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# The Beginnings of Social Security

## The Development of the Social Security Act:

An Interview with Dr. Edwin E. Witte

(For Training Purposes Only)

SOCIAL SECURITY ADMINISTRATION  
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ED WITTE's career was approximately evenly divided between university teaching and serving as a State or Federal official. For him these areas of activity were closely related. He was a part of the "Wisconsin Idea" of public service in a period when staff members at the University of Wisconsin were pioneering in the investigation of controversial social problems and emphasizing the importance of the university in making a major contribution to public policy issues. His career included service as Secretary of the Industrial Commission of Wisconsin, as Chief of the Wisconsin Legislative Reference Service, as head of the Department of Economics at the University of Wisconsin, as President of both the Industrial Relations Research Association and the American Economic Association, as secretary to a Wisconsin Congressman, as Executive Director and Secretary of the Committee on Economic Security, as a member of the first Advisory Council on Social Security, as a member of the Federal Advisory Council on Social Security, and as a member of the President's Committee on Administrative Management.

WILBUR J. COHEN has been active in many areas of public welfare throughout his entire career. He moved to Washington after graduating from the University of Wisconsin in 1934, and became Research Assistant to Executive Director Witte of President Roosevelt's cabinet-level Committee on Economic Security. This Committee drafted the original Social Security Act. In 1935 he was a member of the Committee on Public Administration of the Social Science Research Council.

At the time of this interview, he headed the Office of Research and Statistics. Later in his career, he served as Professor of Public Welfare Administration and as Dean of the School of Education at the University of Michigan; and as Assistant Secretary for Legislation, Under-Secretary, and Secretary of the Department of Health, Education, and Welfare.

Mr. Cohen was a former student and close personal friend of Ed Witte.

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## THE DEVELOPMENT OF THE SOCIAL SECURITY ACT

### AN INTERVIEW WITH DR. EDWIN E. WITTE\*

Mr. Schottland: I am Charles I. Schottland, Commissioner of Social Security, and I am very happy today that we have with us Dr. Edwin Witte of the University of Wisconsin. Dr. Witte has sometimes been called the Father of the Social Security Act. He was the Secretary of President Roosevelt's Committee on Economic Security which sponsored the Social Security Act. He presented the Social Security Act to the various committees of Congress. Many people believe, as I do, that it was his great conviction of the necessity for protecting the American people against the hazards of economic insecurity, his great energy, and his sincere feeling for people which convinced Congress of the necessity of passing the Social Security Act. I know that the present officials and employees of the Social Security Administration, as well as the millions of persons in America who are benefited by the Social Security Act, are grateful to him for his work. We also have with us Mr. Wilbur Cohen, Director of the Division of Research and Statistics of the Social Security Administration. He was the first employee Dr. Witte hired. I am going to turn the program over to them, in order that they may discuss the early developments of social security. Wilbur, why don't you start the program and let us take advantage of Dr. Witte's visit and review the early developments.

Mr. Cohen: I think we might start logically with the question as to how Professor Witte began his work with the Committee on Economic Security. Professor Witte, what was the first event that occurred that brought you to Washington in 1934 as Executive Director of the President's Committee on Economic Security?

Professor Witte: There was a call I received early in July 1934 from Madam Perkins, the Secretary of Labor. She had been named Chairman of the Committee on Economic Security which President Roosevelt had set up a short time before in accordance with his message to the Congress on June 8, 1934, promising a comprehensive social security program to be presented to the incoming Congress at the beginning of the 1935 session.

Mr. Cohen: Well, the whole work of the Committee, including the drafting of the report, the drafting of the bill, and the submission of the report to the President and the Congress, all took place in less than 6 months, didn't it?

Professor Witte: A period of 6 months--I came to Washington early in July. A report to the President was submitted on the day before Christmas, 1934. Subsequently, the bill was drafted and the President transmitted the

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\*Interview conducted on August 12, 1955, at the National Headquarters of the Social Security Administration in Washington, D.C. on the occasion of the celebration of the twentieth anniversary of the approval of the Social Security Act (signed August 14, 1935).

social security message, the report, and the bill to the Congress--a period roughly of 6 months. The Committee did not go out of existence until the bill was signed in August. In that period the Committee tried to be of service to the congressional committees and also drafted model bills for supplementary legislation by the States. The Committee functioned for a year, but the period of the preparation of the Social Security Act was principally the first 6 months of that year.

