no. 267, not **voting** 13. **p.** 23511-23512.

210/ Congressional Record. June 30, 1972. Senate. Roll call no. 268, not **voting** 13. **p.** 23512.

211/ Congressional Record. June 30, 1972. Senate. Roll call no. 272, not **voting** 19. **p.** 23545.

3. House Response to Senate Amendment

The House did not concur with the Senate-passed amendment that provided for a 20 percent social security benefit increase and sent the debt ceiling bill to the conference committee on June 30, 1972. Immediate congressional action was necessary because the debt limit was to revert automatically to \$400 billion (from the existing \$450 billion) at midnight on June 30, 1972.

4. Conference Action

On June 30, 1972, the conferees informally accepted the Senate-passed version of H.R. 15390. Under the House rules, however, House conferees could not agree to nongermane amendment⁶ added by the Senate unless specifically authorized; such amendments had to be individually approved by majority vote of the House. Thus, the conference report was reported back to the House in disagreement because House conferees had not been authorized to accept the nongermane Senate amendments. 212/

- a. On June 30, 1972, Mr. Byrnes (**R-Wisc.**) called the proposed 20 percent increase "irresponsible" and moved that the House concur with the Senate-passed amendment provided that the social security benefit increase be limited to 10 percent. Mr. Byrnes' motion was rejected by a vote of 83 (63-R, **20-D**) to 253 (73-R, 180-D). 213/
- b. On June 30, 1972, Mr. Mills' (D-Ark.) motion that the House concur with the Senate-passed amendment granting a 20 percent social security benefit increase and annual automatic **cost-**of-living adjustments was accepted by a vote of 302 (108-R, 194-D) to 35 (28-R, 7-D). 214/

212/ Congressional Quarterly Almanac: 1972. p. 402-403.

213/ Congressional Record. June 30, 1972. House. Roll call no. 259, not voting 95. p. 23738.

214/ Congressional Record. June 30, 1972. House. Roll call no. 260, not voting 95. p. 23738-23739.

S. P.L. 92-603, Social Security Amendments of 1972 (H.R. 1)

The Social Security Amendments of 1972 were signed into law on October 30, 1972, by President Nixon.

During the period 1969-72, Congress raised OASDI benefits three times. In 1969, benefits were raised 15 percent; in 1971, they were raised 10 percent, and a further 20 percent increase was voted in 1972 (P.L. 92-336). **P.L. 92-336** also provided for future automatic benefit increases, starting in January 1975 in a year when the consumer price index rose more **than** three percent. All three benefit increases were voted as amendment⁶ to bills dealing with other subjects. President Nixon had requested a number of other social security liberalizations in 1969, but those proposals were entangled with his controversial welfare reform plan. It was not until 1972, when H.R. 1 became P.L. **92-603**, that the requested social security recommendation⁶ became law. 215/

The 1972 amendments (H.R. 1) contained numerous liberalizations, such as increased benefits for widows and widowers; an increase in earnings permitted without a reduction in benefits, from \$1,680 to \$2,100 with automatic adjustment to wages thereafter, for earnings above \$2,100 benefits were reduced **dollar-for-**dollar without limit; a reduction in the waiting period for disability benefit⁶ **from** six months to five months; an extension of **medicare** protection to disabled beneficiaries who had been on the social security rolls for at **least two** years; and a special minimum benefit of up to \$170 a month for those who had worked **in** covered employment for a Substantial number of years, but at low earnings. In addition, OASDHI tax rate increases scheduled for the periods 1973-77; **1978-80**;

215/ Congress and the Nation: 1969-1972. Vol. III. p. 619.

1981-85; 1986-92; 1993-97; 1998-2010; and 2011 and years thereafter, were all raised. 216/

H.R. 1 also contained the President's controversial Family Assistance Plan. The bill remained in the Senate for more than a year because of controversy over welfare reform. The Senate finally approved H.R. 1 with a provision for tests of rival welfare plans, but in conference all family welfare provisions were dropped. In addition, the final version of H.R. 1 contained provisions federalizing and consolidating adult public assistance programs for needy aged, blind, and disabled persons in a new "Supplemental Security Income" (**SSI**) program.

1. House Action

Most of the debate on H.R. 1 dealt with the family welfare provisions. There was little debate on the OASDI and **medicare** provisions in either chamber.

- a. **H.R. 1** was passed by the House on June 22, 1971, by a vote of 288 (112-R, 176-D) to 132 (64-R, 68-D). 217/

2. Senate Action

- a. On September 27, 1972, Mr. Mansfield (D-Mont.) offered an amendment to increase to \$3,000 (from \$1,680) the amount that a social security beneficiary under age 72 could earn and still receive social security benefits. Mr. Mansfield's amendment was agreed to by a vote of 76 (32-R, 44-D) to 5 (4-R, 1-D). 218/

216/ Under P.L. 92-336, the tax rates had been reduced over then existing **scheduled** increases through 2010; rates under P.L. **92-603** advanced the tax rate schedule and raised the **outyear** rates.

217/ Congressional Record. June 22, 1971. House. Roll call no. 157, not **voting** 13. p. 21463.

218/ Congressional Record. Sept. 27, 1972. Senate. Roll call no. 478, not **voting** 19. p. 32488.

- b. On September 28, 1972, Mr. Percy's (R-Ill.) amendment to require the Secretary of the Department of Health, Education, and Welfare to review the social security earnings retirement test and report to Congress on the feasibility of eliminating it was accepted by voice vote. 219/
- c. On September 29, 1972, Mr. Long (D-La.) offered the Finance Committee's amendment to provide a Federal Supplemental Security Income (SSI) program for needy aged, blind, or disabled persons (in place of the existing State adult assistance programs). The amendment was passed by a vote of 75 (32-R, 43-D) to 0. 220/
- d. On September 29, 1972, the Committee amendment to guarantee every person who worked in employment covered under the Social Security program for at least 30 years a minimum monthly benefit of \$200 (\$300 for a couple) passed by a vote of 73 (30-R, 43-D) to 0. 221/
- e. On September 30, 1972, Mr. Byrd's (D-W. Va.) amendment to lower to 60 the age at which reduced social security benefits could be received and to 55 the age at which a woman could receive reduced widow's benefits was agreed to by a vote of 29 (10-R, 19-D) to 25 (12-R, 13-D). 222/
- f. On September 27, 1972, Mr. Goldwater (**R-Ariz.**) offered an amendment to repeal the earnings retirement limitation for all social security beneficiaries age 65 and over. The amendment was rejected by voice vote. 223/
- g. **H.R. 1** passed the Senate on October 5, 1972, by a vote of 68 (33-R, 35-D) to 5 (1-R, 4-D). 224/

219/ Congressional Record. Sept. 28, 1972. Senate. p. 32720.

220/ Congressional Record. Sept. 29, 1972. Senate. Roll call no. 484,
not **voting** 25. p. 32905.

221/ Congressional Record. Sept. 29, 1972. Senate. Roll call no. 485,
not **voting** 27. p. 32907.

222/ Congressional Record. Sept. 30, 1972. Senate. Roll call no. 488,
not **voting** 46. p. 33000.

223/ Congressional Record. Sept. 27, 1972. Senate. p. 32485.

224/ Congressional Record. Oct. 5, 1972. Senate. Roll call no. 536,
not **voting** 27. p. 33995.

3. Conference Action.

- a. On October 17, 1972, the House adopted the conference report on H.R. 1 by a vote of 305 (129-R, 176-D) to 1 (1-D). 225/
- b. On October 17, 1972, the Senate adopted the conference report on H.R. 1 by a vote of 61 (24-R, 37-D) to 0. 226/

T. P.L. 93-233, Social Security Benefits, Increase (H.R. 11333)

A two-step 11 percent benefit increase became law when President Nixon signed H.R. 11333 -on December 31, 1973. This increase was in lieu of a 5.9 percent increase scheduled by legislation, P.L. 93-66, that had been enacted in July 1973. 227/ In passing H.R. 11333, congressional sentiment was that the earlier increase was inadequate to meet the unusually rapid increase in inflation then occurring.

P.L. 93-233 increased benefits by seven percent in March 1974 and by another four percent in June 1974. To finance the provisions, the social security taxable wage base was increased to \$13,200 in January 1974. (It had already been scheduled to increase from \$12,000 to \$12,600 under P.L. 93-66.) In addition, the automatic cost-of-living mechanism was revised. Under P.L. **93-233**, the automatic benefit increase was to be based on the rise in the CPI from the first quarter of one year to the first quarter of the next year rather than second quarter to second quarter, with automatic adjustments starting in June 1975 rather than in January. As a result, cost-of-living increases would

225/ Congressional Record. Oct. 17, 1972. Senate. Roll call no. 455, not **voting** 122. p. 36936.

226/ Congressional Record. Oct. 17, 1972. Senate. Roll call no. 567, not **voting** 39. p. 36825.

227/ P.L. 93-66 also increased the earnings retirement test threshold **amount from** \$2,100 to \$2,400 for 1974, and made changes in the SSI program.

be made in checks received **in July**; -creating only a three-month lag from the close of the measuring period (i.e., the first quarter) rather than the **seven-month** lag under the prior mechanism.

1. House Action

With a rule allowing only one floor amendment (pertaining to SSI) to H.R. 11333, the House passed H.R. 11333 on November 15, 1973. 228/

The November 14-15 debate on H.R. 11333 was devoted to the need for a quick cost-of-living social security benefit increase and to questions about the fiscal soundness of the social security trust funds. 229/ **H.R.** 11333 as reported by the Ways and Means Committee recommended a two-step 11 percent social security benefit increase in 1974, accelerated SSI benefit increases, and payroll tax increases.

- a. On November 15, 1973, under a rule allowing only one floor amendment to **H.R.** 11333, the House passed an amendment pertaining to SSI offered by Mrs. Griffiths. Mrs. Griffiths' amendment proposed to strike out the hold harmless provisions included in **H.R.** 11333 as reported by the Ways and Means Committee. Under the Committee bill, States providing supplementary payments to the Federal SSI benefit would have been able to increase their supplements by \$10 for individuals and by \$20 for couples and charge the increased costs to the Federal Government under the hold harmless clause (which protected States that supplemented SSI from high costs due to caseload expansion caused by the new **program**). Mrs. Griffiths remarked, "If the members vote against my amendment they are voting to tax their taxpayers in their states to raise the payment in six states far above \$210, and let the

228/ Congressional Record. Nov. 15, 1973. House. Roll call no. 592, not **voting** 22. **p.** 37159.

229/ Congressional Quarterly Almanac: 1973. **p.** 573.

