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## United States Senate

FRANK BURNETT, CHIEF CLERK

COMMITTEE ON PUBLIC WORKS

May 16, 1950

Mr. Marriner Eccles  
Federal Reserve Board  
Washington, D. C.

My dear Marriner:

As you know the Social Security Bill (H.R. 6000) which passed the House last October, is now before the Senate Finance Committee and shortly will be reported out for Senate action. This bill represents the first major revision made in our social security legislation since 1939 and is no unimportant piece of legislation. Although we do not yet have the completed Senate bill three Committee releases have specified what the bill will contain in respect to Old Age Assistance and expanded Old Age and survivors insurance coverage and benefits.

After considerable thought I have come to the conclusion that I cannot vote for a bill containing these provisions. Instead, I am urging that the social security establishment be left as it is, pending a thorough and completely independent investigation and overhauling. This overhauling, it seems to me, should be undertaken by a sort of Hoover Commission, and carried out along the line specified by former President Hoover in his letter on social security revision to Chairman Doughton of the House Ways and Means Committee a year ago.

I have become increasingly skeptical about the present deferred benefit system which excludes - and must continue to exclude - so many of today's aged from our so-called social insurance and gives large benefits to some who qualify after making only token contributions. Back in 1935 when the Social Security Act was first passed, it was assumed that the "insurance" system with reasonable promptness would cover the old people and that Old Age assistance (means test relief supported by Federal subsidies) would soon pass out. The reverse has happened. The groups covered by "insurance" have slowly expanded; relief for destitute old people has zoomed ahead. What this amounts to is that social security legislation has pushed many of the states, including my own, into trying to handle these problems through jerry built relief plans, often practically unsupervised and depending, of course, on Federal subsidy.

Patching up unworkable social security programs - as H.R. 6000 attempts to do and as any bill of the type will do - is bound to create more maladjustments than it cures. We badly need a fundamental technical study that can lead to a constructive redesign of our social security system.

My own feeling is that an honest pay-as-you-go system, with age the only qualification necessary is probably the answer. The benefit, I suppose, should be a certain number of dollars a month, small enough to indicate the normal expectation of other personal provision, and large enough to be of some significance in the income of the recipient. I set neither age nor figure; the Commission's work would have to give us the answer or the basis for an answer. I would suppose that the benefits would be financed by an earmarked tax, from the lowest earnings up to some such maximum as the \$3,000 now used in the limited, discriminatory tax now in current use. This simply means that the producing workers of the nation are paying a tax to aid in the support of the old and by the earmarked tax each knows and is conscious of what he is paying. In no way should such a benefit be regarded as taking the place of personal thrift nor does it take the place of local charity and relief. The system ought to be designed to get the Federal Government out of the business of subsidizing relief in the states.

I am asking you, as a person whose professional interests have included social security problems, to let me have your views on this question. I ask that you write me with all frankness about the objectives, the personnel and the method of study that might be pursued by such a Commission as I have described above. There must be men of standing - independent, competent and informed in this area - who could help in this task. We ought rightly to expect that such men would represent a truly American approach to these problems, an approach which so far has been sedulously avoided by the official advisory councils.

I am persuaded that this is a matter of vital importance to the preservation of our system of free enterprise and the non-collectivist way of life.

Since the bill will be before the Senate any day now, I appeal to you for a prompt consideration of this letter.

Most sincerely,

  
HARRY P. CAIN

HPC/ca

*There is no wish to involve you but I thought you might be interested. If we are to correct basic errors now is the time to do it. Harder like a lost cause but worth a try.*

May 19, 1950.

Honorable Harry P. Cain,  
United States Senate,  
Washington, D. C.

My dear Harry:

Your letter of May 16, unfortunately, catches me in preparation for a brief Western trip and, therefore, I am unable to give you all of the help which you ask.

I am gratified, however, to find that the conclusion to which you have come on the social security program is so much in line with my own thinking. Your thought that what is needed at this time is a thorough and independent restudy and assessment of the whole problem of social security, is one in which I strongly concur. It is indeed important to oppose the pending social security bill and to urge as an alternative the appointment of a Commission along the lines of the Hoover idea.

