

will continue in the future, at least with respect to the proportion of old-age assistance recipients receiving old-age and survivors insurance. As the coverage of the insurance program becomes virtually universal, this proportion will no doubt approach 100 percent. It will never reach it, however, because many individuals at the lowest economic levels (low-income farmers and migratory and occasional farm and domestic workers) will not qualify for old-age and survivors insurance benefits but will be in serious need of economic aid upon reaching age 65.

It is known that the aged individuals receiving both old-age and survivors insurance and old-age assistance have an age and sex distribution that is considerably different from the distributions for those receiving only old-age assistance or only old-age and survivors insurance. Unfortunately, however, information on these characteristics is not collected regularly. Because such data give some insight into future trends, estimates as of February 1956 of the age and sex distribution of all old-age assistance recipients and those receiving both assistance and insurance payments have been made on the basis of sample studies made in early 1953.³ Similar data for all aged insurance beneficiaries can be readily estimated. Actual data are available as of December 1955 and can easily be applied—with extremely high reliability—to the total number receiving insurance benefits 2 months later. Adjustments have also been made in the data to exclude beneficiaries living outside the United States, to count only once as a beneficiary those women receiving both an old-age benefit based on their own earnings and a wife's benefit, and to exclude wife beneficiaries under age 65 with child beneficiaries in their care.

The attached table summarizes the results of these estimates. It is interesting to note that there was little variation—either by age or by sex—in the proportion of aged insurance beneficiaries who were old-age assistance recipients. On the other

Table 1.—Estimated distribution of OASI beneficiaries, OAA recipients, and beneficiary-recipients, by age and sex, February 1956

Age	Number (in thousands)			Beneficiary- recipients ¹ as Percent of	
	OASI aged benefi- ciaries	OAA re- cipi- ents	Benefi- ciary- re- cipi- ents ¹	OASI aged benefi- ciaries	OAA re- cipi- ents
Total					
Total	6,340	2,534	516	8.1	20
65-69	2,496	536	177	7.1	33
70-74	2,169	758	198	9.1	26
75-79	1,161	631	104	9.0	16
80 and over	514	609	37	7.2	6
Men					
Total	3,295	1,021	287	8.7	28
65-69	1,173	200	94	8.0	47
70-74	1,146	304	112	9.8	37
75-79	559	262	60	9.1	23
80 and over	317	255	21	6.6	8
Women					
Total	3,045	1,513	229	7.5	15
65-69	1,323	336	83	6.3	25
70-74	1,023	454	86	8.4	19
75-79	502	369	44	8.8	12
80 and over	197	354	16	8.1	5

¹ Receiving both OASI benefits and OAA payments.

hand, considerable variation occurred in the proportion of old-age assistance recipients who were receiving old-age and survivors insurance benefits. This ratio was 20 percent for the entire caseload; 28 percent of the men receiving old-age assistance also received old-age and survivors insurance, but only 15 percent of the women recipients. In addition, when the beneficiary-recipients are distributed by age, each higher age group shows a sharp decline in the proportion of old-age assistance recipients who are receiving old-age and survivors insurance. This ratio was 47 percent for men aged 65-69, in contrast to only 8 percent for men aged 80 and over. For women, the corresponding figures were 25 percent and 5 percent.

Consideration of these data leads to the conclusion that, if present trends continue, some 8 percent of the old-age and survivors insurance beneficiaries aged 65 or over are likely to be old-age assistance recipients in the future, regardless of

the aging of the population or the maturing of the old-age and survivors insurance program. On the other hand, it is clear that the proportion of old-age assistance recipients who are receiving old-age and survivors insurance will increase from the present figure. Thus it is probable that in another 15 years at least 47 percent of the men aged 80 and over and 25 percent of the women of that age who are receiving old-age assistance will also receive old-age and survivors insurance, with a ratio for the group of about 35 percent. For the younger age groups the overall ratio will probably be significantly higher. The figures given represent a ratio that is, of course, a bare minimum because the old-age and survivors insurance program is far from maturity and the basic data used in this analysis do not reflect the effect of the 1954 amendments extending coverage to farmers and other groups.