Federal taxpayers from every state pay for it." 230/ In effect, she asserted the Committee was asking taxpayers **in small** States to foot the bill so that larger States could continue paying higher SSI benefits without increasing their own spending. The **Griffiths'** amendment was approved by a vote of 246 (125-R, 121-D) to 163 (56-R, 107-D). 231/

- b. On November 15, 1973, the House passed H.R. 11333 by a vote of 391 (168-R, 223-D) to 20 (15-R, 5-D). 232/

2. Senate Action

The Senate never acted on **H.R.** 11333. Instead, the Senate attached its social security amendments to **H.R.** 3153, a social security bill passed by the House on April 2, 1973. (**H.R.** 3153 as passed by the House made a number of technical and conforming amendments to the Social Security Act that had been omitted in drafting the conference agreement on H.R. 1, which became P.L.

92-603.)

The Finance Committee approved a number of substantive provisions affecting social security cash benefits, including an initial seven percent benefit increase effective upon enactment and a follow-up four percent increase in June 1974.

The Senate debated H.R. 3153 for 3 days and adopted 38 amendments, a number of which liberalized benefits and eligibility standards under the Social Security program.

- a. On November 29, 1973, Mr. Byrd (D-W. Va.) introduced an amendment that reduced from 60 to 55 the age at which a woman could claim a social security widow's benefits at a reduced level. Under existing law, a widow could elect to retire at 60 with reduced benefits.

230/ Congressional Record. Nov. 14, 1973. House. p. 36958-36960, 37192.

231/ Congressional Record. Nov. 15, 1973. House. Roll call no. 591, not **voting** 24. p. 37158-37159.

232/ Congressional Record. Nov. 15, 1973. House. Roll call no. 592, not **voting** 22. p. 37159.

Mr. Byrd said that his amendment would help widows between the ages of 55 and 60, who would be unlikely and perhaps unable to establish a new career, or to reactivate an old one. Terming the Byrd amendment '*inequitable,*' Mr. Curtis (R-Nebr.) objected that it would be unjust to reduce the eligibility age for widows "who have not worked under covered employment"* while keeping the existing requirement at age 62 for "women who have had to work all their lives and will have to work until they are of retirement age." Mr. Byrd's amendment was adopted by a vote of 74 (28-R, 46-D) to 13 (9-R, 4-D). 233/

- b. Mr. Byrd introduced a second amendment that increased to \$3,000 from \$2,400 the amount a social security beneficiary could earn without losing benefits and to reduce from 72 to 70 the age at which the earnings limit would no longer apply. The amendment was accepted November 29, 1973, by a vote of 83 (33-R, 50-D) to 1 (1-R). 234/
- c. On November 29, 1973, an amendment by Mr. Hartke (D-Ind.) making blind persons eligible for social security disability benefits after working a year and a half in employment covered by social security was adopted by voice vote. (Under then existing law a disabled person had to work in 20 out of 40 quarters to be eligible.)
- d. On November 30, 1973, the Senate passed **H.R.** 3153 by a vote of 66 (24-R, 42-D) to 8 (6-R, 2-D). 235/

3. Conference Action

After the Senate passed H.R. 3153 on November 30, 1973, it asked the House for a conference on the bill. But not until two days before the end of the session did the House appoint conferees.

The Conferees did not act on H.R. 3153. Instead, they agreed to work on revisions to H.R. 11333, the House-passed social security bill, which the Senate

233/ Congressional Record. Nov. 29, 1973. Senate. Roll call no. 527, not voting 13. p. 38645.

234/ Congressional Record. Nov. 29, 1973. Senate. Roll call no. 528, not voting 15. p. 38645-38646.

235/ Congressional Record. Nov. 30, 1973. Senate. Roll call no. 540, not voting 24. p. 38975.

had never acted on. 236/ As part of a compromise reached on December 20, the House conferees agreed to hold a further conference on H.R. 3153 in 1974 to consider additional Senate amendments. (However, no further action on H.R. 3153 took place.)

The conference report on **H.R.** 11333 included a two-step 11 percent increase in benefits, effective March 1974 and June 1974, raised the wage base to \$13,200 in 1974, and increased the initial Federal SSI benefit level.

- a. The Senate passed H.R. 11333 with the amendments agreed to in conference on December 21, 1973, by a vote of 64 to 0. 237/
- b. The House, on December 21, 1973, concurred in passing the bill by a vote of 301 (123-R, 178-D) to 13 (**10-R**, 3-D). 238/

U. **P.L.** 95-216, Social Security Amendments of 1977 (**H.R.** 9346)

The Social Security Amendments of 1977 were signed into law on December 20, 1977, by President Carter. The amendments were passed to meet major social security financing problems that emerged in the mid-1970s. The Congressional Quarterly Almanac says that the main cause of the immediate financial problems was the "combination of rapid inflation and a recession, which together raised social security benefit costs and reduced tax receipts." 239/ In addition to fixing the short-run problems, the amendments sought to eliminate the **medium-range** deficit (over the next 25 years) and to reduce the projected long-range

236/ Congressional Quarterly Almanac: 1973. p. 577-580.

237/ Congressional Record. Dec. 21, 1973. Senate. Roll call no. 613, not **voting** 34. p. 43115. Note: The Congressional Quarterly vote breakdown indicates 66 in favor (21-R, 45-D) and 0 opposed.

238/ Congressional Record. Dec. 21, 1973. House. Roll call no. 719, not **voting** 118. p. 43230.

239/ Congressional Quarterly Almanac: 1977. p. 161.

deficit (next 75 years) from over 8 percent of taxable payroll to less than 1.5 percent. Two issues of primary significance were (1) raising income for the system to handle the short-term financing problem either through increased payroll taxes or infusions from the general fund; and (2) modifying the benefit formula (i.e., decoupled) to stabilize replacement rates in the future, and, thereby, to reduce and possibly eliminate the projected long-run deficit.

Neither House of Congress gave much attention to a Carter Administration proposal to authorize use of general revenues for social security during periods of high **unemployment** (the so-called "countercyclical" use of general revenues). Instead, the new law increased social security tax rates and the taxable earnings base and reduced expenditures to remedy the short-run financing short-fall (mostly the former). The final bill contained decoupling procedures, which also had been supported by the Ford Administration, for correcting a very basic flaw in the benefit computation formula, and thereby largely reduced the **long-run** problem. P.L. 95-216 also liberalized the ****retirement test**" by providing a five-step ad hoc increase in the amount beneficiaries age 65 and over could earn without losing a portion of their benefits (the amount for persons under age 65 continued to be adjusted only for increases in average wages after 1978); eliminated the retirement test for beneficiaries aged 70 and over (reduced from age **72**), beginning in 1982; and liberalized the treatment of divorced and widowed beneficiaries.

1. House Action

Legislation that incorporated the Administration's recommendations (H.R. 8218) was introduced on July 12, 1977, by Mr. Burke (D-Mass.), Chairman of the Social Security Subcommittee of the House Ways and Means Committee. After reworking the Administration's package, the Subcommittee made recommendations to

the full Committee that were introduced by Chairman Ullman (**D-Oreg.**) on September 27, 1977, as H.R. 9346. On October 6, 1977, the full Committee approved a financing plan combining payroll tax increases with basic changes in benefits and coverage. The bill, H.R. 9346, was reported to the House on October 12, 1977. The House floor debate on **H.R.** 9346 began on October 26, 1977. 240/

- a. On October 26, 1977, an amendment from the House Committee on Post Office and Civil Service was considered. 241/ The amendment would have deleted the provision in the Ways and Means Committee bill covering Federal, State, local, and nonprofit employees under the Social Security program.
- b. Mr. Fisher (D-Va.) offered a substitute for the Post Office and Civil Service Committee amendment. The Fisher substitute provided that Federal employees would continue to be exempt from the social security system, as under old law, and that State and local governments and nonprofit organizations would continue to have the option to elect to cover their employees. While the amendment deleted mandatory coverage of these employees, the bill retained a provision requiring a study of mandatory coverage to be conducted jointly by the Civil Service Commission, the Departments of Treasury and Health, Education, and Welfare, and the Office of Management and Budget. Many Members endorsed the concept of universal mandatory social security coverage, but supporters of the Fisher amendment asserted that a study of the universal coverage issue should be conducted first. Opponents, on the other hand, argued that the Committee bill, by postponing the extension of coverage until 1982, allowed sufficient time to work out details. 242/ The amendment also provided **for increases** in

240/ Social Security Administration. Social Security Amendments of 1977: **Legislative** History and Summary of Provisions. Prepared by John Snee and Mary Ross, Office of Program Evaluation and **Planning**, Social Security Administration. Social Security Bulletin, **v.** 41, no. 3, Mar. 1978. **p.** 6-9. (Hereafter cited as Social Security Amendments of 1977: Legislative History)

241/ When **H.R.** 9346 was introduced it was referred solely to the Ways and **Means Committee**. The Chairman of the Post Office and Civil Service Committee, Mr. Nix (D-Pa.), concerned over the social security coverage of Federal employees under the bill, successfully persuaded the Speaker of the House to give his Committee sequential referral of the bill. The Committee on Post Office and Civil Service unanimously voted to amend the bill to strike social security coverage of Federal employees. However, under the rule for floor debate, the bill as reported by the Ways and Means Committee was to be the vehicle for floor consideration. The Post Office and Civil Service Committee amendment was considered as a floor amendment to the Ways and Means Committee bill.

242/ Congressional Quarterly Almanac: 1977. p. 165.

the social security tax rates and wage base, over those included in the Committee bill, to make up for the revenue loss due to deletion of the mandatory coverage provisions. The Administration, as well as representatives of many groups that would have been affected by the coverage extension--Federal workers, teachers' unions, State and local governments--lobbied for the Fisher amendment. 243/ Mr. Fisher's substitute amendment was agreed to by a **vote of** 386 (129-R, 257-D) to 38 (14-R, 24-D). 244/ The House then adopted the Post Office and Civil **Service Com-**mittee amendment, as amended by the Fisher amendment, by a vote of 380 (124-R, 256-D) to 39 (14-R, 25-D). 245/

- c. On October 26, 1977, Mr. Pickle (D-Tex.) offered an amendment to strike another Committee provision authorizing standby loans to the OASDI system from general revenues whenever trust fund reserves dipped below 25 percent of a year's outgo. Mr. Pickle argued that any use of general treasury funds for social security undermined the contributory nature of the program. He remarked that he did not want to see the Social Security program turned into a ****welfare or need program.**" The Pickle amendment was rejected by a vote of 196 (122-R, 74-D) to 221 (**15-R**, 206-D). 246/
- d. On October 26, 1977, Mr. **Corman** (D-Calif.) offered an amendment to eliminate the minimum social security benefit for new beneficiaries. Mr. **Corman** asserted that the minimum benefit guaranteed a beneficiary with very low social security contributions a monthly cash benefit "far in excess of his or her average monthly wage." He further remarked that his amendment restored **"a** measure of the social insurance principle of relating benefits to contributions." The amendment was rejected by a vote of 131 (68-R, 63-D) to 271 (64-R, 207-D). 247/
- e. On October 27, 1977, Mr. **Ketchum** (R-Calif.) offered an amendment to raise the earnings limitation on beneficiaries over age 65 gradually and to phase it out completely in 1982. The amendment included a tax rate increase to meet the cost of the additional

243/ Ibid.