At this time, I am not in a position to comment on the matter of the personnel and method of study that might be pursued by such a Commission. I do feel, however, that a study and review Commission, if provided for, should be composed of men who are socially and economically liberal, but definitely sound in their monetary and fiscal views. It ought to be possible to find men of standing and competence who have these qualifications. Given a Commission of this type, adequately staffed with technicians of broad training and experience in the field, I am confident that appropriate methods of inquiry and study will be developed.

You may be interested in some views on our social security problem which I expressed in a recent speech. I quote them in full:

"Regarding social security, let me say at the outset that I think this is a field in which a great deal can be done to provide for a more stable expansion of consumer expenditures, which would help to bring about a more balanced increase in capital expenditures. But if we want such a social security system, we will have to change our whole approach to the subject.

"In the first place, it must be a Federal Government program and it must be greatly expanded in scope from the one that is in existence today. The Government should underwrite and guarantee for all of its citizens unemployment income, education, health,

and old age security up to its ability to pay for such benefits and at the same time maintaining a climate that would produce sufficient savings and incentives to provide needed productive facilities for an increasing standard of living and an increasing population. By doing this, the Government would assure a basic level of purchasing power in the economy that would provide a certain market for a substantial share of the commodities and services produced by our industry and agriculture.

"Secondly, the social security benefits should be paid for currently out of general tax receipts. They should not be financed out of payroll tax receipts that have been accumulated over time in a large reserve fund. Payroll taxes are too heavy a burden directly on consumption and indirectly on investment and are therefore undesirable when what we need in the long-run is increased private consumption and investment. Reserve funds have to find lodgment in Government obligations, the proceeds from which must be spent to pay for Government deficits or to retire other outstanding obligations.

"These ideas on Federal social security are by no means radical. I should like to quote from an editorial published in the New York Herald Tribune on March 2:

'What our social security system demands today is not a mere expansion of the existing structure; it demands first of all a thorough re-study of the problem and revision of that structure if it is to have any chance of carrying the much vaster needs now contemplated for it.

'The system was set up in 1936. Thirteen years' experience has established beyond serious question the principle of national and public responsibility for providing security against the hazards of old age and dependence; the same experience has at the same time led powerfully to the conclusion that the system was not well designed, that it is extravagantly wasteful and in an important sense a virtual failure.

\* \* \* \*

'It is impossible for such a plan to offer any insurance against changing price levels and particularly so when the very operation of the plan can have its inflationary effect. It cannot in any real sense save up through a reserve fund, when Government bonds are the only possible investment for the fund and its only 'earnings' are those provided by the taxpayers who meet the interest on the bonds. However, the financing may

Honorable Harry P. Cain, - #3

be juggled, the provision for old age is a current cost on the community, coming in any given year out of the current production, and it is already an urgent question whether a frank shift to a current cost or 'pay-as-you-go' system would not yield a structure far more economical, more equitable, more adequate to current needs and offering much more genuine security for the citizen's future than the present one.'

I could not state my views on the social security question more simply and directly than the editors of the New York Herald Tribune have done in that editorial.

"As a final point on social security, I should like to say that I think the recent growth in private pension funds is a very undesirable long-run economic development. I am opposed to this development primarily because I feel that the growth of these funds will tend to affect the functioning of the economy adversely in two important ways. They will result in the further accumulation of funds in reserves seeking low risk investment opportunities. This encourages Government deficits to provide securities to absorb accumulating reserves. They will also result in some redistribution of income from low to higher income groups. This will come about because the financing of private pension funds will increase the prices of goods and services that are purchased in the main by the low income groups. The pensions will be paid, on the other hand, only to a few selected and relatively well paid groups of executives and industrial workers.

"I am also opposed to the development of private pension funds on other economic grounds. They will discriminate against small companies, for only large companies can afford them. The growth of private pension funds will make it even more difficult for small businesses to survive in a world of industrial giants. Private pension funds will also greatly inhibit the mobility of labor from one firm to another for workers will be extremely reluctant to forfeit the pension rights they have built up. They will also probably lead to discrimination against older workers, for employers will hesitate to employ people near the retirement age."