Old-Age Insurance Benefits, 1955

Benefits Awarded

During 1955, old-age benefits were awarded to almost 910,000 persons, a record number. New highs have been recorded in 9 of the past 11 years, largely because of the continuous growth in the number of fully insured persons aged 65 or over. In 1955 the number of awards was swelled by claims arising from the liberalization in the retirement test under the 1954 amendments. These provisions, which became effective in January 1955, changed the earnings test for wage earners from a monthly to an annual basis, raised to \$1,200 the amount that beneficiaries can earn in a year before any benefits are withheld, and lowered from 75 to 72 the age at which beneficiaries can receive benefits regardless of the amount of their earnings. Thus, many persons between age 72 and age 75, and others under age 72 with moderate earnings, who had delayed filing for benefits because they were working in covered employment, filed their claims and began receiving monthly benefits.

Method of benefit computation.—

³ *Recipients of Old-Age Assistance in Early 1953 (Part I—State Data)*, Public Assistance Report No. 26, June 1955.

Table 1.—Percentage distribution of old-age benefits awarded in 1955, by benefit-computation method and sex

[Based on 10-percent sample]

Benefit-computation method	Total	Male	Female
Total number.....	909, 883	628, 525	281, 358
Total percent.....	100	100	100
Benefit based on earnings after 1936.....	24	21	31
Benefit based on earnings after 1950.....	76	79	69
Total percent.....	100	100	100
Beneficiary not eligible for the dropout.....	14	13	15
Benefit based on earnings after 1936.....	7	7	8
Benefit based on earnings after 1950.....	86	87	85
Beneficiary eligible for the dropout.....	17	14	23
Benefit based on earnings after 1936.....	12	9	17
Beneficiary not eligible for benefit based on earnings after 1950.....	5	5	6
Beneficiary eligible for benefit based on earnings after 1950.....	69	72	62
Benefit based on earnings after 1950.....	3	2	6
1952 benefit formula plus 1954 conversion table.....	66	70	55
1954 benefit formula.....			

About 86 percent of the beneficiaries awarded old-age benefits in 1955 were eligible for the dropout—that is, up to 5 years of lowest earnings could be excluded in the calculation of their average monthly wage (table 1). The dropout provision may be applied if the worker has 6 quarters of coverage after June 1953, or if he first becomes eligible (that is, fully insured and aged 65 or over) for old-age benefits after August 1954. Of the awards made in 1954 under the 1954 amendments, only 24 percent could be computed with the dropout—a percentage that is understandably low since (1) awards in this period included a large proportion of beneficiaries first eligible for benefits before September 1954, and (2) the fourth quarter of 1954 marked the first time beneficiaries could qualify for the dropout on the basis of 6 quarters of coverage after June 1953. It was recognized at the time of the amendments that the percentage of

Table 2.—Average old-age benefit awarded in 1955, by benefit-computation method and sex

[Based on 10-percent sample; average benefits shown to nearest dollar]

Benefit-computation method	Total	Male	Female
Total.....	\$70	\$76	\$56
Beneficiary not eligible for dropout.....	47	50	39
Beneficiary eligible for dropout.....	74	80	59
Benefit based on earnings after 1936.....	52	57	46
Benefit based on earnings after 1950.....	79	84	64

beneficiaries qualifying for the dropout would increase rapidly, leaving unable to qualify only a small group—those who have been eligible for benefits since August 1954 or earlier and who do not have sufficient work after June 1953. The figure for 1955 also showed the effect of the liberalized retirement test; virtually all workers filing because of that provision qualify for the dropout.

Awards to persons whose benefits were based on earnings after 1950 and who were eligible for the dropout are likely to be typical of future awards;

this group comprised 69 percent of all persons to whom old-age benefits were awarded in 1955. In 1954, only 16 percent of the old-age benefits awarded under the 1954 amendments were based on earnings after 1950 and awarded to persons eligible for the dropout.

