

longer available. Similarly, expanded wartime employment opportunities for some blind persons or members of their families with marginal employability ended with the war. As a result, many blind persons turned to public assistance for their maintenance.

Other factors have undoubtedly contributed to the increase in the number of persons receiving aid to the blind. Among these is the increase in the total population, particularly the steadily rising proportion of aged persons, since it is in this group that certain of the more prevalent types of blindness are found. It is also possible that some additions to the rolls are a direct consequence of curtailed activities for the prevention of blindness and conservation of sight among the civilian population during the war, when large numbers of medical personnel, including ophthalmologists, were assigned to the armed forces.

### State Variations

In 1945 the wartime decline in recipient rolls either continued or leveled off in a majority of the States with programs of aid to the blind.

Individual State trends since the fall of 1945 assume many different patterns. Broadly, however, they fall into three main groups. By far the largest group—almost three-fourths of the States with programs of aid to the blind—consists of States with generally rising case loads, though in many the changes were not continuously upward. An expanding case load does not always reflect, however, a real increase in the number of dependent blind persons but may reflect rather a transfer to the program of blind persons already receiving some other form of public assistance, chiefly old-age assistance. An illustration is found in Utah, where the number of recipients of aid to the blind remained at approximately 145 from early in 1946 to June 1948, when the number rose to 171, an increase of about 20 percent. This rise is explained by the fact that some aged blind persons who had been receiving old-age assistance transferred to the aid to the blind program when the new lien provisions became effective in old-age assistance. In Delaware the consistently growing case

load reflects, in the main, a developing program which began operating under the Social Security Act in November 1945.

Included in the second and much smaller group, comprising nine States, are those in which there is no very significant postwar movement in cases, either upward or downward, except for small month-to-month shifts in the number of recipients.

For six States—Colorado, Illinois, Indiana, Kansas, Maine, and Wisconsin—there is evidence that the number of recipients of aid to the blind is contracting. The postwar decline in some of these States is a continuation of a downward movement that had been in progress for some time. The reasons for these reductions necessarily vary from State to State.

More liberal provisions for the old-age assistance program have been responsible for some of the decline. In Colorado, for example, an eligible aged blind person without any income has since 1947 been able to get a much higher payment under old-age assistance than under aid to the blind.

The general decline in the number of recipients of aid to the blind in Wisconsin, commencing in 1941, is attributed in part to the improved economic situation during and after the war, and in part to the provision of vocational rehabilitation and training services enabling blind persons to become self-supporting. This State anticipates that the rolls will be maintained at a lower level than in the past for these reasons and also because some aged persons who become blind while they are receiving old-age assistance prefer to continue receiving aid under that program.

Individual States have made considerable effort not only to reduce the amount of blindness but also to render blindness less of a handicap for those whose vision cannot be restored. In some States with active programs for the prevention of blindness and for sight conservation, the State supervising ophthalmologist has studied the causes of loss of sight among those receiving aid to the blind (or among those on the State register for the blind) in order that recipients may be helped to avail themselves of services for medical eye treatment. Even among blind persons in the up-

per ages, who constitute the largest proportion of recipients of aid to the blind, there are some individuals who can be returned to economic usefulness through appropriate eye surgery. Moreover, full use of available services for vocational rehabilitation should increase self-support among employable blind persons and contribute to some reduction in the need for assistance.

## Budget Summary, 1949-50

### Security, Health, and Welfare Expenditures

The President, in his budget message for the fiscal year 1949-50, proposed additional measures for social welfare, health, and security.<sup>1</sup> The immediate fiscal effects of the new proposals would be Federal outlays of \$6.5 billion from the general account and trust funds, as opposed to \$4.8 billion expected expenditures under present programs (table 1). The major part of the difference is attributable to proposed changes in old-age and survivors insurance and to the inclusion of disability insurance; it is estimated that outlays of the old-age and survivors insurance trust fund would be increased by \$1.5 billion in the fiscal year 1950 on these counts. An additional expenditure of \$150 mil-

<sup>1</sup> See "Social Security Recommendations: Excerpts from the President's Messages," *Social Security Bulletin*, January 1949.