Mr. Cohen: The staff of the Committee that you assembled was really a very small one, wasn't it, Dr. Witte, when you consider the gigantic character of the program that has now been developed from that original report?

Professor Witte: We never had a staff larger than 100 people. The money set aside pursuant to the President's Executive Order was \$87,500. When our Committee was asked to continue with the congressional committees, we received some additional money. In the entire year we spent \$145,000. We had a reduced staff after the report was presented to the President--a greatly reduced staff. We never had more than 100 people altogether.

Mr. Cohen: One of the very important groups that helped the Committee at the time was an Advisory Council under Frank Graham, later Senator Graham, and, of which, many outstanding people were members, including Marion Folsom, the present Secretary of Health, Education, and Welfare. Would you say a few words about the first Advisory Committee on Social Security?

Professor Witte: It was called the Advisory Council on Social Security and was provided for in the Executive Order. The members were appointed by the President of the United States. The Advisory Council functioned principally in the last months before the report of the Committee went in. The Committee and its staff met with members of the Advisory Council. They made diverse recommendations. They were all people from important outside groups: representatives of the principal business and labor organizations, many social agencies--a rather large group of them. Of course, a limited number of members were very active. Among those, I am happy to say, was the present Secretary of Health, Education, and Welfare, who has been working with social security, and has been interested in social security even longer than that. From the very beginning, he's the one person, I believe, who served not only on the original Social Security Advisory Council, but with all the subsequent groups. He was an active participant from the beginning.

Mr. Cohen: The report of the Committee on Economic Security was a very important document and has remained a very important document, Professor Witte; you, yourself, drafted that report, did you not, at that time late in 1934?

Professor Witte: I was the Executive Secretary of the Committee, and Executive Director of the staff. The report, the actual wording, that was very largely my responsibility, but, of course, we had very valuable assistance. You haven't mentioned a group that had a great deal to do with the Social Security

Act-- a group also provided for in the executive order. It was called the Technical Board. It consisted of people in the government agencies who knew something about social security, and there were very few people in the country at the time that knew very much about it.

Mr. Cohen: That was the Board that was headed up by Arthur Altmeyer at the time?

Professor Witte: Arthur Altmeyer was the Chairman. He was the Under-Secretary of Labor. On that Board were men like Alvin Hanson, then with the State Department, who had written quite extensively on social security and Murray Latimer of the Railroad Retirement Board. In fact, it was a sizeable group. These people worked with our Committee and our staff practically continuously and had a very great influence on the recommendations that the Committee came to. The Committee itself, I think you probably should say, was a cabinet Committee. A high-level cabinet Committee consisting of Miss Perkins; of the Secretary of the Treasury, Mr. Morgenthau; of the Secretary of Agriculture, Mr. Wallace; of the Attorney General, Mr. Cummings; and Mr. Hopkins, who was the Emergency Relief Administrator. These cabinet members made the decisions on policies. We held quite frequent sessions. They met with the members of the Technical Board and the members of the staff. We had a great many other advisory committees receive their reports. We had the National Conference on Social Security in November which literally brought almost everybody that had ever written on the subject to Washington. The members of the cabinet Committee, of course, did

not go into many details; but they very carefully went over the report. First they decided on the general policies. Also, they examined the bill, and members of their own staffs were consulted by them before they reached an agreement.

Mr. Cohen: Speaking about drafting the bill, the first Economic Security bill--that is, the one carrying out the recommendations of the President and the Committee on Economic Security--was drafted by Tom Eliot, wasn't it?

Professor Witte: He was the Counsel of the Committee. He had been with the Solicitor's Office of the Department of Labor, and served as its counsel throughout the existence of the Committee. He drafted the Economic Security bill. The title of the Committee and of the bill at the time was "Economic Security." It was not until congressional consideration that the title "Social Security" came in, but it was the original measure in the Congress of the United States--particularly in the House Ways and Means Committee. The bill was changed considerably in appearance and also to some degree in content. It became the Social Security bill and ultimately the Social Security Act.

Mr. Cohen: The United States was the first country then to use and to spread the use of the term "social security," wasn't it?