For some workers, the dropout of years with low earnings does not produce a significant increase in the average monthly wage. If the worker had low earnings, it is often to his advantage to have the 1952 benefit formula applied to the average monthly wage, calculated without the dropout, and to have the resulting amount increased by means of the 1954 conversion table. Of those workers eligible for a benefit computation based on earnings after 1950 with the dropout, about 4 percent were awarded higher old-age insurance benefits under this alternative method of computation (for men, 3 percent; for women, 9 percent). The number of benefits based on this alternative computation is expected to decrease slightly during the next few years; in the long run, however, the advantage of the conversion table may continue to outweigh the effect of the dropout in a significant number of awards.

Table 3.—Number, percentage distribution, and average monthly amount of old-age benefits awarded in 1955, by starting date used in benefit computation, age, and sex

[Based partly on 10-percent sample]

Age ¹	Total			Male			Female		
	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount	Number	Percent	Average monthly amount
Total.....	909, 883	100	\$69. 74	628, 525	100	\$75. 86	281, 358	100	\$56. 05
65-69.....	635, 989	70	68. 97	423, 984	67	75. 69	212, 005	75	55. 52
70-74.....	206, 164	23	73. 68	155, 273	25	78. 46	50, 891	18	59. 12
75-79.....	58, 056	6	67. 34	42, 605	7	71. 75	15, 451	5	55. 20
80 and over.....	9, 674	1	50. 59	6, 663	1	52. 61	3, 011	1	46. 14
Based on earnings after 1950.....	689, 997	100	76. 59	494, 866	100	82. 45	195, 131	100	61. 73
65-69.....	449, 878	65	77. 20	314, 612	64	83. 57	135, 266	69	62. 39
70-74.....	181, 700	26	77. 45	137, 819	28	82. 41	43, 881	22	61. 85
75-79.....	50, 606	7	71. 44	37, 265	8	76. 47	13, 341	7	57. 39
80 and over.....	7, 813	1	54. 39	5, 170	1	57. 92	2, 643	1	47. 48
Based on earnings after 1936.....	219, 886	100	48. 24	133, 659	100	51. 48	86, 227	100	43. 21
65-69.....	186, 111	85	49. 05	109, 372	82	53. 02	76, 739	89	43. 40
70-74.....	24, 464	11	45. 74	17, 454	13	47. 23	7, 010	8	42. 02
75-79.....	7, 450	3	39. 51	5, 340	4	38. 78	2, 110	2	41. 35
80 and over.....	1, 861	1	34. 65	1, 493	1	34. 19	368	(²)	36. 53

¹ Age on birthday in 1955.
² Less than 0.5 percent.

In some instances, workers eligible for a benefit computation based on earnings after 1950 were awarded higher benefits when the computation was based on earnings after 1936. Among workers eligible for a benefit computation based on earnings after 1950 with the dropout, about 7 percent were awarded higher old-age benefits based on earnings after 1936 (men, 6 percent; women, 9 percent).

In all, about 24 percent of the old-age benefits awarded in 1955 were based on earnings after 1936; this percentage varied from 20 percent among persons eligible for the dropout to 51 percent among those who did not qualify.

Age distribution.—Awards to persons benefited by the liberalization in the retirement test had a significant effect on the age distribution. Of all workers aged 65-74 who filed for benefits as a result of these liberalizations, it is estimated that about half were aged 72-74. Consequently, old-age benefit awards to persons aged 70-74 made up 23 percent of the total in 1955 (table 3), compared with 17 percent in 1954. As in previous years, awards of benefits based on earnings after 1936 were concentrated at age 65; many persons in this group had no current earnings and filed for benefits as soon as they reached the retirement age.