Table 1.—Summary of estimated expenditures for social welfare, health, and security under present and proposed legislation, fiscal year 1949-50

[In millions]

Source of funds	Expenditures		
	Total	Present legislation	Proposed legislation
Total.....	\$6, 518	\$4, 784	\$1, 734
General funds.....	2, 509	2, 425	84
Trust funds, total.....	4, 009	2, 359	1, 650
Old-age and survivors insurance trust fund.....	2, 245	745	1, 500
Unemployment trust fund.....	1, 170	1, 020	150
Railroad retirement account.....	317	317	-----
Federal employees' retirement funds.....	277	277	-----

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1950.*

lion would be necessary to meet the costs of extended coverage and improved benefits under unemployment insurance. The proposed expansion of the social insurance system would be self-financed through trust fund operations.

Federal expenditures for social welfare, health, and security, excluding those from the trust funds, are estimated at \$2.5 billion under the combined present and proposed legislation (table 2). Of this amount, \$65 million would be the cost of proposed revisions in the public aid program and \$15 million would cover the initial administrative costs of the proposed medical care program, which would make provision for a national system of health insurance and improved services and facilities for public health and medical care. The proposed liberalization of benefits for Federal employees' accident compensation would cost an additional \$4 million. The remaining \$2.4 billion represents estimated expenditures under present legislation.

The total expenditures budgeted for social welfare, health, and security

programs, present and proposed, exclusive of outlays from trust funds, would amount to about 6 percent of all general Federal expenditures in the fiscal year 1950. Slightly under two-thirds of this amount is for social welfare, health, and security programs administered by the Federal Security Agency. Included under present legislation in the field of health are a proposed increase of about \$10 million in Federal grants to States for general health services, new grants under the National Heart Act of 1948, grants for initial surveys under the Water Pollution Control Act, and additional contract authority to maintain the volume of hospital construction.

In addition, the President recommended removal of the present statutory limitation on the amount of general health grants so that in later years larger amounts can be made available for the further improvement and expansion of local public health services. "It is clearly more desirable," he said, "to follow this course than to add new and separate grant programs or to continue to ex-

pand existing specialized health programs."

Almost three-fifths of the estimated social welfare, health, and security expenditures for 1949-50 and about 90 percent of estimated 1949-50 Federal Security Agency expenditures, exclusive of trust fund outlays, would be in the form of Federal grants-in-aid. Federal grants have become increasingly more significant in the public finance picture in recent years. Recommended appropriations for all Federal grants-in-aid to State and local governments, 1948-49 and 1949-50, are estimated to aggregate \$1.9 billion in 1948-49 and \$2.3 billion in 1949-50 under both present and proposed legislation; these amounts represent about 5 and 6 percent of total Federal budgetary expenditures in the respective years.

### Appropriations

The budget submitted by the President recommends for the Social Security Administration for 1949-50 total appropriations and transfers of \$1,335 million—\$180 million more than the total estimated for the current fiscal year. In both years, about 95 percent of the appropriations represents grants to States, of which more than 85 percent is earmarked for public assistance.

Appropriations requested for the three special public assistance programs under present legislation are 12 percent or \$110 million higher than the total requested for 1948-49 because of increased recipient rates and higher average payments. Also recommended is an additional appropriation of \$65 million for grants to States to improve the present public assistance system and to help cover State relief payments to persons not now eligible for assistance from Federal grants. Appropriations for maternal and child health services, services for crippled children, and child welfare services would be the same for both years, while grants for unemployment insurance and employment service administration would be about \$5 million higher in 1949-50 than in 1948-49 (table 3).

Administrative expenses of the Social Security Administration in 1949-50 are estimated at \$55 million, 4 percent above those for 1948-49.