Professor Witte: Social security had been used very slightly in this connection prior to the Social Security Act. I recall very well the Executive Committee meeting of the House Ways and Means Committee where it was decided to give the bill a new name. The Committee for many

reasons wanted to change the bill from the original administration bill, and, after more important changes had been agreed upon, some members suggested that the title should be changed. Then there was a free-for-all discussion. What should be the title? Some members hit upon "social security" and that was the term. That term, following the enactment of the Social Security Act, was applied to everything that was in the Social Security Act and related programs in discussions in this country. It was not adopted on a world-wide basis until about 1940. In fact, it was not used other than in the United States. The terms used elsewhere were social insurance, social policy, and various other titles. In 1940 the International Labor Office issued an important report called "Approaches to Social Security" and after that the term became universal for the programs which we now designate by that term.

Mr. Cohen: Speaking of the legislative process in connection with the bill, you appeared as the first witness, did you not, Professor Witte, before both the House Committee on Ways and Means and the Senate Committee on Finance as well as in the executive sessions of both committees?

Mr. Witte: I was the first witness in both committee hearings. I was on the stand for days before--

Mr. Schottland: Just go ahead and add this to the discussion.

Mr. Cohen: Professor Witte, it is sometimes said that in the United States Abe Epstein's organization was the first to use the term "social security." What is the story behind that?

Mr. Witte: That is at least partially true. Abraham Epstein organized the American Association for Old Age Security in 1927 and he did very valuable work in promoting old-age assistance laws. In 1933 he was writing a book in which he does not use the word "social security" and became very much interested in the controversy then in progress over the type of unemployment insurance law that should be enacted in the States. In 1933 Epstein broadened his organization also to cover unemployment insurance. At that time, as I know from having been a member of his executive council, he was looking for some broader title than old-age security. It is my understanding that Mr. Lee Frankel, who was then Commissioner of Welfare of the State of New Jersey, suggested the title "social security." Then the Association for Old Age Security became the Association for Social Security. But aside from this, "social security" was not used. Epstein himself did not use it except in the title of his organization. When the House Ways and Means Committee was looking for a title for its bill--different than the Economic Security Act--I think it was Mr. Woodruff of Michigan, a Republican member of the Committee who may have known something about Epstein's association, suggested "social security." That was adopted by the committee without dissent and almost without discussion because it seemed to be very appropriate.

Mr. Cohen: Speaking about the work of the Committee on Ways and Means of the House of Representatives, what role did Mr. Middleton Beaman play in the drafting of the revised bill which became the social security bill?

Mr. Witte: He had responsibility for drafting the bill. Working with Tom Eliot, Mr. Beaman was a draftsman of the bill in the form in which it was finally enacted. He was the Legislative Counsel in the House.

Mr. Cohen: That's correct.

Mr. Witte: And there was also some consultation with members of the Legislative Counsel's office in the Senate but Mr. Beaman and Mr. Eliot were the final draftsmen as far as language was concerned. During that stage, Mr. Beaman reported sections of the bill to the House Ways and Means Committee in detail and members of the Committee also insisted on some changes.

Mr. Cohen: Professor Witte, on a number of occasions you have told me that one of the great strategic things that was done in the drafting of the legislation was putting Title I, Old Age Assistance, as the first title in the bill and that this was done by Tom Eliot. Would you tell us somewhat more about that part of the history of the legislation?

Mr. Witte: In the starting days when the bill was first hammered out, the main discussion was about unemployment insurance. In the Congress old-age security obscured everything else and was in part due to the fact that in the interim the Townsend movement had become strong and very certainly the members of the congressional committees were most interested in old-age security.

Mr. Cohen: When you say old-age security though, you don't necessarily mean they were specifically interested in old-age insurance, do you?

Mr. Witte: They were not. Before the hearing started, I am quite doubtful whether any of the members knew anything at all about old-age insurance. The term was old-age pensions and old-age pensions at that time meant old-age assistance. Knowing of the great interest of the members of Congress and during the period after the President approved the report but before it was made public, we, meaning particularly Mr. Eliot and myself, consulted with leaders in Congress and he sensed the fact that they were interested in what we called old-age assistance. So we wisely, I think, decided to make the first thing in the bill Title I, dealing with old-age assistance and Federal grants to the States for old-age assistance. The record will show that at least half of the discussion in the hearings and a great deal more than that during the congressional debates concerned this part of the bill, and the situation was such that Congress had to act on this matter of old-age pensions or practically everybody recognized the necessity for doing so and it is quite probable that many members of Congress never read beyond the first title. The first title dealt with old-age assistance and I think it was a fortunate thing that it was put forward first. It was not what the members of the staff, perhaps even the committee members, themselves, thought would be the matter about which there would be the greatest discussion and the greatest interest.