244/ Congressional Record. Oct. 26, 1977. House. Roll call no. 697, not **voting** 10. **p.** 35315.

245/ Congressional Record. Oct. 26, 1977. House. Roll call no. 698, not **voting** 15. **p.** 35315-35316.

246/ Congressional Record. Oct. 26, 1977. House. Roll call no. 700, not **voting** 17. **p.** 35323.

247/ Congressional Record. Oct. 26, 1977. House. Roll call no. 701, not **voting** 32. **p.** 35326.

benefit payments. The amendment was adopted by a vote of 268 (139-R, 129-D) to 149 (1-R, 148-D). 248/

- f. On October 27, 1977, Mr. **Conable** (R-N.Y.) moved to recommit H.R. 9346 to the Ways and Means Committee with instructions to report out the bill with an amendment that mandated coverage of Federal workers, diverted half of the HI portion of the social security tax to OASDI in 1980, and replaced the lost HI revenues with general revenues. Mr. **Conable** argued that an amendment containing the above would enable both the wage base and the tax rate to remain as scheduled under existing law. The recommitment motion was rejected by a vote of 57 (44-R, 13-D) to 363 (97-R, 266-D). 249/
- g. H.R. 9346 passed the House on October 27, 1977, by a vote of 275 (40-R, 235-D) to 146 (**100-R**, 46-D). 250/

2. Senate Action

Preliminary hearings and mark-up sessions on financing and decoupling were held by the Senate Committee on Finance in the summer and fall of 1977, even though the House had not yet passed its social security bill. 251/

Before H.R. 9346 was passed by the House, the Finance Committee had tentatively agreed that its amendments would be attached to H.R. 5322, an unrelated tariff bill that had originated in the House. H.R. 5322 was to be a convenient vehicle for putting the Senate Finance Committee proposals before the Senate promptly. 252/

248/ Congressional Record. Oct. 27, 1977. House. Roll call no. 704, not **voting** 17. p. 35394.

249/ Congressional Record. Oct. 27, 1977. House. Roll call no. 705, not **voting** 14. p. 35406.

250/ Congressional Record. Oct. 27, 1977. House. Roll call no. 706, not **voting** 13. p. 35406-35407.

251/ Social Security Amendments of 1977: Legislative History, p. 9.

252/ Ibid., p. 10-11.

- a. When **H.R. 9346** as passed by the House came up for debate on the Senate floor on November 2, 1977, Mr. Long (D-La.) introduced an amendment to substitute the Finance Committee social security proposals in H.R. 5322 for the House bill. The Finance Committee proposals included a provision requiring employers to pay social security taxes on a higher wage base than employees. It also included decoupling measures similar to those in the House bill. Mr. Long's amendment was agreed to with no recorded vote. 253/ Thus, the text of **H.R. 5322** became **H.R. 9346** as amended **by the** Senate.
- b. On November 3, 1977, Mr. Curtis (R-Nebr.) offered an amendment that would have kept the taxable wage base the same for employers and employees (at the level specified for employees in the Committee proposal) but would have raised the tax rate above the Committee-recommended levels. Mr. Curtis said his amendment would take care of the deficit in the social security fund. He stated that raising the wage base would put half of the financing burden exclusively on the people with higher incomes.

Mr. Nelson (D-Wise.) acknowledged that the Curtis amendment would supply the necessary funding to keep the retirement system solvent, but stressed that the average worker would pay a higher tax under the Curtis plan than under the Committee proposal. Mr. Nelson's motion to table the Curtis amendment lost by a vote of 44 (3-R, 41-D) to 45 (31-R, 14-D), 254/ but the Senate then rejected the Curtis amendment, 40 (27-R, **13-D**) to 50 (7-R, 43-D). 255/

- c. On November 4, 1977, Mr. Goldwater (**R-Ariz.**) offered an amendment to lower from 72 to 65 (in 1982) the age at which a person's earnings would not cause a loss of benefits (the retirement test). Mr. Goldwater said that his amendment would end the discrimination that allowed full benefits to relatively wealthy retirees who had unearned income in excess of \$3,000, but reduced benefits for retirees who relied entirely on additional earned income to supplement their social security benefits. Opponents of the amendment said that it would provide a windfall to professionals who continued to work at lucrative jobs past retirement age.

Mr. Church (D-Idaho) offered a substitute amendment to lower from 72 to 70 the age at which the retirement test would no longer **apply.**

253/ Congressional Record. Nov. 2, 1977. Senate. p. 36449.

254/ Congressional Record. Nov. 3, 1977. Senate. Roll call no. 611, not **voting** 11. p. 36763.

255/ Congressional Record. Nov. 3, 1977. Senate. Roll call no. 612, not **voting** 10. p. 36764.

Mr. Goldwater's motion to table the Church amendment was rejected 33 (25-R, 8-D) to 53 (7-R, 46-D). 256/

The Senate adopted the Church substitute amendment 59 (12-R, 47-D) to 28 (**20-R**, 8-D) **257/** and then adopted the Goldwater amendment as amended by the Church substitute by a vote of 79 (30-R, 49-D) to 4 (4-D). 258/

- d. Another amendment offered by Mr. Church (D-Idaho) *on* November 4, 1977 to provide for semi-annual cost-of-living increases in social security benefits (when the rate of inflation for a 6-month period was 4 percent or greater) was adopted by a vote of 50 (**11-R**, 39-D) to 21 (15-R, 6-D). 259/
- e. On November 4, 1977, Mr. Bayh (D-Ind.) offered an amendment to remove the earnings limit for blind persons collecting disability benefits under the Social Security program and to set the number of quarters blind persons must work to qualify for the benefit at six. The Bayh amendment was adopted by voice vote. 260/
- f. The Senate passed **H.R.** 9346, as amended, by a vote of 42 (9-R, 33-D) to 25 (**15-R**, 10-D) on November 4, 1977. 261/

3. Conference Action

The conference agreement provided for higher payroll tax rates than those proposed in either the House- or Senate-passed bills. The House-approved authority for loans to the trust funds from general revenues was dropped, as was the Senate-passed proposal to raise the wage base for employers higher than

256/ Congressional Record. Nov. 4, 1977. Senate. Roll call no. 620,
not **voting** 14. p. 37130-37131.

257/ Congressional Record. Nov. 4, 1977. Senate. Roll call no. 621,
not **voting** 13. p. 37132.

258/ Congressional Record. Nov. 4, 1977. Senate. Roll call no. 622,
not **voting** 17. p. 37132.

259/ Congressional Record. Nov. 4, 1977. Senate. Roll call no. 627,
not **voting** 29. p. 37162.

260/ Congressional Record. Nov. 4, 1977. Senate. p. 37141.

261/ Congressional Record. Nov. 4, 1977. Senate. Roll call no. 631,
not **voting** 31. p. 37199-37200.

that for employees. Rather than phase out-the retirement test, as in the **House-** passed bill, the conferees agreed to raise over 5 years the amount an elderly person (65 and older) could earn without losing benefits.

Despite numerous differences between the House and Senate versions of the bill, the Congressional Quarterly Almanac states that the conferees resolved their differences "without trouble." 262/ The main controversy involved provisions dealing with welfare programs and college tuition tax credits.

- a. On December 15, 1977, the House agreed to the conference report by a vote of 189 (**15-R**, 174-D) to 163 (109-R, 54-D). 263/ There was a lot of unease in the-House regarding passage **of the** conference report because of the large tax increases. Mr. **Conable** (R-N-Y.) claimed that more reasonable non-tax alternatives were available.

On December 15, 1977, Mr. Ullman (D-Oreg.) stated that the conference report "responsibly faces up to the issues of social security, both short range and long range." Mr. Ullman also assured Members that he would "move as expeditiously as possible, certainly within the next S-year time frame, toward adopting a new revenue mechanism whereby we can back off from these major increases" 264/

- b. On December 15, 1977, the Senate passed the conference report with little controversy by a vote of 56 (17-R, 39-D) to 21 (14-R, 7-D). 265/

V. P.L. 96-265, Social Security Disability Amendments of 1980 (H.R. 3236)

The Social Security Disability Amendments of 1980 were signed into law on June 9, 1980, by President Carter. The 1980 amendments changed the social

262/ Congressional Quarterly Almanac: 1977. p. 171.

263/ Congressional Record. Dec. 15, 1977. House. Roll call no. 782, not **voting** 81. p. 39035.

264/ Congressional Record. Dec. 15, 1977. House. In floor remarks by Mr. **Ullman**. p. 39007-39008.

265/ Congressional Record. Dec. 15, 1977. Senate. Roll call no. 636, not **voting** 22. p. 39152-39153.

security disability insurance program in four major ways: (1) it placed a new limit on family benefits to reduce the number of instances where disability benefits exceeded the worker's previous average earnings, (2) it provided certain protections for recipients who returned to work so that those on the disability rolls would be encouraged to work if at all possible, (3) it required a higher percentage of Federal reviews of new disability awards and more frequent periodic State-level reexamination of existing beneficiaries, and (4) it modified the administrative relationship between the Federal Government and States. The amendments also made similar changes in disability payments under the SSI program. The new law further established a new program of voluntary Federal certification of "medigap" insurance policies sold by private insurance companies to supplement Federal **medicare** health insurance. Under this provision Federal standards were established for medigap policies.

1. House Action

The Subcommittee on Social Security of the House Ways and Means Committee held public hearings in February and March 1979. Following these hearings, the Subcommittee held mark-up sessions on H.R. 2854, the Administration's proposals, and incorporated its recommendations into a new bill, H.R. 3236, which was introduced in the House on March 27, 1979. After considering the Subcommittee's recommendations, the full Committee on Ways and Means reported the bill to the House on April 23, 1979. Action on the bill was delayed as several major groups raised questions about the legislation, and controversy arose as to the rules under which the bill would be considered on the House floor. Many of the interested parties wanted an opportunity to consider several of the provisions separately when **H.R.** 3236 was considered on the floor, rather than to simply vote for or against the bill as a whole. The House Committee on Rules held hearings

on June 6 and 7, 1979, and reported out on June 7, 1979, H. Res. 310, which provided for a modified rule and one hour of debate on H.R. 3236. The rule provided that the only amendments that would be in order would be those recommended by the Ways and Means Committee (which were not amendable) and an amendment offered by Mr. Simon (D-Ill.) that would delay the implementation of a provision affecting vocational **rehabilitation** funding by one year, until fiscal year 1982.