**Table 2.—Expenditures and recommended appropriations for social welfare, health, and security programs <sup>1</sup>**

[In millions]

Program or agency	Expenditures			Appropriations, 1949-50
	Actual, 1947-48	Estimated		
		1948-49	1949-50	
Total, including proposed legislation.....	\$2,009	\$2,115	\$2,509	<sup>2</sup> \$2,513
Total, excluding proposed legislation.....	2,009	2,115	2,425	<sup>2</sup> 2,429
Unemployment insurance and placement services: <sup>3</sup>				
Federal Security Agency.....	71	137	140	139
Railroad Retirement Board.....	15	15	11	11
Department of Labor.....	70			
Retirement and dependency insurance:				
Railroad Retirement Board.....	763	569	716	716
Federal Security Agency and others.....	3	5	9	9
Assistance to aged and other special groups:				
Federal Security Agency:				
Public assistance:				
Present law.....	733	977	1,064	1,059
Proposed legislation.....			65	65
Vocational rehabilitation and other programs.....	27	23	23	23
School lunch program (Department of Agriculture).....	68	75	75	75
Promotion of public health:				
Federal Security Agency:				
Present programs.....	135	177	234	174
Proposed legislation (medical care insurance system).....			15	15
Federal Works Agency and other.....	11	21	35	12
Crime control and correction (Department of Justice and other).....	84	90	91	92
Accident compensation:				
Federal Security Agency (proposed legislation).....			4	4
Other programs.....	28	26	27	26

<sup>1</sup> Excludes trust accounts.

<sup>2</sup> Includes other authorizations of \$91 million for public health and \$1 million for crime control and correction. In addition, the budget includes \$40 million of appropriations recommended to liquidate prior-year contract authorizations, not shown here.

<sup>3</sup> Classified under labor in the 1950 budget and not under social welfare, and health, and security as in earlier years.

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1950.*

Recommended appropriations in the 2 fiscal years are shown in table 3, by bureaus.

The \$1,335 million recommended for appropriation to the Social Security Administration for 1949-50 represents 3 percent of all proposed Federal appropriations for that year. In addition, it is estimated that \$3.4 billion will be paid out of the two social security trust funds for old-age and survivors insurance and for unemployment insurance (table 4).

### Trust Fund Operations

The proposals for which estimates are presented in trust account operations include extension of coverage under the old-age and survivors insurance program to an additional 25 million gainfully employed persons (including agricultural and domestic employees, farmers, and other self-employed persons), increases in individual benefits and in the maximum amount of taxable earnings under this program, and inclusion of disability benefits; provision is also made for an earlier benefit age for women and an

allowance of higher part-time earnings. Immediate proposals with respect to old-age and survivors insurance contributions include raising the contribution rate on July 1, 1949, to 1½ percent on employers and workers in presently covered employment instead of on the present statutory date set for this increase, January 1, 1950. Some additions to the pay-roll tax rates will be required in order that the whole social insurance system will continue to be substantially self-supporting. Increased coverage and higher benefits under the unemployment insurance programs (table 4) are also proposed.

Proposals for a national system of health insurance and improved services and facilities for public health and medical care would increase receipts under pay-roll contributions, but it is not contemplated that any health insurance benefits will be paid out in 1949-50. Budget estimates with respect to the pay-roll tax for medical care insurance assume a rate of 0.5 percent on earnings up to \$4,800, beginning January 1, 1950.

The budget message includes, in addition to expenditures, estimated receipts and other transactions of the social welfare, health, and security trust fund accounts. The recommended broadening of social insurance would increase both the receipts and expenditures of the present trust funds. For the very near future, the immediate increase in pay-roll contributions would be somewhat greater than the increase in benefit outlays. The major social welfare, health, and security trust funds are expected to add \$3 billion (net) to their assets during the fiscal year 1949-50 and an additional net amount of \$540 million under new proposals. "This will help," the President said, "to reduce inflationary pressures and build a cushion of consumers' purchasing power against possible future recession."