Mr. Cohen: Let me ask you this, then, Professor Witte. There wasn't very much real support or understanding then, either in Congress or among a large group of the public in 1934 and 1935 for old-age insurance?

Mr. Witte: Old-age insurance was known as an institution abroad and the relatively few specialists in this country in this field were of course interested in old-age insurance. There was some other interest in it, particularly the concern that the cost of so-called gratuitous pensions would be so great that you couldn't swing it in time, so the idea came in that we should have contributions and an insurance plan, but to say that there was any great popular demand for this would be false. Very few people knew about it. In general, the idea was pretty well approved but not discussed.

Mr. Cohen: Since old-age insurance today is so well accepted by so many people and is such an important institution, isn't it interesting, and would you say it was true that the question of whether there was going to be old-age insurance was a sort of "nip and tuck" matter all during the legislative consideration of the bill in 1935?

Mr. Witte: During the legislative days, as I call them, the question whether there should be old-age insurance was the most doubtful part of all the recommendations. In both houses, and particularly in the Senate committee, it was doubtful whether the committees would recommend an old-age insurance system--in part because there was no popular demand for old-age insurance, or very little, and, still more because there were grave doubts about constitutionality and a large number of members of Congress and people outside of the Congress believed that a Federal old-age insurance system would be held unconstitutional. In fact, I believe that there were members of the Senate Committee who finally supported the measure, expecting that that part of the law would be

held unconstitutional. They said so in committee meetings but it was "nip and tuck" in the House. Congressman Vinson, later Chief Justice, was mainly responsible for getting that provision into the Social Security Act by getting up the recommendation that the Committee had made for voluntary annuities for people that were not covered compulsorily, and by making other changes. In the Senate Committee the situation was such that those of us who were attending those meetings as outsiders and counting noses were sure that that part of the bill would be stricken. I think Senator Harrison, the Chairman very adroitly handled the committee and he secured the proxy of Senator Couzens, who was the ranking Republican member of the Senate Committee on Finance and at that time was critically ill in the hospital at Rochester; and it was Senator Couzens' vote, given as a proxy to the Democratic chairman of the committee, that carried and saved old-age insurance.

Mr. Cohen: I believe you told me one time, Professor Witte, that if Senator Harrison had taken the vote on passage of the old-age insurance provisions in the Committee before he did, it would have been lost, but that he adroitly handled the discussions in the executive sessions and continued and postponed the discussion until he was able to get the proxy of Senator Couzens so that the Committee voted the bill out favorably. Otherwise, it might have been possible that the Senate Finance Committee would have voted against that provision, and it might well have been that we wouldn't have old-age insurance today.

Professor Witte: It was not merely Senator Couzens. There were other Democratic members of the Committee



who seemed to be opposed to old-age insurance. [www.libtut.com.cn](http://www.libtut.com.cn) On the final day when, to the surprise of everyone, Senator Harrison permitted the vote on the motion to strike this part of the bill, he came up with the proxies not only of Senator Couzens but of three of the five Democrats. They weren't there. And the other two opponents, Democratic opponents, absented themselves on that day. I think it was very adroit handling by Senator Harrison, not only on this matter but also on other matters in the Senate. I remember this as one of the strongest impressions of the early days--of the form and frame of the development of the Social Security Act.

Mr. Cohen: There was a good deal of controversy in the Senate against old-age insurance led by Senator Hastings, wasn't there, Mr. Witte?

Professor Witte: Oh, yes. He moved to have it stricken, and that motion was supported by several members of the Ways and Means Committee, including members who had given Senator Harrison the proxy, but the vote was not so very close. As I think you will remember, the greatest difficulty that finally developed was over the so-called Clark Amendment on the floor of the Senate. An amendment was offered to exempt from the old-age insurance system employers who had established industrial pension systems of their own. The Senate adopted that amendment over the opposition of Senator Harrison and others favorable to the Administration bill. That amendment forced the bill into conference committee. The Senate passed the bill with only six votes in opposition, but the Clark Amendment went back to the House. The conference committee couldn't agree.

