

January 14, 1959.

Dear Mr. Delano:

I am handing you herewith a copy of the final form of the Report of the Fiscal and Monetary Advisory Board Relating to the Special Report of the Social Security Board, which was agreed to in our meeting at the Treasury on Thursday afternoon, January 12th.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable Frederic Delano,
North Interior Building,
Washington, D. C.

enclosure

MSE:VE:b

January 14, 1939.

Dear Mr. Bell:

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Sincerely yours,

M. S. Eccles,
Chairman.

Mr. Daniel W. Bell, Acting Director,
Bureau of the Budget,
Treasury Building,
Washington, D. C.

enclosure

MSE:VE:b

REPORT OF THE FISCAL AND MONETARY ADVISORY BOARD RELATING TO THE SPECIAL
REPORT OF THE SOCIAL SECURITY BOARD

At your request, the Fiscal and Monetary Advisory Board has considered the Special Report of the Social Security Board at two extended meetings. In addition, the technical staffs of the various agencies represented held a meeting to explore the fiscal aspects of the problem.

As a result of this study, the Advisory Board makes the following recommendations:

1. That the Report be submitted directly to Congress rather than to you, and by you, to Congress.

The basis of this recommendation is two-fold. In the first place, the Board found that the Report raises highly controversial questions with respect to the monetary and fiscal aspects of the old-age insurance program. Transmittal of the Report by you would imply your acceptance of one view of a problem on which, in the opinion of this Board, definite commitment on your part is not at this time necessary or advisable.

In the second place, the statute creating the Social Security Board does not state that reports with respect to modifications and amendments of the Act should be made to the President and the implication is that they should be made directly to Congress. This has been the practice of the Social Security Board to date. There appears no good reason why a departure from this practice should be made in the case of this Special Report. It is, therefore, appropriate that a report recommending changes in the Act should be addressed to Congress.

2. It is desirable that the Fiscal and Monetary Advisory Board be kept currently informed by the Social Security Board of specific recommendations which it proposes to present to Congressional Committees so that the monetary and fiscal aspects of new social security legislation may be kept under continuous study by your Advisory Board.