The average age at time of award was 68.4 for men awarded old-age benefits in 1955 and 67.8 for women. These figures do not represent exact retirement ages, however, since the award action is an administrative process indicating that the adjudication of an allowed claim has been completed. A better basis for measuring retirement age is the month of entitlement — generally the first month for which a benefit is paid. An award follows the filing of a claim, usually within 1 or 2 months; entitlement, however, may precede filing by as much as 12 months—the maximum period for which retroactive payments can be made under the 1954 amendments. For beneficiaries first entitled to old-age benefits in 1954, the average age at entitlement was 67.8 for men and 67.5 for women. Since the award action is the basic source of data on age at entitlement,

Table 4.—Number, percentage distribution, and average monthly amount of old-age benefits awarded in 1955, to beneficiaries eligible for the dropout,¹ by starting date used in benefit computation, age, and sex

[Based on 10-percent sample]

Age ²	Total			Male			Female		
	Number	Per cent	Average monthly amount	Number	Per cent	Average monthly amount	Number	Per cent	Average monthly amount
Total.....	782,155	100	\$73.53	644,371	100	\$79.84	237,784	100	\$59.09
65-69.....	563,053	72	71.79	377,501	69	78.68	185,552	78	57.78
70-74.....	168,805	22	79.60	129,480	24	84.08	39,325	17	64.88
75-79.....	44,591	6	74.47	33,539	6	78.71	11,052	5	61.60
80 and over.....	5,706	1	58.15	3,851	1	60.87	1,855	1	52.50
Based on earnings after 1950.....	628,031	100	78.78	454,653	100	84.41	173,378	100	64.00
65-69.....	418,310	67	78.69	294,241	65	84.93	124,069	72	63.88
70-74.....	161,799	26	80.46	124,555	27	84.97	37,244	21	65.35
75-79.....	42,590	7	75.66	32,279	7	79.92	10,311	6	62.32
80 and over.....	5,332	1	59.65	3,578	1	62.79	1,754	1	53.25
Based on earnings after 1936.....	154,124	100	52.15	89,718	100	56.66	64,406	100	45.87
65-69.....	144,743	94	51.86	83,260	93	56.59	61,483	95	45.46
70-74.....	7,006	5	59.89	4,925	5	61.39	2,081	3	56.36
75-79.....	2,001	1	49.22	1,260	1	47.82	741	1	51.58
80 and over.....	374	(³)	36.74	273	(³)	35.75	101	(³)	39.41

¹ Beneficiaries eligible for the exclusion of up to 5 years of lowest earnings in the calculation of the average monthly wage.

² Age on birthday in 1955.

³ Less than 0.5 percent.

Table 5.—Number and percentage distribution of old-age benefits awarded in 1955, by starting date used in benefit computation, amount of monthly benefit, and sex

[Based partly on 10-percent sample]

Amount of monthly benefit	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total.....	909,883	100	628,525	100	281,358	100
\$30.00.....	111,846	12	53,176	8	58,670	21
30.10-39.99.....	57,081	6	27,627	4	29,454	10
40.00-49.99.....	56,633	6	29,504	5	27,129	10
50.00-59.99.....	66,820	7	36,785	6	30,035	11
60.00-69.99.....	131,991	15	74,764	12	57,227	20
70.00-79.99.....	124,528	14	83,221	13	41,307	15
80.00-89.99.....	97,228	11	77,794	12	19,434	7
90.00-99.99.....	251,152	28	233,297	37	17,855	6
100.00-108.50.....	12,654	1	12,357	2	297	(¹)
Average benefit.....	\$69.74		\$75.86		\$56.05	
Based on earnings after 1950.....	689,997	100	494,866	100	195,131	100
\$30.00.....	41,040	6	15,910	3	25,130	13
30.10-39.99.....	34,175	5	15,966	3	18,209	9
40.00-49.99.....	27,965	4	13,653	3	14,312	7
50.00-59.99.....	32,400	5	16,263	3	16,137	8
60.00-69.99.....	101,309	15	54,161	11	47,148	24
70.00-79.99.....	103,386	15	65,866	13	37,520	19
80.00-89.99.....	85,916	12	67,393	14	18,523	9
90.00-99.99.....	251,152	36	233,297	47	17,855	9
100.00-108.50.....	12,654	2	12,357	2	297	(¹)
Average benefit.....	\$76.59		\$82.45		\$61.73	
Based on earnings after 1936.....	219,886	100	133,659	100	86,227	100
\$30.00.....	70,806	32	37,266	28	33,540	39
30.10-39.99.....	22,856	10	11,661	9	11,195	13
40.00-49.99.....	28,668	13	15,851	12	12,817	15
50.00-59.99.....	34,420	16	20,522	15	13,898	16
60.00-69.99.....	30,682	14	20,803	15	10,079	12
70.00-79.99.....	21,142	10	17,355	13	3,787	4
80.00-89.99.....	11,312	5	10,401	8	911	1
Average benefit.....	\$48.24		\$51.48		\$43.21	