You will gather from these paragraphs that I am in full agreement with you that the matter of social security is one of "vital importance to the preservation of our system of free enterprise and the non-collectivist way of life."

Please be assured of my every encouragement to your effort to correct basic errors. If I can be of further help in this matter, please do not hesitate to call on me.

Sincerely yours,

M. S. Eccles.

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FRANK BURNETT, CHIEF CLERK

United States Senate  
COMMITTEE ON PUBLIC WORKS

May 23, 1950

Mr. M. S. Eccles  
Federal Reserve Board  
Washington, D. C.

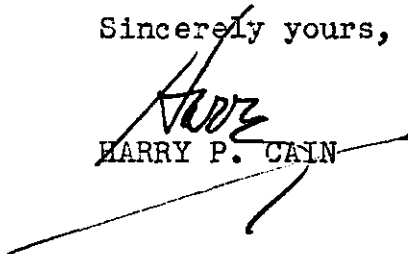
My dear Marriner:

Thank you for your prompt and generous  
reply to my letter about the Social Security Bill.

It strengthens my conviction that the  
overhauling must be done.

If additional thoughts occur to you on  
this problem, I beg that you will let me have  
them quickly.

Sincerely yours,

  
HARRY P. CAIN

HPC/la

Form F. R. 511(a)

TO Mr. Young

FROM Gov. Eccles

REMARKS:

Attached is a letter (dated 8/15) I received from Senator Cain in reply to my letter to him (5/19) relative to Social Security.

I will appreciate it if you will draft a reply to the Senator's letter -- for my signature.

GOVERNOR ECCLES' OFFICE

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FRANK BURNETT, CHIEF CLERK

## United States Senate

COMMITTEE ON PUBLIC WORKS

August 15, 1950

Mr. M. S. Eccles  
Board of Governors of the  
Federal Reserve System  
Washington, D. C.

My dear Marriner:

This is the first moment I have had since the vote was taken on H. R. 6000 to write you about the state of affairs in respect to social security.

As I said when I wrote you in May, I was determined to oppose the bill pending a completely independent investigation and overhauling of the social security system. This position I maintained throughout the debate and all but found myself in splendid isolation at the end when but one other Senator beside myself (Butler of Nebraska) voted against the bill. Needless to say, I do not regret my vote. I only regret that there were not more who were willing to stand up against the Administration's fire.

I enclose a copy of my remarks on the last day (June 20th) in which I made as clear a restatement of my position as I could. I hope that you will find some satisfaction in it.

The Resolution for an investigation which I introduced on May 24th did not get to first base. I did not expect it would. What it did do, however, was to bring about the introduction of another Resolution (S. Res. 300) directing the Senate Finance Committee to undertake the study, including specifically, among other things, universal, pay-as-you-go old age benefits. This Resolution I succeeded in amending, the amendment providing for the suspension of "Sections 281, 283, or 284 of title 18 of the United States Code, or any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation with any claim, proceeding, or matter involving the United States." What this amounts to is that the Committee is now free to hire on a temporary basis any independent outside help they choose without forcing that outside help to sever professional and business connections in order to undertake the task. The amendment not only gives the Senate Finance Committee the opportunity to do this; it makes it impossible to plead later on that, under the law, they were forced to look to government agencies for help and advice.

Now I come to the important part of this letter. The response to my letter in May astonished me. I have never had more serious consideration given to a request for information and help. Out of all the replies I selected a group of



39 letters and in an address on the Floor on June 16th, I introduced these letters, yours among them, into the Congressional Record. I enclose a copy of the Record. You will find the letters scattered along between pages 8868 and 8890.

What is going to happen in this investigation? What course will it take? I propose to do everything I can along the lines indicated during the debate on H. R. 6000, but I cannot hope to get far alone. I am not a member of the Finance Committee and I am not in a position to directly influence their action. I need all the help I can get - and so does the Committee for that matter. Not only do I want assurance from you that I can call upon you for help at any time in the future, but I earnestly urge you to write to the Finance Committee Chairman, Senator Walter George, and the ranking Republican member, Senator Eugene Millikin, and lay your views before them in as thoughtful a way as you did when you wrote me. I can assure you that unending vigilance will be necessary if a really thorough-going job is to be done.