Mr. Cohen: Will you say a little bit more, Professor Witte, about some of these factors that did result in the eventual agreement on the acceptance of old-age insurance?

Professor Witte: One group of members of the Congress was satisfied that that part of the Act would be held unconstitutional, in any event. The main factor, getting of social insurance, doubtless was concern about the expected very large costs of old-age assistance, and a feeling that if, what were then referred to as gratuitous pensions, were provided with nothing else, the pensions would constantly be upped. So there was pretty general acceptance that the best way to prevent that sort of a result would be a contributory insurance system.

Mr. Cohen: But this point of view was largely among experts and people who had studied the problem like yourself rather than being widely held by Congressmen or Senators or people in public life, is that true?

Professor Witte: I think that probably the members of the Committee, before they reported the bill, were very favorable to the idea of a contributory system. That was accepted by most everybody. But a large number of the members, particularly in the Senate, were of the opinion that it was clearly unconstitutional--that you couldn't do it that way.

Mr. Cohen: Wasn't it also true, Professor Witte, that at the time the bill was considered, there were lots of bills pending before both committees for Federal grants to the States for old-age assist-

ance and for unemployment insurance, but there was not a single bill pending before the Committee for old-age insurance? This was the proposal which must be credited to the Committee on Economic Security and the President, rather than having grown out of the belief, prior to that time, of Congress or the public.

Professor Witte: Bills to provide Federal aid for old-age assistance were before the Congress even before the Committee on Economic Security was set up. The House of Representatives passed a bill for Federal aid for old-age assistance--indeed, in the small amount of \$10 million--in recognition of the principle, both in '33 and '34.

Mr. Cohen: That was the so-called Dill-Connery bill, wasn't it?

Professor Witte: Dill-Connery bill, yes. That something had to be done in connection with the old-age assistance problem--security of the old people--was recognized by everybody. There were at least a million people over 65 years of age who were on relief at the time of the passage of the Social Security Act. Older people who lost their jobs at that stage couldn't find work. And people without resources were soon in very great difficulty. And then there was the Townsend movement. The Townsend movement was both a help and an obstacle to the Social Security Act. The Townsend Plan was developed as a national program after the President sent his social security message to Congress in June 1934. There had been a Townsend Plan Organization in California, which in 1933 attempted to put through a large pension for old people in the State of California to be paid by the State. When

the President promised a comprehensive social security program, Dr. Townsend and his associates came forward with the idea of a national pension of \$200 a month to everybody over 60. That had tremendous appeal. The movement spread like wildfire all over the country. By the time Congress met, Congressmen were deluged with letters, telegrams, and calls by older people asking for passage of the Townsend Plan which was introduced in Congress. There were few members of Congress who believed that this was a possibility, because at that time old-age assistance in the States averaged less than \$15 a month, but the very fact that the old people were asking for the Townsend Plan made the members of Congress doubtful whether they could satisfy this group by a moderate bill such as the Administration bill. They were afraid not to do something, and they were afraid to pass the Administration bill. They, practically without exception, believed the Townsend Plan to be impossible. And I think that was a factor in delay, but it also was a factor which was helpful in that everybody knew--meaning by "everybody," the members of Congress--that something had to be done on this problem of old-age security.

Mr. Cohen: Probably, if the Committee on Economic Security had not pressed so strongly for old-age insurance, all of these doubts and difficulties, including the constitutional problems and so on, might have resulted in there being no old-age insurance program enacted at that time. Is that a fair statement, Professor Witte?

Professor Witte: It's a fair statement, but of course credit also has to be given to the President. The

President was more insistent on old-age insurance than anyone else. The President, as Governor of New York, signed a Statewide old-age assistance bill in 1930. In his message, that he transmitted with his signature of the New York bill, he stated that gratuitous pensions of this kind, while necessary in the absence of anything else, were not the sound solution of this problem of old-age security. And he stated at that time, in 1930, that what we should have was an insurance program such as existed abroad, and he reiterated that on many occasions during the considerations of the Committee of Economic Security.

Mr. Cohen: In talking about some of the people who played an important role in developing the old-age insurance program, shouldn't we mention the name of J. Douglas Brown, who was one of the men who worked with you and your committee, and who was also the chairman of the Advisory Council of 1938, which made important recommendations, later adopted by Congress, for strengthening and improving the old-age insurance program?