¹ Less than 0.5 percent.

such data for any current year are necessarily deficient by the number of entitlements of the current year that will be present in awards of following years; hence, reliable averages are not yet available for persons entitled to old-age benefits in 1955.

The average age at either award or entitlement does not indicate exact age at withdrawal from the labor force, because of certain benefit-pay-

ment and retirement-test provisions, including the following:

(1) An old-age benefit may be awarded to a person aged 65 who withdrew from the labor force at some earlier time but could not qualify for old-age benefits until reaching age 65.

(2) An old-age benefit may be awarded to a person aged 65-71 who (a) is working and does not receive

monthly benefits immediately, (b) is working and has modest earnings and receives all or some monthly benefits immediately, or (c) is not working at the time of award but later reenters the labor force.

(3) An old-age benefit may be awarded to persons who are working but who, since they are aged 72 or over, can receive monthly benefits regardless of the amount of their earnings.

Table 6.—Number and percentage distribution of old-age benefits awarded in 1955 to beneficiaries eligible for the dropout,¹ by starting date used in benefit computation, amount of monthly benefit, and sex

[Based on 10-percent sample]

Amount of monthly benefit	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total	782,155	100	544,371	100	237,784	100
\$30.00	59,453	8	23,797	4	35,656	15
30.10-39.90.....	38,442	5	16,629	3	21,813	9
40.00-49.90.....	44,964	6	21,428	4	23,536	10
50.00-59.90.....	56,092	7	28,979	5	27,113	11
60.00-69.90.....	117,390	15	63,942	12	53,448	22
70.00-79.90.....	116,264	15	76,630	14	39,634	17
80.00-89.90.....	91,950	12	73,146	13	18,804	8
90.00-99.90.....	244,946	31	227,463	42	17,483	7
100.00-108.50.....	12,654	2	12,357	2	297	(²)
Average benefit	\$73.53		\$79.84		\$59.09	
Based on earnings after 1950.....	628,031	100	454,653	100	173,378	100
\$30.00	26,287	4	9,296	2	16,991	10
30.10-39.90.....	22,937	4	9,893	2	13,044	8
40.00-49.90.....	23,431	4	10,720	2	12,711	7
50.00-59.90.....	28,157	4	13,528	3	14,629	8
60.00-69.90.....	90,692	14	46,539	10	44,153	25
70.00-79.90.....	97,333	15	61,218	13	36,115	21
80.00-89.90.....	81,594	13	63,639	14	17,955	10
90.00-99.90.....	244,946	39	227,463	50	17,483	10
100.00-108.50.....	12,654	2	12,357	3	297	(²)
Average benefit	\$78.78		\$84.41		\$64.00	
Based on earnings after 1936.....	154,124	100	89,718	100	64,406	100
\$30.00	33,166	22	14,501	16	18,665	29
30.10-39.90.....	15,505	10	6,736	8	8,769	14
40.00-49.90.....	21,533	14	10,708	12	10,825	17
50.00-59.90.....	27,935	18	15,451	17	12,484	19
60.00-69.90.....	26,698	17	17,403	19	9,295	14
70.00-79.90.....	18,931	12	15,412	17	3,519	5
80.00-88.50.....	10,356	7	9,507	11	849	1
Average benefit	\$52.15		\$56.66		\$45.87	

¹ Beneficiaries eligible for the exclusion of up to 5 years of lowest earnings in the calculation of the average monthly wage.
² Less than 0.5 percent.