You may feel that this is a heavy task. So it is. But I see no escape. The Federal Security Agency will leave no stone unturned in their effort to influence the Committee, to further entrench the existing system.

In connection with this, I enclose also a copy of House Report No. 2457 from the House Post Office and Civil Service Committee's "Investigation of Employee Utilization in the Executive Departments and Agencies." You will note that it is an interim report and is exclusively concerned with the Federal Security Agency. It is, in addition, an exceedingly curious document that merits close examination. The Committee found (P. 21) "administrative indecision, lack of fixed responsibility and authority, faulty budget structures, and uncontrolled personnel practices", a state of affairs which should cause no surprise. But it never seems to have occurred to the Committee to question the system which displayed the shortcomings enumerated. Indeed, what the Committee seems to want is more businesslike and efficient management of the very system which you and I want to see completely reconstructed. I doubt very much if the Committee realized what they were up against. Another point about this Report. In the final pages you will find extensive documentation, including (pages 26-48) a sort of digest of a conference of Regional Social Security Directors. I started to mark particular passages for your attention and then gave it up. I would have had to mark almost everything. But I urge you to read it. Here, spread out, is the drabest and dreariest photograph of a bureaucracy at work that I have ever seen. It gives a good idea of the opposition which we face.

I feel, as I have felt from the start, that a positive and constructive position must be taken on the Social Security problem. But there is something more that needs to be said. In its incessant propaganda over the years the Administration has tried to make it seem as though there was some sort of dynamic in social security, as though there was in it some kind of goal. There is no dynamic in social security whatever. The dynamic in our society is supplied by our people who are at work. The main business of the United States is, and ought to be, making a living in as free a society as we can contrive. In such a society, social security measures are incidental. They are powerfully important incidentals but incidental none the less. The instant our main interest in life becomes social security we are doomed. That is the reason why I hope this investigation will try first of all,

not to get lost in the merits of one system as against another, but rather to decide what we are trying to do. If this problem can be attacked the sense of exhilaration that would ensue would certainly be remarkable.

This is a big job. I have written to the other 38 men a letter exactly like this one, asking for their continued help. This cannot be an intermittent affair. If private enterprise is to survive it will take the best efforts of us all.

Of course, all that I have written above is overshadowed by the conflict in Korea and the precarious international situation in which we find ourselves. The greater part of this letter is dictated just before my departure for Europe on Armed Services Committee business. I shall postpone having this letter mailed until at least the Conference Report on H. R. 6000 is made, but if final vote on the Conference Report by the Congress appears to be delayed, then the letter will go forward to you anyway.

Despite the critical situation abroad, our domestic concerns cannot be ignored. We can ill afford to pit ourselves against a collectivist enemy and overlook the possibility of a developing collectivist economy behind our backs.

Most cordially,



HARRY P. CAIN

*cp*

HPC/la  
Enclosures



# Congressional Record

United States  
of America

PROCEEDINGS AND DEBATES OF THE 81<sup>st</sup> CONGRESS, SECOND SESSION

## Social Security

### STATEMENT

BY

**HON. HARRY P. CAIN**

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20, 1950

Mr. CAIN. Mr. President, the time is now hard upon us when we must vote on whether H. R. 6000 is to become the law of the land.

In the few minutes permitted me I desire to read a remarkable letter which I received this morning. The letter is from Mr. George M. V. Brown, administrator of the Pierce County Welfare Department of my own State of Washington, whose office is in my own home city of Tacoma. Mr. Brown has been, is, and I hope will continue to be a close personal friend of the junior Senator from Washington.

I should like to read this letter and then to read my reply to Mr. Brown, in which is restated the position which the junior Senator from Washington has tried to present, in a reasonable way, during the entire consideration of the pending bill. Mr. Brown's letter reads as follows:

DEAR HARRY: I am somewhat shocked and surprised at the reports we are receiving in our local newspapers concerning your attitude toward H. R. 6000 and Senate Report 1669. No legislation is ever perfect, but the changes that are contemplated in H. R. 6000 and Senate Report 1669, or any combination of them, is so much ahead of what we have at the present time that they deserve your fullest support. I believe we discussed this matter in some detail a few years ago when we had lunch together, and I know at that time you understood and agreed to the need for these changes. Without boring you with too much detail, please allow me to refresh your memory.