According to the Congressional Quarterly Almanac, even after the rule was passed, "the opposition coalition was able to block floor consideration of the measure for three months." 266/ Floor debate on **H.R.** 3236 did not begin until September 6, 1979. 267/

- a. On September 6, 1979, the House agreed to the Ways and Means Committee amendments 268/ and to Mr. Simon's (D-Ill.) amendment (to change effective date) 269/ and passed H.R. 3236 by a vote of 235 (108-R, 127-D) to **162 (36-R, 126-D)**. 270/

2. Senate Action

In October 1979, the Senate Finance Committee held hearings on the proposed disability legislation included in **H.R.** 3236 and other bills. The Committee completed four days of mark-up on November 7, 1979, and reported H.R. 3236 to

266/ Congressional Quarterly Almanac: 1979. p. 505.

267/ **Social Security** Administration. Social Security Disability **Amendments of 1980**: Legislative History and Summary of Provisions. Social Security Bulletin, v. 44, no. 4, Apr. 1981. p. 14-23. (Hereafter cited as Social Security Disability Amendments of 1980: Legislative History)

268/ Congressional Record. Sept. 6, 1979. House. p. 23398.

269/ Congressional Record. Sept. 6, 1979. House. p. 23401.

270/ Congressional Record. Sept. 6, 1977. House. Roll call no. 447, not **voting** 37. p. 23401-23402.

the Senate on November 8, 1979. On December 5, 1979, the Senate began floor debate. Final debate, which occurred in late January 1980, centered primarily on the provision to establish a lower limit on family benefits. 271/

- a. On January 30, 1980, Mr. Metzenbaum (D-Ohio) offered an amendment to substantially increase the limit on disability benefits from 85 to 100 percent of the worker's previous average earnings. It was defeated by a vote of 47 (7-R, 40-D) to 47 (31-R, 16-D). 272/
- b. On January 30, 1980, Mr. Bayh (D-Ind.) offered an amendment to start paying disability benefits to terminally ill applicants as soon as they were unable to continue working, repealing the *program's* waiting period for them. The amendment was limited to people who had a disease that would probably result in death within a year; in the opinion of two doctors. It retained a five-month waiting period for other disability insurance applicants. Mr. Bayh said it was cruel to deny assistance to desperately ill people on the basis of an arbitrary waiting period that lasted longer than most of them were likely to live.

Mr. Long (D-La.) said elimination of the waiting period for one group would eventually lead to its elimination for all disabled persons, at a cost of \$3 billion a year. Mr. Long also argued that the amendment was not germane since there was nothing in the bill relating to the waiting period **for benefits**. The amendment was ruled out of order. But the Senate voted 37 (19-R, 18-D) to 55 (17-R, 38-D) against the ruling of the chair, 273/ and then adopted the Bayh amendment by a vote of 70 (25-R, 45-D) to 23 (12-R, 11-D). 274/

- c. On January 31, 1980, the Senate passed **H.R** 3236, with amendments, by a vote of 87 (35-R, 52-D) to 1 (1-D). 275/

271/ Social Security Disability Amendments of 1980: Legislative History, p. 23-24.

272/ Congressional Record. Jan. 30, 1980. Senate. Roll call no. 23, not voting 6. p. 1231.

273/ Congressional Record. Jan. 30, 1980. Senate. Roll call no. 18, not voting 8. p. 1203.

274/ Congressional Record. Jan. 30, 1980. Senate. Roll call no. 19, not voting 7. p. 1207.

275/ Congressional Record. Jan. 31, 1980. Senate. Roll call no. 27, not voting 12. p. 1411.

3. Conference Action

The conference committee convened on March 27, 1980, and its deliberations extended throughout April and into May. On May 13, 1980, the conference committee reported the bill. 276/

On the key issue of limiting future family benefits, the conferees combined the Senate limit of 85 percent of the worker's previous average work earnings and the House provision limiting benefits to no more than 150 percent of the worker's basic individual benefit. 277/ The conferees also made one modification to the medigap provision (added to H.R. 3236 by the Senate) and dropped the Senate amendment regarding the waiting period for the terminally ill, calling for a study of the issue instead.

- a. On May 22, 1980, the House passed the bill, H.R. 3236, as agreed to by the conferees, by a vote of 389 (147-R, 242-D) to 2 (2-D). 278/
- b. On May 29, 1980, the Senate passed the conference report on H.R. 3236 by a voice vote. 279/

W. P.L. 96-403, Reallocation of OASI and DI Taxes (H.R. 7670)

On October 9, 1980, H.R. 7670, Reallocation of Social Security Taxes Between OASI and DI Trust Funds, was signed into law by President Carter.

Although the Social Security Amendments of 1977 did, in part, remedy the social security financing problems, high inflation increased social security

276/ Social Security Disability Amendments of 1980: Legislative History, p. 24.

277/ Congressional Quarterly Almanac: 1980. p. 437.

278/ Congressional Record. May 22, 1980. House. Roll call no. 253, not voting 42. p. 12175-12176.

279/ Congressional Record. May 29, 1980. Senate. p. 12628.

benefits and higher than expected **unemployment** reduced income to the trust funds. The outlook for the OASI program, in particular, was deteriorating fairly rapidly. H.R. 7670 shifted revenues from the Disability Insurance Trust Fund to the Old-Age and Survivors Trust Fund during 1980 and 1981 so that adequate reserves could be maintained in both trust funds at least through the end of calendar year 1981.

1. House Action

- a. On July 21, 1980, Mr. Pickle (D-Tex.) moved to suspend the rules and pass H.R. 7670. In his remarks, Mr. Pickle said that "the bill we bring today is a deliberate step both to insure the stability of the trust funds and to provide the Congress the time it will need to make any further changes necessary." He also stated that "Reallocation, the mechanism used in **H.R.** 7670, has been the traditional way of redistributing the OASDI tax rates when there have been changes in the law and in the experience of programs and in order to keep all the programs on a more or less even reserve ratio." Mr. Pickle further remarked, "Reallocation means that the formula for allocating the incoming payroll tax receipts is changed in the law so that funds will flow into the various funds in a different mix than currently projected." **280/**
- b. On July 21, 1980, the House suspended the rules and passed H.R. 7670. There was no roll call vote. **281/**

2. Senate Action

- a. On September 25, 1980, **H.R.** 7670 was passed by unanimous consent. **282/**

280/ Congressional Record. July 21, 1980. House. In floor remarks by Mr. Pickle. p. 18827.

281/ Congressional Record. July 21, 1980. House. p. **18830.**

282/ Congressional Record. Sept. 25, 1980. Senate. p. 27297.

x. P.L. 96-473, Retirement Test Amendments (H.R. 5295) 283/

On October 19, 1980, P.L. 96-473 was signed by President Carter. It made various changes in the retirement (earnings) test provisions enacted in 1977 and limited the circumstances under which social security benefits could be paid to prisoners. Before enactment of the Social Security Amendments of 1977, two retirement (earnings) tests **were** used to determine social security benefit size and eligibility. One was an annual test, the other a monthly test. If a beneficiary earned more than the annual limit, his benefits were reduced \$1 for every \$2 of excess earnings until all social security benefits were phased out. Under the monthly earnings test, however, if a person's earnings were less than one-twelfth of the annual amount, he could get full benefits for that month, regardless of annual earnings. 284/ The 1977 provision was designed with retirees in mind. However, the language as enacted applies to all classes of beneficiaries affected by the earnings limitation. Generally, these beneficiaries are likely to get a job and **have** substantial earnings in the year their benefits end. If these earnings are over the annual earnings limitation, some of the benefits they already received in the year can become overpayments and,

283/ Although chamber action is not described here, it should be noted that additional social security measures were taken up by the Congress in 1980. On December 5, 1980, during the last days of the 96th Congress, President Carter signed into law **H.R.** 7765, the Omnibus Reconciliation Act of 1980 (P.L. 96-499). Among its many provisions, **P.L.** 96-499 limits the maximum number of months of retroactive entitlement to social security benefits from 12 months to 6 months. In addition, during the 96th Congress both the House and Senate passed resolutions expressing their disapproval of the Social Security Advisory Council's recommendation that half of social security benefits be made subject to Federal income tax. House Concurrent Resolution 351 was approved by the House on July 21, 1980, by a vote of 384 to 1, and Senate Resolution 432 was approved by the Senate on August 4, 1980, by voice vote.

284/ Congressional Quarterly Almanac: 1980. p. 295.

thus, have to be repaid. 285/ P.L. 96-473 modified this by allowing individuals who received a dependent's benefit (a child or student's benefit, mother's benefit, or father's benefit) to use the monthly earnings test in the year in which they lost entitlement to such benefits because of failing the annual earnings test. P.L. 96-473 also allowed all beneficiaries to qualify for at least one "grace year" in which the monthly earnings test applies, and made other changes relating to the retirement test for the self-employed, particularly those whose incomes were often in "deferred" forms.

In addition, P.L. 96-473 prohibited payment of social security disability insurance benefits or of student benefits (based on any kind of social security status) to prisoners convicted of a felony, except where the individual is participating in a court-approved rehabilitation program; allowed benefits to be paid to dependents of prisoners, just as if the prisoner were receiving benefits; disallowed impairments, to the extent that they arise from or are aggravated by the commission of a crime, to be considered in determining whether a person is disabled; and disallowed impairments developing while an individual **is** in prison to be considered for the purpose of payment of disability benefits while the person remains in prison.

1. House Action

On July 23, 1979, the House Ways and Means Committee% Subcommittee on Social Security held a hearing on the social security earnings test. In the

285/ U.S. Congress. House. Committee on Ways and Means. Earnings Test for Social Security Beneficiaries. Report to Accompany **H.R. 5295**. **Oct. 19, 1979**. Report No. 96-537. 96th Cong., 1st Sess. Washington, U.S. Govt. Print. Off., 1979.

U.S. Congress. Senate. Committee on Finance. Amendments to the Social Security Program. Report to Accompany H.R. 5295. Sept. 24, 1980. Report No. 96-987. 96th **Cong.**, 2d Sess. Washington, U.S. Govt. Print. Off., 1980.

spring of 1980, Congress was concerned with the issue of paying social security benefits to prisoners. The Subcommittee on Social Security held hearings on the subject, and numerous bills prohibiting payments to prisoners were introduced.