Professor Witte: Brown was one of the principal members of the staff on old-age security, and had important connections with the development of the entire program. So did many others. The truth of the matter is that the Committee on Economic Security employed or had assistance from substantially everybody who had written on any aspect of social security prior to the organization of the Committee, including men like Douglas Brown, Murray Latimer, Abraham Epstein, Paul Douglas, and many others. In the advisory groups, too, we brought in people that were not employed by

us. We couldn't employ everybody that had written on the subject because they couldn't get free to help us.

Mr. Cohen: You did employ some as consultants?

Professor Witte: We employed them as consultants, and they were on the many advisory committees that we had. This was not a piece of legislation that was developed by any one individual. This was not a piece of legislation in which anyone is entitled to be known as the "father of the legislation." This was very much a collective effort. I think credit must be given to the members of the congressional committees, particularly the House committee, who went into every aspect of this subject in great detail and who made very important changes and finally, of course, the big job was still to be done after the law was passed. That was the work of the administrators and I'm always of the belief that the administrators, who developed the social security program as we now have it from what was only a bare skeleton, deserve the greatest part of the credit.

Mr. Cohen: That is where we had very important continuity, wasn't it, Doctor Witte, in that Doctor Altmeyer, who had been one of those who had helped in the technical development and formulation of the program, later became the man who had perhaps the largest single role to play in the administration and development of the program during the early years?

Professor Witte: That's, of course, true. It's also true that a large percentage of our staff people became the first employees of the

Social Security Board, including yourself, and others served on advisory committees. The advisory committees of 1937, 1938, 1947, and 1948--the members of those committees--many of them had served as advisors in the days of the formation of the Act, and many more were brought in as consultants.

Mr. Cohen: There was a good deal of consideration given to unemployment insurance as well, wasn't there, during the legislative consideration of the bill?

Professor Witte: In the legislative consideration of the bill I'd say relatively little. In the period before the recommendations of the committee were made, that was by far the major subject of discussion in the staff and in the Committee. In Congress there was some consideration given to it, but much less than those of us who had been connected with the formulation of the original bill expected, because the old-age problem overshadowed unemployment insurance. In fact there was demand for unemployment insurance, but by 1935 the depression had continued so long that there was a feeling that while unemployment insurance would be helpful, it couldn't solve the problem. Nevertheless, there was pretty general acceptance of the idea for unemployment insurance, but in the congressional consideration I'd say it was clearly secondary to old-age security.

Mr. Cohen: Well, we are celebrating now the 20th anniversary of this law that you helped develop back in 1934 and 1935. We now have some seven and one-half million people drawing old-age insurance and over five million people drawing public assistance. So we've come a long

way in making this program a working reality. Perhaps in concluding, Professor Witte, you will say what you think has been realized under the social security program and something about what remains yet to be done.

Professor Witte: Everybody who had anything to do with the development of the original legislation, and my part certainly was no greater than that of many others, I'm sure is gratified with the progress that has been made. It's been much greater than we expected. Take the matter of old-age insurance. Not only was there great doubt about constitutionality, which was not resolved until May 19, 1937, but there was also great fear that it would become administratively impossible to keep the records straight for millions of people. The number of people who now have credits in the old-age insurance system, one hundred million, weren't even thought of at that time. It seemed impossible to a great many people that the records could be kept straight. This repeats the statements made in the Congress and by other people that this would be a great failure.

Mr. Cohen: In other words, Professor Witte, there were a lot of people who sincerely felt that while the program might be desirable, it might break down administratively because we didn't have the genius to deal with the many complex problems that would arise under such a program.

Professor Witte: This was an untried program. This was the largest insurance program that the world had ever known, and it was to be centrally administered with all the records kept by one agency.

There was the concern about keeping the records straight and also a great fear of high administrative costs. Actually this great system, in which there are now one hundred million Americans with credits, in which over seven million Americans get benefits, has had a remarkably smooth administrative history. No breath of scandal has ever been developed or even arisen in connection with the old-age insurance system. Administrative costs that were expected to be very large, have never even been 5 percent of the collections. I believe it's about 3 percent.

Mr. Cohen: Oh, it's even down lower than that now, Professor Witte. It is down to less than 1.8 percent of contributions collected.