The State old-age-assistance program (a pauperizing type of assistance) has been growing by leaps and bounds over the last 15 years. When this program was put into effect, it was the intent that it would be only a temporary measure until such time as the Federal Government could put into effect a pension-insurance program which would be directly contributed to by those who received benefits. Due to the lethargy on the part of the Federal Government, the old-age and survivors insurance program has been allowed to remain static to the place where returns to its participants are entirely inadequate, and the coverage has never been increased as was anticipated, and thus a relatively small percentage of the total population is covered by its benefits. As a direct result, the State old-age-assistance program, led by left-wing groups, has flourished in this fertile field of lethargy until at the present time, as you well know, the

financial stability of the State of Washington is seriously jeopardized. Not only are we serving many people on our State old-age-assistance program who should be covered by old-age and survivors insurance, but we are also finding it necessary to subsidize others, due to the fact that the Federal program has not been brought up to date since approximately 1938.

In addition to the financial burden which has unnecessarily been placed on this State by the above-mentioned inadequacies on the part of old-age and survivor's insurance, the resultant increase in State old-age assistance has tended to "drag along" an unnecessary liberalization of State relief programs to persons in other age brackets (aid to dependent children, general assistance, etc.).

There are probably many ways that an old-age and survivor's insurance program could be administered and financed. However, I think it is ill-advised to suggest the cost and confusion, which any new system would create, at this time when you and your colleagues have not as yet given full enough support to our present legislation to know whether or not it is either sufficient or workable.

In the interest of the people of the State of Washington, both those who are directly affected by this program and the taxpayers of this State, I hope that you will reconsider your viewpoint on this legislation and do all in your power to back up and vote for these revisions as suggested by H. R. 6000 and Senate Report 1669.

Those of us in the State of Washington should be the most interested people in the United States in this matter since it is my belief that the whole financial structure of our State is in more or less jeopardy, depending on how much we are able to handle old-age security on a contributory insurance basis rather than on a pauperizing base directly paid for by the already overburdened taxpayers.

Very truly yours,  
PIERCE COUNTY WELFARE DEPARTMENT,  
GEO. M. V. BROWN, Administrator.

He signed it "George" in a personal and affectionate way.

Today Mr. President, the junior Senator from Washington wishes to respond to Mr. Brown, of Tacoma, Wash., as follows:

Mr. George M. V. Brown, Administrator, Pierce County Welfare Department, 2323 Commerce Street, Tacoma, Wash.

My dear Mr. Brown: Many thanks for your exceedingly frank letter of June 16. Much of the information in it only confirms what I have long suspected and believed.

Other portions of the letter, those urging me to support H. R. 6000, are so startling that I am moved to write you in some detail. In this letter I shall restate briefly the position I have tried to maintain throughout the whole consideration of the bill.

On May 24 last, shortly after H. R. 6000 was reported to the Senate, but be-

fore the committee report on the bill was available, I introduced a resolution—Senate Concurrent Resolution 92—calling for a completely independent investigation and overhauling of our social security system. I urged that, pending this investigation, we put aside H. R. 6000, leave the present system where it is, and pause until we had a clearer idea of where we are going.

I said then: "If the Nation is willing to provide for the needs of some of the aged, it ought to be willing to provide for the needs of all of the aged. It is because of this conviction that I shall oppose the passage of H. R. 6000 as amended with every legitimate means at my disposal."

That statement I now reaffirm and on it I still abide.

My earnest appeal for an investigation was not based on any notion that I was an expert in social security questions. I made the appeal because others, who understand these things in far greater detail than I, had been making similar appeals over a period of many months. These appeals had gone unheeded. It was only when it dawned upon me that this battle was liable to go to decision by default that I determined to fight.

You say, "There are probably many ways that an old age and survivors insurance program could be administered and financed. However, I think it ill advised to suggest the cost and confusion, which any new system would create, at this time when you and your colleagues have not as yet given full enough support to our present legislation to know whether or not it is either sufficient or workable."