- a. On December 19, 1979, Mr. Long (D-La.) in discussing the earnings test as amended by the 1977 amendments said, "The purpose of the change was to simplify the test and make more evenhanded the treatment of those who had similar amounts of annual earnings but differences in monthly work patterns. Several categories of beneficiaries have been experiencing unforeseen problems with the new annual earnings test, however, and have been disadvantaged by it. H.R. 5295 is designed to correct those inequities." 286/
- b. On December 19, 1979, **H.R.** 5295, amended, was passed unanimously by the House by a vote of 383 to 0. 287/

2. Senate Action

On April 21, 1980, the Senate Finance Committee's Subcommittee on Social Security held a hearing on the social security earnings test. During the spring of 1980, the Subcommittee also held hearings on the subject of denying social security benefits to prisoners. When S. 2885, the 1981 Budget Reconciliation bill, was considered in the Senate a provision reported out of the Finance Committee that prohibited payment of social security disability benefits to prisoners convicted of crimes was agreed to. The Finance Committee also included this measure in H.R. 5295, a bill amending the social security retirement test, which had been passed by the House on December 19, 1979.

- a. On September 30, 1980, the Senate passed H.R. 5295, with amendments, by unanimous consent. 288/

286/ Congressional Record. Dec. 19, 1979. House. p. 36961.

287/ Congressional Record. Dec. 19, 1979. House. Roll call no. 751, not voting 50. p. 36969.

288/ Congressional Record. Sept. 30, 1980. Senate. p. 28195.

3. House Concurrence

- a. On October 1, 1980, Mr. **Conable** (R-N.Y.) remarked, "The only amendment that we are asking to be attached here that goes to the Senate is an amendment that changes the word "crime" to the words "crime in the nature of a felony", so that it would apply only to more serious crimes and not possibly to traffic infractions and things of that sort." **289/**
- b. On October 1, 1980, the House concurred in the Senate amendments with an amendment by unanimous consent. **290/**

4. Senate Concurrence

- a. On October 1, 1980, Mr. Byrd (D-W. Va.) moved that the Senate concur with the House amendment to the Senate amendment. The motion was agreed to by voice vote. **291/**

Y. **P.L.** 97-35, The Omnibus Budget Reconciliation Act of 1981 (H.R. 3982)

The Omnibus Budget Reconciliation Act of 1981 was signed into law on August 13, 1981, by President Reagan. Most of the social security changes proposed by the President as part of his fiscal year 1982 budget (and some added by the House) were enacted in the 1981 budget reconciliation bill, P.L. 97-35. The social security provisions were among many outlay reduction measures affecting Federal domestic and other programs generally intended to constrain the growth of Federal expenditures. The Administration argued that the social security provisions it targeted for elimination or reduction were not directed at the basic goals of the program, and it did not consider them to have been "earned." The budget provisions eliminated the minimum social security benefit

289/ Congressional Record. Oct. 1, 1980. House. **p.** 28676-28677.

290/ Congressional Record. Oct. 1, 1980. House. **p.** 28677.

291/ Congressional Record. Oct. 1, 1980. Senate. **p.** 28881.

for both current and future beneficiaries , phased out benefits for students in postsecondary schools (age 18 and older, except for those still in high school, for whom benefits would continue until age **19**), made lump-sum death benefits available only to a spouse who was living with the worker or a spouse or child eligible for immediate monthly survivor benefits, and reduced (through the worker's compensation offset provision) social security disability benefits for those whose total disability payments from social security and certain other public pensions exceed 80 percent of pre-disability earnings. The amendments also eliminated reimbursement of the cost of State vocational rehabilitation services from trust funds except where it could be shown that such services had resulted in taking a disabled person off the social security rolls; postponed the lowering of the earnings test exempt age (from 72-70) until 1983; ended the parent's benefit when the youngest child reaches age 16 (instead of age 18); and provided that workers and their spouses would not receive benefits for a month unless they meet the requirements for entitlement throughout the month. These last three provisions were initiatives added by the Ways and Means Committee.

1. Senate Action **292/**

Because the social security legislation was considered in the context of the budget and reconciliation processes, there was virtually simultaneous consideration of the proposals by both the House and the Senate. And, after final

292/ In a departure from format, the Senate action is given first because the **Senate** passed the bill the day before the House did.

adoption (May 21, 1981) of the First Concurrent Budget Resolution, both the House and the Senate were acting within similar reconciliation guidelines. 293/

- a. On June 10, 1981, the Finance Committee reported its recommendations for spending reductions. These were included by the Senate Budget Committee in **S. 1377**, the Omnibus Budget Reconciliation Act of 1981, which was reported by the Budget Committee to the Senate on June 17, 1981. The social security proposals included in S. 1377 were basically those proposed by the Administration with some minor modifications.
- b. On June 22-25, 1981, the Senate debated **S. 1377**. The most controversial aspect of the bill relating to the Social Security program was the elimination of the minimum benefit for people already on the benefit rolls. On June 23, 1981, Mr. Riegle (**D-Mich.**) offered an amendment that would have eliminated the minimum benefit only for future recipients. The amendment was defeated by a vote of 45 (4-R, 41-D) to 53 (48-R, 5-D). 294/
- c. On June 25, 1981, the Senate passed **S. 1377**, with the Finance Committee recommendations for social security, by a vote of 80 (52-R, 28-D) to 15 (0-R, 15-D). 295/

2. House Action

The Ways and Means Committee recommendations for social security, while touching on some of the same benefit categories as the Administration's proposals, were notably different. These proposals were incorporated by the Budget Committee into its version of the Omnibus Budget Reconciliation Act of 1981, H.R. 3982, which was reported to the House on June 19, 1981.

293/ Social Security Administration. Omnibus Budget Reconciliation Act of 1981: Legislative History and Summary of OASDI and Medicare Provisions [by] John A. Svahn. Social Security Bulletin, v. 44, no. 10, Oct. 1981. p. 7. (Hereafter cited as Omnibus Budget Reconciliation Act of 1981: Legislative History)

294/ Congressional Record. June 23, 1981. Senate. Roll call no. 160, not voting 2. p. 13304.

295/ Congressional Record. June 25, 1981. Senate. Roll call no. 182, not voting 5. p. 13933.

The adoption of the rule for floor consideration of the reconciliation bill became, in itself, a highly controversial issue. The Democratic leadership argued for allowing six separate votes on the grounds that this would allow for greater accountability for individual Members and avoid criticisms of "rubber-stamping" the Administration's proposals. 296/ "A bipartisan group of Members (generally supported by the Administration) argued instead for a substitute rule that would allow first for consideration of a major substitute for the Budget Committee bill and then only for an up-or-down vote" 297/ on a different substitute sponsored by Mr. Gramm (D-Texas) and Mr. Latta (R-Ohio). Those arguing against the original rule and for the substitute said it would facilitate future conference agreement by bringing **H.R.** 3982 more closely in line with the President's original proposals and with **S.** 1377 then pending in the Senate. 298/

- a. On June 25, 1981, the original rule for floor consideration of the reconciliation bill was defeated by a vote of 210 (1-R, **209-D**) to 217 (188-R, 29-D). 299/
- b. A package of amendments by Mr. Latta (R-Ohio), the so-called Gramm-Latta **II** alternative, was adopted calling for (1) deletion of the Ways and Means' proposal to move the social security benefit increase from July to October in two steps and (2) adoption of the Senate-passed minimum benefit proposal with a different effective date, affecting both current and future beneficiaries, and (3) the Senate-passed student benefit phase-out proposal (which contained a faster phase-out than the Ways and Means Committee version).

296/ Omnibus Budget Reconciliation Act. of 1981: Legislative History, p. 11.

297/ Ibid.

298/ Ibid.

299/ Congressional Record. June 25, 1981. House. Roll call no. 104, not voting 4. p. 14078-14079.

The Gramm-Latta II alternative package passed the House on June 26, 1981, by a vote of 217 (188-R, 29-D) to 211 (2-R, 209-D). 300/

- c. On June 26, 1981, the House passed the Omnibus Budget Reconciliation Act of 1981 by a vote of 232 (185-R, 47-D) to 193 (5-R, 188-D). 301/

3. Conference Action

The passage of the alternative budget package resulted in House-passed social security measures that were very similar to the Administration's original proposals and to those in the Senate-passed reconciliation bill. On July 13, 1981, the Senate voted to substitute the reconciliation proposals from S. 1377 for those passed by the House in **H.R.** 3982 and to go to conference to resolve the differences. 302/

On July 30, 1981, Mr. Bolling (D-Mo.), Chairman of the House Rules Committee, threatened to prevent the conference agreement from being brought to the House floor for final approval until something could be worked out to modify the minimum benefit provision. An agreement was worked out permitting a bill that would modify the minimum benefit provision to be brought to the House floor before the vote on the reconciliation conference report. This bill was H.R. 4331, the Social Security Amendments of 1981. (See following section for further details.)

300/ Congressional Record. June 26, 1981. House. Roll call no. 111, not **voting** 4. p. 14681014682.

301/ Congressional Record. June 26, 1981. House. Roll call no. 113, not **voting** 6. p. 14794-14795.

302/ Omnibus Budget Reconciliation Act of 1981: Legislative History, p. 13.

- a. On July 31, 1981, both the House and the Senate approved the conference report on the 1981 Budget Reconciliation bill, the House by a voice vote and the Senate by a vote of 80 (49-R, 31-D) to 14 (1-R, 13-D). 303/

Z. P.L. 97-123, Social Security Amendments of 1981 (H.R. 4331)

The Social Security Amendments of 1981 were signed into law on December 29, 1981, by President Reagan. The amendments restored the minimum social security benefit for current beneficiaries, but eliminated it for people becoming newly eligible for benefits after December 31, 1981. 304/ In July 1981, as part of the Omnibus Budget Reconciliation Act of 1981, Congress had enacted the elimination of the minimum benefit effective in April 1982 (P.L. 97-35). However, the public outcry was so great that both Houses and the Administration thought it prudent to reconsider the measure. 305/ H.R. 4331 also allowed the financially troubled OASI trust fund to borrow from the healthier disability insurance and hospital insurance trust funds until December 31, 1982. The law specified that the borrowing could not exceed amounts needed to pay benefits more than six months in the future and provided for repayment of any amounts

303/ Congressional Record. July 31, 1981. Senate. Roll call no. 247, not **voting** 6. p. 19144.

