Social Security

Message

from the

President of the United States

to the

Congress

January 16, 1939

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SOCIAL SECURITY

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FROM THE

PRESIDENT OF THE UNITED STATES

January 16, 1939

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The Vice President laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed:

To the Congress of the United States:

Four years ago I sent to the newly convened Congress a message transmitting a report of the Committee on Economic Security. In that message I urged that Congress consider the enactment into law of the program of protection for our people outlined in that report. The Congress acted upon that recommendation and today we have the Social Security Act in effect throughout the length and breadth of our country.

This act has amply proved its essential soundness.

More than two and one-half million needy old people, needy blind persons, and dependent children are now receiving systematic and humane assistance to the extent of a half billion dollars a year.

Three and a half milllon unemployed persons have received out-of-work benefits amounting to $400,000,000 during the last year.

A Federal old-age insurance system, the largest undertaking of its kind ever attempted, has been organized and under it there have been set up individual accounts covering 42,500,000 persons, who may be likened to the policyholders of a private insurance company.

In addition, there are the splendid accomplishments in the field of public health, vocational rehabilitation, maternal and child welfare, and related services, made possible by the Social Security Act.

We have a right to be proud of the progress we have made in the short time the Social Security Act has been in operation. However, we would be derelict in our responsibility if we did not take advantage of the experience we have accumulated to strengthen and extend its provisions.

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I submit for your consideration a report of the Social Security Board, which, at my direction and in accordance with the congressional mandate contained in the Social Security Act itself, has been assembling data, and developing ways and means of improving the operation of the Social Security Act.

I particularly call attention to the desirability of affording greater old-age security. The report suggests a twofold approach which I believe to be sound. One way is to begin the payment of monthly old-age insurance benefits sooner, and to liberalize the benefits to be paid in the early years. The other way is to make proportionately larger Federal grants in aid to those States with limited fiscal capacities, so that they may provide more adequate assistance to those in need. This result can and should be accomplished in such a way as to involve little, if any, additional cost to the Federal Government. Such a method embodies a principle that may well be applied to other Federal grants in aid.

I also call attention to the desirability of affording greater protection to dependent children. Here again the report suggests a twofold approach which I believe to be sound. One way is to extend our Federal old-age insurance system so as to provide regular monthly benefits not only to the aged but also to the dependent children of workers dying before reaching retirement age. The other way is to liberalize the Federal grants-in-aid to the States to help finance assistance to dependent children.

As regards both the Federal old-age insurance system and the Federal-State unemployment-compensation system, equity and sound social policy require that the benefits be extended to all of our people as rapidly as administrative experience and public understanding permit. Such an extension is particularly important in the case of the Federal old-age insurance system. Even without amendment, the old-age insurance benefits payable in the early years are very liberal in comparison with the taxes paid. This is necessarily so in order that these benefits may accomplish their purpose of forestalling dependency. But this very fact creates the necessity of extending this protection to as large a proportion as possible of our employed population in order to avoid unfair discrimination.

Much of the success of the Social Security Act is due to the fact that all of the programs contained in this act (with one necessary exception) are administered by the States themselves but coordinated and partially financed by the Federal Government. This method has given us flexible administration and has enabled us to put these programs into operation quickly. However, in some States incompetent and politically dominated personnel has been distinctly harmful.

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Therefore I recommend that the States be required, as a condition for the receipt of Federal funds, to establish and maintain a merit system for the selection of personnel. Such a requirement would represent a protection to the States and citizens thereof rather than an encroachment by the Federal Government, since it would automatically promote efficiency and eliminate the necessity for minute Federal scrutiny of State operations.

I cannot too strongly urge the wisdom of building upon the principles contained in the present Social Security Act in affording greater protection to our people rather than turning to untried and demonstrably unsound panaceas. As I stated in my message 4 years ago: "It is overwhelmingly important to avoid any danger of permanently discrediting the sound and necessary policy of Federal legislation for economic security by attempting to apply it on too ambitious a scale before actual experience has provided guidance for the permanently safe direction of such efforts. The place of such a fundamental in our future civilization is too precious to be jeopardized now by extravagant action."

We shall make the most orderly progress if we look upon social security as a development toward a goal rather than a finished product. We shall make the most lasting progress if we recognize that social security can furnish only a base upon which each one of our citizens may build his individual security through his own individual efforts.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 16, 1939.*

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