I say to you: The United States Congress has supported this legislation for 15 years and has seen the present social security system grow ever more complicated, capricious, cruel and unjust. How long do you think we should support it before looking for a better way?

In the statement which I made on May 24 and in my statements on June 15 and 16 during the debate, I tried to make clear the following points:

First. That the present two-headed system of old age assistance and old age and survivors insurance was complex beyond endurance, inordinately costly to administer, and tended to center bureaucratic control here in Washington. I believe that to be true. Why support a bill that promises to make this phase of the problem worse?

Second. That it was not insurance at all, since the system was riddled with examples of persons getting a dollar in benefits for a nickel put in.

Third. That despite all the talk about expanding social security there were millions of old people shut out and that, H. R. 6000 to the contrary notwithstanding, millions of the aged will still be left out even if the bill passes.

Fourth. I said that it was useless to talk of costs unless the two systems of old-age assistance and of the so-called insurance program are considered simultaneously. In your letter you make this point clear with a vengeance. You say: "The State old-age assistance program—a pauperizing type of assistance—has been growing by leaps and bounds over the past 15 years." That is exactly what I have said on the Senate floor. You say: "When this program was put into effect, it was the intent that it would be only a temporary measure until such time as the Federal Government could put into effect a pension insurance program which would be directly contributed to by those who received benefits." I repeatedly called the Senate's attention to what had happened to that temporary-assistance program, how expectations of its dwindling away had gone with the wind. You say: "As a direct result the State old-age assistance program led by left-wing groups has flourished in this fertile field of lethargy until at the present time, as you well know, the financial stability of the State of Washington is seriously jeopardized." If you say this I do not see how, in all conscience, you can ask me to support H. R. 6000, for the matching formulas for OAA remain the same, save for a minute cut in cases where old people get both OASI benefits and old-age assistance as well. The plain truth is, as I believe, that old-age assistance costs, the very thing you dread, are bound to soar if H. R. 6000 is passed. I note what you say about left-wing pressure. I suggest that you bring this interesting fact to the attention of Mr. Arthur Altmeyer, of the Social Security Administration.

Fifth. I have maintained during the debate that it was a monstrous fraud and cheat to tell young people, now in their early working life, that if, under these wretched covered categories they paid their social-security taxes for the allotted time, they would at retirement age qualify for and receive an annuity. The fraud and the cheat lies in the expansion of present benefits out of current security-tax income, with scarcely a thought of how the enormously increased benefit bill is going to be paid a generation from now. I said it could only be done with savagely increased taxes or with further depreciated dollars. I still say that.

Sixth. I said it was a mistake to pass H. R. 6000 and plan to investigate afterward, since the further entrenchment of the existing system could only make investigation far more difficult and politically hazardous. I still believe that to be true.

Seventh. I was at pains to acknowledge the months of work which the Senate Finance Committee has given to this bill and made it perfectly clear that my strictures were not directed at them but at the fact that, since the basis of the bill was fissured with grievous faults,

so the completed bill could not help but be faulty as well. It is faulty still and members of the Finance Committee during this very debate have pointed out many of these faults. Why perpetuate them?

Eighth. I made no claim to being a social-security expert and I refused to endorse any new system. But I pointed out how, increasingly, over the years criticisms of both the present system and its administrators had been piling up and piling up and how essential it was that an absolutely independent investigation be made. I did not find fault with the advisory council set up during the Eightieth Congress. Indeed, I acknowledged their public spirit. But I did say that no thorough-going overhauling can hope to be done unless it has the steady day-after-day attention of a corps of independent experts. I said: "What we want are independent, competent people of standing, who are prepared to give their full time to the work and who shall receive the compensation due to persons of their experience and prestige." I asked that enough money be granted out of the contingent fund to see to it that such a corps could be recruited. I still urge it.

Ninth. I said that this investigation should not spend its time trying to shore up and patch the present system. Nor should it be compelled to restrict its labors to a single alternative. The scope of the inquiry should be broad and permit a wide latitude of investigation. The corps should be men competent and able to give their serious attention to whatever qualified persons ask to appear before them. And I would judge that it would not be too difficult to define the word "qualified." Former President Hoover urged that the investigating body be given a year for their labors. I believe that he was right. Is there not intelligent reason for halting at this point? It is possible to let the country know in the most explicit terms that this halt is not a stall. As I said in my statement: "Why pass a bill that we know is bad, when, with the expenditure of a little more time, we might have legislation that is good?"