304/ The minimum benefit is the smallest benefit (before actuarial reduction **or earnings** test reduction) payable to a worker or from which benefits to his survivors/dependents will be determined. In 1977, the minimum benefit was frozen at \$122 per month for all workers who became disabled after 1978 and all survivors of workers who died after 1978. The new frozen minimum of \$122 was to have applied to all retired workers reaching age 62 in 1984 or later. However, this 1981 legislation eliminated the minimum benefit for all people becoming eligible for benefits in January 1982 or later (except for certain members of religious orders who have taken a vow of poverty; such people are exempt from the new law for 10 years). These people have their benefits computed under the regular benefit computation rules. People already eligible for benefits before January 1, 1982, are able to continue receiving the minimum benefit.

305/ Congressional Quarterly Almanac: 1981. p. 117.

borrowed. Actual borrowing from the two trust funds (\$17.5 billion) occurred late in December 1982 **and** was limited to the amount necessary to keep **OASI** benefits flowing until June 1983. In addition, the bill: (1) allowed members of religious orders who had taken a vow of poverty and were covered by social security before enactment of the bill to continue to become eligible for the minimum benefit during the next 10 years; (2) extended the payroll tax to the first 6 months of sick pay (previously in certain situations the tax did not apply during this period); (3) made it a felony to alter or counterfeit a social security card; and (4) allowed the Department of Health and Human Services access to recorded social security numbers to prevent ineligible prisoners from receiving disability benefits.

1. House Action

On July 21, 1981, the House, by a vote of 405 (176-R, 229-D) to 13 (**10-R**, 3-D), **306/** adopted a non-binding resolution (H. Res. 181) urging that steps be taken "to ensure that social security benefits are not reduced for those currently receiving them." After the conference report on the reconciliation bill was filed on July 29, 1981, the House Rules Committee Chairman Richard Bolling (D-Mo.) held up the reconciliation bill in his Committee in an effort to restore the minimum benefit. An agreement was subsequently reached whereby the budget bill would be reported out of the Rules Committee intact, and a separate bill to restore the minimum benefit for all current and future beneficiaries (H.R. 4331) would be taken up by the House before the vote on the budget bill. **307/**

306/ Congressional Record. July 21, 1981. House. Roll call no. 145, not **voting** 15. **p.** 16659-16660.

307/ Congressional Quarterly Almanac: 1981. **p.** 119-120.

The House debated and passed **H.R.** 4331 on July 31, 1981; as passed by the House, H.R. 4331 repealed the section of **P.L.** 97-35 that eliminated the minimum benefit, thereby reinstating the minimum benefit for both current and future beneficiaries.

- a. On July 31, 1981, the House passed **H.R.** 4331 by a vote of 404 (172-R, 232-D) to 20 (17-R, 3-D). **308/**

2. Senate Action

On the same day that **H.R.** 4331 was sent to the Senate, Mr. Riegle (**D-Mich.**), Mr. **Moynihan** (D-N.Y.), and Mr. Kennedy (D-Mass.) moved to have the Senate immediately consider it. The Senate's presiding officer ruled the motion out of order under Senate rules, and the ruling of the chair was upheld by the Senate by a vote of 57 to 30, **309/** thereby permitting consideration of the bill by the Finance Committee and delaying a Senate vote until October. **310/**

The Senate bill reported by the Finance Committee in September 1981 included provisions that restored the minimum benefit for current beneficiaries, except for those with Government pensions above \$300 a month, who would have their so-called "windfall" social security benefits reduced one dollar for each dollar by which their Government pension exceeded \$300 a month. The bill provided that members of religious orders who became eligible for social security in 1972 could continue to become eligible for the minimum benefit for the next

308/ Congressional Record. July 31, 1981. House. Roll call no. 189, not **voting** 10. **p.** 18899-18900.

309/ Congressional Record. July 31, 1981. Senate. Roll call no. 248, not **voting** 12. **p.** 19148.

310/ U.S. Library of Congress. Congressional Research Service. **Social Security:** Elimination of the Minimum Benefit. Mini Brief No. MB81212, by David Koitz and Nancy Miller, Oct. 18, 1982 (archived). Washington, 1982. **p.** 12.

10 years. To offset the cost of restoring the minimum benefit, the Senate agreed to apply the payroll tax to the first six months of all sick pay received and to lower the maximum family retirement and survivor benefit to 150 percent of the worker's primary insurance amount-(PIA). The bill also allowed interfund borrowing.

- a. On October 14, 1981, the Senate by a voice vote agreed to (1) Mr. Danforth's (R-Mo.) amendment to override provisions of the Federal Privacy Act to allow access to prison records so that disability payments to ineligible inmates could be stopped; 311/ and (2) Mr. **Baucus'** (D-Mont.) amendment to make it a felony to alter or counterfeit a social security card. 312/
- b. On October 15, 1981, Mr. Dole's (R-Kans.) amendment to apply the social security payroll tax to the first six months of all employer-financed sick pay, except that paid as insurance, was accepted by voice vote. 313/
- c. On October 15, 1981, Mr. Moynihan (D-N.Y.) offered an amendment requiring counterfeit-proof social security cards. The amendment was agreed to by voice vote. 314/
- d. On October 15, 1981, Mr. **Eagleton** (D-Mo.) offered an amendment to repeal a provision of the Economic Recovery Tax Act of 1981 (**P.L. 97-34**) which had reduced windfall profit taxes on newly discovered oil, and then use these tax savings to build an emergency reserve for the social security trust funds. The amendment was tabled **65 (42-R, 23-D) to 30 (7-R, 23-D)**. 315/
- e. On October 15, 1981, by an unanimous vote of 95 (48-R, 47-D) to 0, the Senate passed H.R. 4331, as amended. 316/

311/ Congressional Record. Oct. 14, 1981. Senate.- p. 23967.

312/ Congressional Record. Oct. 14, 1981. Senate. p. 23971.

313/ Congressional Record. Oct. 15, 1981. Senate. p. 24107.

314/ Congressional Record. Oct. 15, 1981. Senate. p. 24108.

315/ Congressional Record. Oct. 15, 1981. Senate. Roll call no. 312, not voting 5. p. 24096-24097.

316/ Congressional Record. Oct. 15, 1981. Senate. Roll call no. 315, not voting 5. p. 24120.

3. Conference Action

The Congressional Quarterly Almanac states that the major dispute of the six-week-long conference was whether the cost of restoring the minimum benefit would be paid by tax increases *or* by benefit cuts. Senate and House conferees finally agreed to accept only the sick pay tax "on the condition that interfund borrowing be allowed for just one year." 317/ The conference agreement restored the minimum benefit to all persons eligible for benefits before 1982 and to members of certain religious orders who were or would become eligible for benefits before 1992, and it rejected the Senate provisions (1) to reduce the minimum for those also receiving Government pensions above \$300 per month and (2) to limit further family benefits in OASI cases.

- a. The Senate agreed to the conference report on December 15, 1981, by a vote of 96 (SO-R, 46-D) to **0. 318/**
- b. The House agreed to the conference report on December 16, 1981, by a vote of 412 (181-R, 231-D) to 10 (7-R, 3-D). **319/**

AA. **P.L. 97-455, An Act Relating to Taxes on Virgin Island Source Income and Social Security Disability Benefits (H.R. 7093)**

President Reagan signed H.R. 7093 into law on January 12, 1983. In March 1981, the Administration began implementation of the continuing disability investigation process mandated (beginning in 1982) under the 1980 amendments (**P.L. 96-265**), with the result that thousands of **DI** recipients were terminated from the rolls, although many were restored upon repeal to an administrative

317/ Congressional Quarterly Almanac: 1981. p. 121.

318/ Congressional Record. Dec. 15, 1981. Senate. Roll call no. 486, not **voting** 4. p. 31309.

319/ Congressional Record. **Dec. 16,** 1981. House. Roll call no. 365, not **voting** 11. p. 31699.

law judge. P.L. 97-455 was a "stopgap" measure to remedy some of the perceived procedural inequities in the social security disability review process. P.L. 97-455 provided, on a temporary basis, an opportunity for individuals dropped from the DI rolls before October 1, 1983, to elect to receive DI benefits and Medicare coverage, while they appealed the decision; June 1984 was to be the last month for which such payments could be made. 320/ Interim cash benefits would have to be repaid if the appeal were lost. The measure also required the Department of Health and Human Services to provide as of January 1, 1984, face-to-face hearings during reconsideration of any termination disability decision and to advise claimants of the importance of submitting all evidence when they came in for the face-to-face hearing at the reconsideration level. Previously, recipients did not have such a meeting until they appeared before an administrative law judge. The bill also required the Secretary to report to Congress semiannually on the rate of continuing disability reviews and terminations; gave the Secretary authority to decrease the number of disability cases sent to State agencies for review; and modified the exception to the public pension offset so as to exempt both men and women from the offset if they became eligible for a public pension before July 1983 and if they could meet the one-half support test previously applicable only to men. 321/

320/ P.L. 98-118 extended until December 7, 1983, the period for which the **provisions** continuing payment of social security disability benefits during appeal were applicable.

321/ The public pension offset provision established by P.L. 95-216 was **enacted December 20, 1977**. P.L. 98-21, enacted April 20, 1983, amended the government pension offset to exempt a portion of the government annuity from offset against the social security spouse's benefit; two-thirds of the pension would be offset, rather than 100 percent. P.L. 98-617, enacted November 8, 1984, made two changes in the government pension offset provision. It extended, to people eligible for government pensions before July 1983, the two-thirds

(continued)

1. Senate Action 322/

On September 28, 1982, the Finance Committee marked up S. 2942, a bill containing a number of continuing disability review provisions. Mr. Dole (R-Kans.), Chairman of the Finance Committee, asked that **S. 2942** be attached to a House-passed bill (**H.R. 7093**) dealing with Virgin Island taxation. Thus, **H.R. 7093**, with an amendment containing provisions of **S. 2942**, was reported to the Senate October 1, 1982.

- a. On December 3, 1982, Mr. Heinz (R-Pa.) said, ". . . this emergency legislation does not completely solve the problem of the unfair terminations of hundreds of thousands of disabled individuals . . . nonetheless, it means that in the immediate future, at least, individuals who have been wrongly terminated will not be financially ruined because they have been deprived of their benefits during a lengthy appeals process.'" * 323/

On December 3, 1982, the Senate passed **H.R. 7093** by a vote of 70 (43-R, 27-D) to 4 (1-R, 3-D). 324/

(continued) limit on the amount of the public pension counted for offset and allowed certain civil service employees to qualify for the exceptions to the pension offset if they would have been first eligible to receive their government pension in either November 1982 or June 1983, except for a requirement that postponed eligibility for the pension until the month following the month in which all the requirements were met.

322/ In a departure from format, the Senate action is given first because the **Senate** passed the bill (with regard to social security provisions) before the House did.

323/ Congressional Record. Daily Edition, Dec. 3, 1982. Senate. p. S13857.