Table 7.—Number and average monthly amount of old-age benefits in current-payment status at the end of each half year, by starting date used in benefit computation, June 1954-December 1955

[Numbers in thousands]

Half year ending—	Total		Based on earnings after 1950			Based on earnings after 1936	
	Number	Average monthly amount	Number	Average monthly amount	As Percent of all old-age beneficiaries	Number	Average monthly amount
June 1954.....	3,519	\$51.81	1,026	\$64.86	29	2,494	\$46.44
December 1954.....	3,775	59.14	1,260	73.81	33	2,515	51.80
June 1955.....	4,215	61.03	1,683	75.01	40	2,532	51.74
December 1955.....	4,474	61.90	1,932	75.10	43	2,542	51.87

Average monthly benefit.—The average old-age benefit awarded in 1955 was \$69.74, an increase of \$3.38 from the average monthly amount awarded in 1954 under the 1954 amendments; for men the average was \$75.86, and for women it was \$56.05. The higher average benefit in 1955 was due chiefly to the increase in the proportion of beneficiaries eligible for a benefit computation with the dropout. The average monthly amount awarded on the basis of earnings after 1950 to persons qualifying for the dropout was \$78.78 (for men, \$84.41; for women, \$64.00) (tables 2 and 4).

Persons awarded old-age benefits may also be entitled to secondary (wife's, husband's, widow's, widower's, or parent's) benefits. If the secondary benefit is the larger, both types of benefit are payable, but the secondary benefit is reduced by the amount of the concurrent old-age benefit. Beginning with 1955, for old-age benefits awarded to persons concurrently entitled to secondary survivor (widow's, widower's, or parent's) benefits, the reduced secondary survivor benefit is combined with the amount of the old-age benefit.

Distribution by size of benefit.—A provision of the 1954 amendments raised the maximum taxable annual earnings from \$3,600 to \$4,200, beginning in 1955. The maximum old-age benefit award in 1954 was \$98.50, based on an average monthly wage of \$300; the maximum possible in 1955 was \$103.50, based on an average monthly wage of \$325 (in certain circumstances where a period of disability had been allowed, benefits of \$108.50 were possible in the last half of 1955). Minimum benefits of \$30 were payable in 12 percent of the old-age benefit awards in 1955 (table 5), and benefits of \$90 or more were payable in 29 percent of the cases. The

corresponding figures for 1954 awards under the 1954 amendments were 15 percent and 27 percent, respectively. The shift toward higher benefits was largely the result of the higher proportion of beneficiaries qualifying for the dropout who were awarded benefits based on earnings after 1950; only 4 percent of them received the minimum amount and 41 percent received \$90 or more (table 6).

Benefits in Current-Payment Status

The growth in the proportion of persons receiving old-age benefits based on earnings after 1950 is indicated in table 7; by the end of 1955, they comprised 43 percent of all old-age beneficiaries. The average amount payable to all old-age beneficiaries has increased continuously—from \$58.75 in September 1954 (when the benefits were increased) to \$61.90 in December 1955—as the proportion of benefits based on earnings after 1950 has increased. The growing proportion of beneficiaries eligible for the dropout also contributed to the increase.

The National School Lunch Program *

About one-third of America's school population satisfies at least a third of its daily nutritional needs through school meals provided by public and private sources under the national school lunch program and associated programs. From isolated efforts early in the century to supplement the food in the rural school child's lunch pail, a program has gradually developed that now represents a cooperative effort by Federal, State, and local governments, parents, and private local organizations. The program currently provides a nutritionally balanced, usually hot, daily meal to more than 10 million elementary and secondary school children in all parts of the Nation. The total public and private cost of the program has increased

* Prepared by Sophie R. Dales, Division of Program Research, Office of the Commissioner. The author wishes to acknowledge the cooperation of the Department of Agriculture in providing information and reviewing the material.