Tenth. I called attention to the seriousness of the charges brought against officials of the Social Security Administration. I quoted the Hoover task force. I quoted charges made by persons who had had direct experience with the Social Security Administration. I enumerated instances of manipulated statistics, of calculations distorted and wrenched out of shape. I asked how, if these things should be proved true, it would be possible to trust the Social Security Administration. I still ask those questions. Those charges should be investigated, and by independent people. Do not you yourself think that this should be done?

In the process of considering this bill, I wrote to several hundred persons throughout the country, persons who have had years of experience with social-security problems. Some are actuaries. Some are in other branches of insurance. Some had been officials of the Social Security Administration itself. Some are

academics. Some are in business. I asked these persons to write me frankly about their views on the pending bill and how they thought an investigation should be conducted.

Their response has been one of the most extraordinary experiences of my life. As evidence of the care and thought which these people gave to my request, I inserted in the CONGRESSIONAL RECORD for June 16, 1950, a group of their replies. I enclose a copy of this issue of the RECORD and commend these letters to your attention.

In sum, my position is this: If we are to have a social-security system at all, let us have one that freemen can accept with self-respect. Let us accept and act upon this bald truth:

That our old people, who have done their life's work and have quit, must be helped by those of us who still work. In due time, our children must look after us. Not in the old way of the old folks on the farm, but in the same spirit adapted to the institutions of our day—through taxation. Let us have done with this nonsense of a contributory system, this playing house and calling it insurance.

I accept wholeheartedly this proposition of having us who work help the old folks who have quit. I stand ready to pay as high a tax as my fellow citizens are willing to pay to put such an honest social-security system into operation.

I have refused to support H. R. 6000, not to evade a responsibility, but rather to accept one.

No kid stenographer in her first job in Tacoma will ever be able to accuse me of being an accessory to her defraudation when her retirement age finally comes. No down-and-out logger on the skidroad at the foot of Yesler Way in Seattle will be able to accuse me of forgetting his plight. No part-time apple picker in the Yakima and Wenatchee Valleys will be able to say that I did not recognize and seek to admit and save his rights.

I repeat, I believe that this bill is a truly disastrous mistake and that if we pass it, we will surely and bitterly live to regret it.

I say once more: If we are to look after some of our old people, we must look after them all. And, if we do this, let us find a way to do the whole job up year by year, starting every January 1 with a clean slate. If our Nation's economy gets pinched, the old folks will be pinched also. If we prosper, the aged will share in the Nation's prosperity. This is as it ought to be.

But let us have done with the jobbery that for 15 years we have had the crust to call social security.

With warm personal regards and in hope that you will share my views with the many citizens at home who are concerned and interested, I am, most sincerely and cordially, HARRY P. CAIN, the junior Senator from Washington.

P. S.—Should you wish any future letter to be held in confidence by me, it will only be necessary for you to mark it personal. I am happy that you permitted me to make your present one available to my colleagues and the Nation.

September 5, 1950.

Dear Harry:

Thank you for your letter of August 15, reporting fully on the state of legislative affairs with respect to social security. May I say that the modest amendment you succeeded in getting to S. Res. 300, giving the Senate Finance Committee a free hand in employing experts for its study of universal pay-as-you-go old age benefits, represents some progress. This amendment is only a small part of what you sought, but it does pave the way for the beginning of objective study.

In my previous letter on this subject, dated May 19, I assured you of my every encouragement to your effort to correct basic error of the present social security program. Please feel free to give copies of that letter to Senator George and Senator Milliken of the Senate Finance Committee. If they are to request my counsel or opinion on any matter in connection with their social security study, you may be sure that such request will receive my prompt and earnest attention.

I trust also that this matter will continue to benefit from your own vigilant interest. Please keep me informed as to key developments as you observe them.

Sincerely yours,

M. S. Eccles.

Hon. Harry P. Cain,  
United States Senate,  
Washington, D. C.