324/ Congressional Record. Daily Edition, Dec. 3, 1982. Senate. Roll call no. 394, not voting 26. p. S13869.

2. House Action

- a. On September 20, 1982, the House passed H.R. 7093 by voice vote. The bill as passed by the House contained no social security provisions. 325/
- b. On December 14, 1982, the House amended the Senate-passed version of H.R. 7093 and passed it by unanimous consent. 326/ H.R. 7093 was then sent back to the Senate for **consideration of** the amendments added by the House.

The amendments added by the House required the Secretary to (1) provide the opportunity for a face-to-face evidentiary hearing during reconsideration of any decision that disability has ceased; (2) take necessary steps to assure public understanding of the importance of the face-to-face reconsiderations, including advising beneficiaries of what evidence they should bring to and what procedures they should follow at the reconsideration hearing; and (3) modify the spouse's government pension offset by providing that, for a S-year period beginning December 1, 1982, only **one-**third of a person's government pension would be taken into account when applying the spouse's offset.

3. Conference Action

The bill as agreed to by the conferees was identical to the House-passed bill, except for modifications in-the pension offset provision.

- a. The House passed the conference report on H.R. 7093 on December 21, 1982, by a vote of 259 (115-R, 144-D) to 0. 327/
- b. The Senate agreed to the conference report by a voice vote on December 21, 1982. 328/

325/ Congressional Record. Daily Edition, Sept. 20, 1982. House. p. H7219.

326/ Congressional Record. Daily Edition, Dec. 14, 1982. House. p. H9665.

327/ Congressional Record. Daily Edition, Dec. 21, 1982. House. Roll call no. 487, not voting 174. p. H10679-10680.

328/ Congressional Record. Daily Edition, Dec. 21, 1982. Senate. p. S15966.

BB. P.L. 98-21, Social Security Amendments of 1983 (H.R. 1900)

The Social Security Amendments of 1983 were signed into law on April 20, 1983, by President Reagan. Despite stopgap measures taken in 1980 (**P.L. 96-403**) and 1981 (**P.L. 97-123**), the Social Security program (OASDI) was projected to run out of necessary funds by the middle of 1983, and to need about \$150 to \$200 billion to provide reasonable assurance that it would remain solvent for the *rest* of the decade. **329/** *Once* this short-run problem was addressed, the projections showed that the program would enjoy adequate financing for about 35 years. However, beginning about 2025, the effects of the retirement of the baby-boom generation would plunge the system into deficit again. The National Commission on Social Security Reform, a bipartisan panel appointed by President Reagan and congressional leaders, was formed to seek a solution to the system's **short-** and long-term financing problems. On January 15, 1983, a majority of the Commission members reached agreement on a package of changes.

Tailored heavily around the Commission's package, the 1983 amendments put new Federal employees and all nonprofit organization employees under the OASDI program as of January 1, 1984, prohibited State and local and nonprofit agencies from terminating social security coverage, moved the annual cost-of-living adjustments in benefits from July to January of each year (which caused a delay of six months in **1983**), made up to one-half of the benefits received by higher income beneficiaries subject to Federal income taxation, gradually raised the full benefit retirement age from 65 to 67 early in the next century, increased benefits for certain groups of **widow(er)s**, liberalized the retirement test, increased the delayed retirement credit, modified benefits for persons also

329/ Based on estimate by the National Commission on Social Security Reform.

getting pensions based on noncovered employment, called for the earlier implementation of scheduled payroll tax increases, and substantially raised the tax rates on the self-employed. P.L. 98-21 also stipulated that beginning with the fiscal year 1993 budget, income and expenditures for social security (OASDI and HI) would no longer be included in Federal budget totals. The 1983 amendments also eliminated remaining gender-based distinctions and made numerous additional technical changes in the law.

1. House Action

On March 4, 1983, the Ways and Means Committee reported out H.R. 1900. The bill included most of the recommendations of the National Commission, numerous additional relatively minor social security provisions, and other measures mostly related to long-run financing issues, along with provisions affecting the Medicare Medicare and Unemployment Insurance programs.

On March 9, 1983, the House debated the bill. Proponents of the Committee's bill maintained that, although there were many provisions in H.R. 1900 that individuals or certain groups might find troublesome, there was an overriding need to deal quickly and effectively with the social security financing issues. Opponents argued over the best way to solve the system's projected financial difficulties. Many favored raising the retirement age instead of increasing payroll taxes.

- a. On March 9, 1983, Mr. Pickle's (D-Tex.) amendment calling for increases in the age at which so-called "normal" retirement benefits (as defined under the law) are payable to 66 by 2009 and to 67 by 2027 was approved by a vote of 228 (152-R, 76-D) to 202 (14-R, 188-D). 330/ Under the amendment, the age 62 benefits would be **maintained** but at the new rate of 70 percent

330/ Congressional Record. Daily Edition, Mar. 9, 1983. House. **Roll call no. 22**, not voting 3. **p. H1064-H1065.**

of full benefits (instead of 80 percent), becoming fully effective after the age for "normal" retirement reached 67.

Mr. Pepper (D-Fla.) then offered a substitute amendment to raise the OASDI tax rate from 6.20 percent to 6.73 percent beginning in 2010. The amendment was rejected by a vote of 132 (1-R, 131-D) to 296 (165-R, 131-D). 331/ Had the amendment passed, it would have superseded Mr. **Pickle's** amendment.

- b. The House passed H.R. 1900, as it had been amended, by a vote of 282 (97-R, 185-D) to 148 (69-R, 79-D) 332/ on March 9, 1983.

2. Senate Action

The Senate Finance Committee reported out S. 1 on March 11, 1983. As with the House-passed bill, the Finance Committee adopted long-term financing measures, along with recommendations of the National Commission and provisions affecting the Medicare and Unemployment Insurance programs.

The full Senate began consideration of H.R. 1900 on March 16, 1983. Seventy-two amendments were offered to the bill on the floor; the Senate adopted 49 of them. The following were among the major amendments debated.

- a. On March 23, 1983, Mr. Long (D-La.) offered an amendment to make coverage of newly hired Federal employees contingent upon enactment of a supplemental civil service plan for such employees. It was passed by a voice vote. 333/
- b. An amendment to the Long amendment by Mr. Stevens (R-Ala.) and Mr. Mathias (R-Md.) to exclude Federal workers from coverage altogether was rejected by a vote of 12 (8-R, 4-D) to 86 (46-R, 40-D) on March 23, 1983. 334/

331/ Congressional Record. Daily Edition, Mar. 9, 1983. House. Roll call **no.** 24, not voting 5. **p.** H1079.

332/ Congressional Record. Daily Edition, Mar. 9, 1983. House. Roll call **no.** 26, not voting 3. **p.** H1080-H1081.

333/ Congressional Record. Daily Edition, Mar. 23, 1983. Senate. **p.** S3711.

334/ Congressional Record. Daily Edition, Mar. 23, 1983. Senate. Roll call **no.** 47, not voting 2. **p.** S3714.

- c. Mr. Stevens' **other amendment** 'to the Long amendment to require the establishment of a supplemental civil service retirement program by October 1985, while granting free wage credits towards such a plan to new employees in the meantime, was also rejected, 45 (41-R, 4-D) to 50 (12-R, 38-D) on March 23, 1983. 335/
- d. The Senate passed **H.R. 1900** on March 23, 1983, by a vote of 88 (47-R, 41-D) to 9 (6-R, 3-D). 336/

3. Conference Action 337/

On March 24, 1983, House and Senate conferees agreed to the final provisions of H.R. 1900 during a **12-hour** session.

The primary issue debated by conferees was how to solve the system's **long-run** financial problems. The House measure called for a 2-year increase in the retirement age, while the Senate bill proposed to increase the retirement age to 66, eliminate the retirement test, and cut initial benefit payments 5 percent. Another major difference was a provision in the Senate bill delaying coverage of new Federal employees until a supplemental civil service retirement plan could be developed. House conferees charged that if the change were made, no revenues from the proposed coverage could be counted on for the social security bailout plan since, if such a plan were not subsequently developed, Federal workers might escape coverage altogether.

The conferees agreed to the House retirement age change. Senate conferees then agreed to recede on the Federal employee coverage issue.

335/ Congressional Record. Daily Edition, Mar. 23, 1983. Senate. Roll call **no.** 48, not voting 4. **p.** S3720.

336/ Congressional Record. Daily Edition, Mar. 23, 1983. Senate. Roll call **no.** 53, not voting 3. **p.** S3775.

337/ Congressional Quarterly Almanac: 1983. **p.** 226.

- a. On March 24, 1983, the House passed the conference report by a vote of 243 (80-R, 163-D) to 102 (48-R, 54-D). 338/
- b. In the early morning hours of March 25, 1983, the Senate passed H.R. 1900, as agreed to in the conference report, by a vote of 58 (32-R, 26-D) to 14 (8-R, 6-D). 339/ The Congress then adjourned for the Easter recess.

CC. P.L. 98-460, Social Security Disability Benefits Reform Act of 1984 (H.R. 3755) 340/

The Social Security Disability Benefits Reform Act of 1984 was signed into law on October 9, 1984, by President Reagan. **P.L.** 98-460 ended more than three years of controversy over the Administration's efforts to rid the Disability Insurance program of ineligible recipients through an expanded periodic review process that had commenced in March 1981. The expanded reviews had been authorized by the 1980 disability amendments. 341/

Shortly after implementation of periodic review, the public and Congress began to criticize the process. The major reasons for the complaints were: the large number of persons dropped from the **DI** rolls, many of whom had been on the rolls for a number of years and had not expected their cases to be reviewed; the great increase in the number of cases subjected to continuing disability reviews; and public attention given to a number of cases in which

338/ Congressional Record. Daily Edition, Mar. 24, 1983. House. Roll call **no.** 47, not voting **88.** **p.** H1787.

339/ Congressional Record. Daily Edition, Mar. 24, 1983. Senate. Roll call **no.** 54, not voting 28. **p.** S4104.

340/ Also, during the 98th Congress, **P.L.** 98-369, the Deficit Reduction Act of 1984 (H.R. 4170), was signed by President Reagan on July 18, 1984. In addition to making numerous changes in the tax code and programs such as Medicare, Medicaid, **AFDC**, SSI, the Earned Income Tax Credit, and Veteran's programs, **P.L.** 98-369 made several minor and technical amendments to the Social Security program.

341/ Congressional Quarterly Almanac: 1984. **p.** 160.

beneficiaries were erroneously dropped from the rolls. More than half of those removed from the rolls were reinstated upon appeal, fueling complaints that many terminations were unjustified. Advocacy groups for the disabled raised questions about the Social Security Administration's termination policies and procedures and petitioned Congress for legislative relief. 342/ In addition, concerns about the disability process were raised by the Federal courts and the States.