Professor Witte: An insurance program administered with 1.8 percent of the premiums is essentially, of course, a very, very well-administered program---a program in which there is no question of corruption, in which there's no claim of any extensive failure to pay benefits to people to which they are entitled because records are not in shape. It is a remarkably well-administered program. That's only, of course, part of the social security program of 1935. In some respects the larger program was that which was assigned to the States and which the Federal Government encouraged through aids and such legislation as the Federal Employment Tax legislation, a program in which the total number of beneficiaries approximates that of the old-age insurance system in which a great many more people are engaged in administration. There've been some difficulties in some places, but, by and large, the record made in this country in the administration of social insurance

and social security is a record that can't be mentioned in any other field. The credit belongs to the people who've actually done the administering and the succeeding Congresses which have improved the law.

Mr. Cohen: As we now look ahead, to the future to both the Silver Anniversary of the Social Security Act 5 years from now and perhaps even looking farther ahead 20 years from now, do you see that we will be making further changes and improvements in the social security program?

Professor Witte: I have no doubt of it, and improvements are still necessary. It's, as I think you recognize, a fundamental part of the American way of life to believe that progress is always possible and necessary. We've gone a long way, but we certainly cannot be satisfied with where we are now. Take the old-age insurance program. It still doesn't include everybody by any means. It's a program in which average benefits today are only about one-third as much as the earnings of people of the same age who are still in employment. Other features of the program are in some respects even less well developed. There are risks for which we make no provisions. Even before the Social Security Act was conceived, most foreign countries included invalidity benefits along with old-age insurance benefits which have not reached the ideal in social security. In some respects our legislation is not as good as that of some other countries, particularly Western European countries. Although in other respects we are certainly ahead of any other country in the world. Progress in social

security, I think, is assured for two basic reasons. One is that the American people have accepted social security. The other is that there continues to be great need for social security measures because, even in this day and age of near full employment and the highest level of prosperity we've ever had, there are still millions of Americans who, without a governmental program of some sort, would be in dire want. It is a fundamental American concept that the standard of living--the conditions of life--should ever be improved, and they should be improved for the poor and the unfortunate as well as for the well-to-do and the successful.

Mr. Cohen: Well then, Professor Witte, perhaps if you and I get together again 5 years from now on the 25th anniversary of the Social Security Act, we probably will see that there have been further changes and improvements in the program.

Professor Witte: Improvements at this stage of the program are likely to be gradual, and it's very well that they should be. Only a great depression or a great emergency will produce very radical changes, but the line of progress is best assured by gradual improvements such as we have had and will continue to have.

## Selected Readings on the Beginnings of Social Security

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7. Lampman, Robert J., Social Security Perspectives: Essays by Edwin E. Witte, University of Wisconsin Press, Madison, 1962, 419 pp.
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12. Rubinow, I. M., The Quest For Security, Henry Holt and Company, New York, 1934, 683 pp.

EDITORIAL NOTE: About 10 publications are expected to be printed in the series captioned "The Beginnings of Social Security." This publication is in that series. In addition, the selected, annotated bibliography entitled Basic Readings In Social Security, published by SSA's Office of Research and Statistics, contains many additional readings relating to the beginnings of social security.

13. Schlabach, Theron J., Edwin E. Witte: Cautious Reformer, State Historical Society of Wisconsin, Madison, 1969, 290 pp.
14. Schlesinger, Arthur M., Jr., The Age of Roosevelt--The Coming of the New Deal, Houghton-Mifflin Co., Boston, 1958, 669 pp.
15. Social Security In America: The Factual Background of the Social Security Act as Summarized From Staff Reports to the Committee on Economic Security, Social Security Board Publication No. 20, Government Printing Office, Washington, 1937, 592 pp.
16. Witte, Edwin E., The Development of the Social Security Act, The University of Wisconsin Press, Madison, 1962, 220 pp.



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1. Arthur J. Altmeyer: Mr. Social Security, biographic remarks by Wilbur J. Cohen (7 pp.).
2. Brown, J. Douglas, The American Philosophy of Social Insurance (14 pp.).
3. Brown, J. Douglas, The Birth of Old-Age Insurance, 1934-35 (6 pp.).
4. Clague, Ewan, Factors Contributing To The Passage Of The Social Security Act (19 pp.).
5. Edwin E. Witte (1887-1960): Father of Social Security, biographic notes by Wilbur J. Cohen (10 pp.).
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