Table 1.—Public and private expenditure for the national school lunch program, by legislative authority, fiscal years 1952-53, 1953-54, and 1954-55

[In millions; independently rounded]

Authority	1954-55	1953-54	1952-53
Total.....	\$628.7	\$594.3	\$513.1
National School Lunch Act.....	541.2	500.1	461.4
Federal assistance.....	82.0	82.0	82.0
Cash apportionment.....	69.1	67.3	67.2
Value of commodities distributed ¹	12.8	14.8	14.8
State-local participation.....	459.3	418.0	379.5
Government contributions.....	69.0	63.0	57.2
Parents' payments for lunches.....	336.4	303.3	276.0
Other local contributions.....	53.9	51.8	46.4
Surplus food donations ²	70.3	94.2	51.7
Section 32 commodities.....	26.9	94.2	51.7
Section 416 commodities.....	43.4	-----	-----
Special school milk program ³	17.2	-----	-----

¹ Under section 6 of the National School Lunch Act, as amended.

² Under section 32 of P. L. 320 (1935), as amended, and section 416 of the Agricultural Act of 1949, as amended.

³ Under section 204 (b) of the Agricultural Act of 1954.

Source: Releases of the Agricultural Marketing Service, U. S. Department of Agriculture.

from \$221 million in 1947 to \$630 million in 1955.

Historical and Legislative Background

Federal participation in the school lunch program began during the depression. In 1933 the Reconstruction Finance Corporation made loans to several Missouri communities to finance the labor costs of preparing and serving the meals. By the end of 1934, similar help was being furnished in 39 States through the Civil Works Administration and the Federal Emergency Relief Administration. Labor and trained management personnel were later provided by the Works Progress Administration and

the National Youth Administration.

Federal food donations began in 1935 with the direct distribution of surplus commodities under section 32 of Public Law 320 (74th Cong., 1st sess.)¹ By March 1942, 6 million children were eating school lunches that included surplus commodities. Today, the school lunch program is one of the largest single beneficiaries of surplus agricultural commodities and products purchased and distributed with what are known as "section 32 funds."

In June 1940, the school milk program, more popularly known as the "penny milk" program, was started with section 32 funds. One purpose of the program was to increase the consumption of milk among needy school children. Another was to improve the total income of milk producers by using quantities of milk for fluid consumption that otherwise would have been used in the manufacture of butter, cheese, and other dairy products—at prices therefore lower to the milk producers. The Agriculture Appropriation Act of 1944 (Public Law 129, 78th Cong., 1st sess.) established Federal cash payments for local food purchase by school lunch authorities and merged the penny milk program with it. Under the "indemnity plan" in this legislation, schools were reimbursed in cash for the purchase of seasonal or overabundant foods used in certain defined types of school lunches. This act contained the first specific mention in Federal legislation of the school lunch program. It provided that assistance to the program could

¹ The full title of Public Law 320 is "An act to amend the Agricultural Adjustment Act and for other purposes."

Table 2.—Total expenditures for the national school lunch program, by source of funds, fiscal years 1952-53, 1953-54, and 1954-55

[Amounts in millions, independently rounded]

Source of funds	1954-55		1953-54		1952-53	
	Amount	Percent	Amount	Percent	Amount	Percent
Total.....	\$628.7	100.0	\$594.3	100.0	\$513.1	100.0
Private.....	390.3	62.1	355.1	59.7	322.3	62.8
Government, total.....	238.5	37.9	239.3	40.3	190.8	37.2
Federal, total.....	169.5	27.0	176.3	29.7	133.7	26.1
Commodities.....	83.1	13.2	109.0	18.4	66.5	13.0
Cash.....	86.3	13.7	67.3	11.3	67.2	13.1
State-local.....	69.0	11.0	63.0	10.6	57.2	11.1

Source: Releases of Agricultural Marketing Service, U. S. Department of Agriculture.