P.L. **98-460** provides that (1) with certain exceptions, benefit payments can be terminated only if the individual has medically improved and can engage in substantial gainful activity; (2) benefit payments can be continued until a decision by the administrative law judge in cases where a termination of benefits for medical reasons is being appealed (this authority expires on December 31, 1987); (3) reviews of all mental impairment disabilities be delayed until regulations stipulating new medical listings for mental impairments are published; (4) in cases of multiple impairments, the combined effect of all the impairments must be considered in making a disability determination; (5) the Department of Health and Human Services Secretary initiate demonstration projects providing personal appearance interviews between the beneficiary and State agency disability examiner in potential termination cases and potential initial denials; (6) the Secretary issue uniform standards, binding at all levels of adjudication, for disability determinations under social security disability and Supplemental Security Income (SSI) disability; (7) the Secretary federalize disability determinations in a State within six months of finding that a State is not in substantial compliance with Federal laws and standards;

342/ Social Security Administration. Social Security Disability Benefits Reform Act of 1984: Legislative History and Summary of Provisions. Social Security Bulletin, v. 48, no. 4, Apr. 1985. p. 12. (Hereafter cited as Social Security Disability Benefits Reform Act of 1984: Legislative History)

and (8) the qualifications of representative payees be more closely examined, and that the Secretary establish a system of annual accountability monitoring where benefit payments are made to someone other than a parent or spouse living in the same household with the beneficiary. 343/ It also establishes a temporary statutory standard for the evaluation of pain and directs that a study of the problem of evaluating pain be made by a commission to be appointed by the Secretary.

1. House Action

On March 14, 1984, the House Committee on Ways and Means reported **H.R.** 3755 with amendments.

- a. During debate on H.R. 3755, Mr. **Conable** (R-N.Y.) remarked that the intent of the 1980 legislation, requiring continuing disability reviews, was meritorious . . .but the results were not what the drafters intended. Mr. **Conable** further stated, "Not only were ineligible beneficiaries terminated, but some eligible beneficiaries were taken from the rolls, as well. Many, especially those with mental impairments, suffered duress and the economic hardship of interrupted benefits." Mr. **Conable** also said, "Both Congress and the administration have taken remedial steps . . . we approved **P.L.** 97-455, which, on an interim basis, provided for the continuation of benefits during an appeal of an adverse decision . . . **H.R.** 3755 represents the next step." 344/

The sponsor of **H.R.** 3755, Mr. Pickle (D-Tex.), said, "In the past three years nearly half a million disabled beneficiaries have been notified that their benefits will end. Far too often this notice has been sent in error, and corrected only at the beneficiary's expense Let me assure the members that we who serve on the Social Security Subcommittee have heard those pleas from the disabled, and from the Governors, and from those who must administer this program in the States. And for over a year now we have carefully drafted legislation to bring order to the

343/ U.S. Library of Congress. Congressional Research Service. Summary of **Major** Changes in the Social Security Cash Benefits Program: 1935-1985. Report No. 86-562 EPW, by Geoffrey Kollmann. Washington, 1986.

344/ Congressional Record. Daily Edition, Mar. 27, 1984. House. In **floor remarks** by Mr. **Conable**. p. H1958.

growing chaos This bill does not attempt to liberalize the disability program. It does restore order and humanity to the disability review process.** 345/

On March 27, 1984, the House passed H.R. 3755 by a vote of 410 (160-R, 250-D) to 1 (1-R). 346/

2. Administrative Action

Six months before continuing disability review legislation was enacted, Secretary Heckler imposed a nationwide moratorium on periodic continuing disability reviews. The Secretary said:

Although we have made important progress in reforming the review process with Social Security, the confusion of differing court orders and State actions persists. The disability program cannot serve those who need its help when its policies are splintered and divided. For that reason, we must suspend the process and work together with Congress to regain order and consensus in the disability program. 347/

3. Senate Action

On May 16, 1984, the Finance Committee approved S. 476. Major provisions of the bill allowed disabled persons to continue collecting social security benefits if their medical condition had not improved since they were determined disabled. The major difference between the medical improvement provision in **S. 476** and **H.R. 3755** was that the Senate bill--but not the House bill--stated that the recipient bore the burden of proof that his or her condition had not improved.

345/ Congressional Record. Daily Edition, Mar. 27, 1984. House. In **floor remarks** by Mr. Pickle. **p. H1959.**

346/ Congressional Record. Daily Edition, Mar. 27, 1984. House. Roll call **no. 55**, not voting 22. **p. H1992-H1993.**

347/ Social Security Disability Benefits Reform Act of 1984: Legislative **History**, **p. 27.**

- a. On May 22, 1984, Mr. Cohen (R-Maine), one of the sponsors of **S. 476**, said, "The need for fundamental change in the disability reviews has been evident for some time. Since the reviews began, more than 12,000 individuals have filed court actions challenging the Social Security Administration's termination of their benefits. An additional 40 class action suits had been filed as of last month The legislation before the Senate today would end this chaos and insure an equitable review process." **348/**

Mr. Levin (D-Mich.), another sponsor, said, "It has taken us 3 years to come to grips with the problems in the disability review process as a legislative body. And while it was long in coming, **I** am pleased with the final outcome. The bill I, along with Senator Cohen and others introduced on February 15, 1983, **S. 476**, as reported by the Finance Committee contains the essential ingredients to the development of a fair and responsible review process." **349/**

On May 22, 1984, the Senate passed **H.R. 3755**, after substituting the language of S. 476 for the House-passed version, by a unanimous vote of 96 (52-R, 44-D) to **0. 350/**

4. Conference Action

On September 19, 1984, the conferees filed the conference report. The conference committee generally followed the House version of the medical improvement standard (with some modifications) and added the requirement that any continuing disability review be made on the basis of the weight of the evidence with regard to the person's condition.

348/ Congressional Record. Daily Edition, May 22, 1984. Senate. In floor remarks by Mr. Cohen. p. **S6213-S6214.**

349/ Congressional Record. Daily Edition, May 22, 1984. Senate. In floor remarks by Mr. Levin. p. **S6230.**

350/ Congressional Record. Daily Edition, May 22, 1984. Senate. Roll call no. 109, not voting 4. p. **S6241.**

- a. On September 19, 1984, both the House and Senate passed **H.R.** 3755 unanimously; the House by a vote of 402 to 0, 351/ and the Senate by a vote of 99 to 0. 352/

DD. P.L. 99-177, Public Debt Limit--Balanced Budget and Emergency Deficit Control Act of 1985 (H.J. Res. 372) 353/

The Balanced Budget and Emergency Deficit Control Act, which was included as title 11 of H.J. Res. 372, increasing the national debt, was signed into law on December 12, 1985, by President Reagan. The Act stipulates that budget deficits must be decreased annually and requires under certain circumstances across-the-board cuts of non-exempt programs by a uniform percentage to achieve this result. Under the Act, annual deficit amounts are established and, if they are not met, a formula is used to reduce the level of Federal deficit annually until it reaches zero in FY 1991. This part of P.L. 99-177 generally is referred to by the names of its sponsors--Senators Gramm (R-Tex.), Rudman (R-N.H.), and Hollings (D-S.C.). 354/ The Gramm-Rudman-Holdings Act accelerated the "off-budget" treatment of social security (OASDI), as prescribed by **P.L.** 98-21, to FY 1986 (from FY 1993). (However, social security income and outgo still

351/ Congressional Record. Daily Edition, May 22, 1984. Senate. Roll call **no.** 109, not voting 4. p. S6241.

352/ Congressional Record. Daily Edition, Sept. 19, 1984. House. Roll call **no.** 404, not voting 30. **p. H9838-H9839.**

353/ On April 7, 1986, P.L. 99-272, the Consolidated Omnibus Budget **Reconciliation** Act of 1985 (H.R. 3128) was signed by President Reagan. P.L. 99-272 makes numerous changes in Federal programs to reduce the deficit in accordance with the budget decisions (S. Con. Res. 32) adopted by both the House and the Senate on August 1, 1985. Among those changes are some minor and technical amendments to the Social Security program.

354/ In July 1986 the Supreme Court ruled that the automatic **budget-cutting procedures** in the legislation referred to as Gramm-Rudman-Hollings were unconstitutional.

are counted toward meeting Gramm-Rudman-Hollings deficit reduction targets.) The HI trust fund is not affected (i.e., not separated from the budget until FY 1993). In addition, the Act exempts social security benefits (including cost-of-living adjustments) from automatic cuts and requires the Secretary of the Treasury to restore to the trust funds any interest lost as a result of 1984 and 1985 debt ceiling constraints, and to issue to the trust funds obligations bearing interest rates and maturities identical to those of securities redeemed between August 31, 1985, and September 30, 1985.

1. House Action

- a. On August, 1, 1985, the House approved the debt-limit increase, unamended, as part of the fiscal year 1986 budget resolution (**S. Con. Res. 32**) by a vote of 309 (127-R, 182-D) to 119 (52-R, 67-D). **355/**

2. Senate Action

- a. On October 9, 1985, the Senate adopted the Gramm-Rudman-Hollings amendment to H.J. Res. 372 (Balanced Budget and Emergency Control Act of 1985) by a vote of 75 (48-R, 27-D) to 24 (4-R, 20-D). **356/**
- b. On October 10, 1985, the Senate passed H.J. Res. 372, with amendments, by a vote of 51 (38-R, 13-D) to 37 (8-R, 29-D). **357/**

355/ Congressional Record. Daily Edition, Aug. 1, 1985. House. Roll call **no.** 290, not voting **5.** **p.** H7166-H7167.

356/ Congressional Record. Daily Edition, Oct. 9, 1985. Senate. Roll call **no.** 213, not voting 1. **p.** S12988.

357/ Congressional Record. Daily Edition, Oct. 10, 1985. Senate. Roll call **no.** 222, not voting 12. **p.** S13114.

3. Conference Action

On November 1, 1985, the conference report was filed in disagreement. The House asked for another conference on November 6, 1985. The Senate agreed to a second conference on November 7, **1985**. The second conference report was filed on December 10, 1985.

- a. On December 11, 1985, both the House and the Senate agreed to the conference report, the House by a vote of 271 (153-R, 118-D) to 154 (24-R, 130-D) **358/** and the Senate by a vote of 61 (39-R, 22-D) to 31 (9-R, **22-D**). **359/**

358/ Congressional Record. Daily Edition, Dec. 11, 1985. House. Roll call no. 454, not voting 9. p. **H11903-H11904**.

359/ Congressional Record. Daily Edition, Dec. 11, 1985. Senate. Roll call no. 371, not voting 6. p. **S17443-S17444**.