Receipts of the Federal Government in 1947-48 totaled \$42.2 billion; for 1948-49 they are estimated at \$39.6 billion and for 1949-50 at \$41.0 billion. Social insurance tax collections for the year ended June 30, 1948, amounted to \$4,019 million; for the

Table 3.—Appropriations, transfers, and expenditures, Social Security Administration, for grants to States and administrative and other expenses, <sup>1</sup> fiscal years 1947-48, 1948-49, and 1949-50 (including present and proposed legislation)

[In thousands]

Bureau and item	Appropriations <sup>1</sup>				Expenditures		
	Actual, 1947-48	1948-49		Recommended, 1949-50	Actual, 1947-48	Estimated	
		Actual	Anticipated supplement			1948-49	1949-50
Total, Social Security Administration.....	\$933,142	\$1,003,520	\$151,354	\$1,335,135	\$939,252	\$1,184,673	\$1,341,309
Grants to States.....	884,245	949,000	151,055	1,280,000	888,533	1,129,625	1,286,125
Salaries and expenses.....	45,028	52,523	271	55,135	46,301	52,869	55,132
Other.....	3,870	2,197	28	4,418	2,179	63	63
Bureau of Employment Security:							
Grants to States, unemployment insurance and employment service administration <sup>2</sup> .....	133,245	130,000	55	135,000	133,048	129,462	135,019
Salaries and expenses.....	4,689	5,804	150	4,450	4,651	5,960	4,481
Other.....	3,170	1,920	-----	3,659	3,659	1,854	83
Bureau of Old-Age and Survivors Insurance:							
Salaries and expenses <sup>3</sup> .....	35,055	42,779	-----	46,870	35,055	42,779	46,870
Other.....	700	277	28	700	700	305	-----
Bureau of Public Assistance:							
Grants to States, public assistance.....	726,000	797,000	151,000	1,123,000	731,989	975,285	1,128,000
Salaries and expenses.....	1,150	1,350	45	1,350	1,151	1,393	1,337
Children's Bureau:							
Grants to States, maternal and child welfare.....	22,000	22,000	-----	22,000	21,429	24,215	23,106
Grants to States, emergency maternity and infant care.....	3,000	-----	-----	-----	2,067	662	-----
Salaries and expenses.....	1,181	1,530	61	1,589	1,242	1,500	1,569
Other.....	-----	-----	-----	19	-----	(4)	-----
Bureau of Federal Credit Unions:							
Salaries and expenses <sup>4</sup> .....	482	-----	-----	200	482	-----	176
Office of Commissioner:							
Supervision of Federal credit unions (special account).....	-----	625	-----	419	-----	598	439
Salaries and expenses.....	2,470	235	14	258	3,720	638	260
Other.....	-----	-----	-----	-----	39	20	-----

<sup>1</sup> For purposes of comparison, includes transfers from the old-age and survivors insurance trust fund and appropriations and transfers to the U. S. Employment Service and the Bureau of Federal Credit Unions before their consolidation into the Social Security Administration. Excludes appropriations to and expenditures from working funds.

<sup>2</sup> Includes appropriations to the U. S. Employment Service for grants to States for employment service administration and administrative expenses, 1947-48, and expenditures under these appropriations in 1947-48 and 1948-49.

<sup>3</sup> Includes transfers from the old-age and survivors insurance trust fund: 1948: \$35,054,850; 1949, \$39,805,100; 1950, \$43,266,000.

<sup>4</sup> Less than \$500.

<sup>5</sup> Includes expenditures in 1947-48 from fees collected by the Federal Deposit Insurance Corporation.

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1950.*

**Table 4.—Social welfare, health, and security trust fund operations, fiscal years 1947-48, 1948-49, and 1949-50**

[In millions]

Fund and item	Actual, 1947-48	Estimated	
		1948-49	1949-50
<b>Federal old-age and survivors insurance trust fund:</b>			
Receipts:			
Appropriations (equal to Federal insurance contributions).....	\$1,616	\$1,754	\$2,420
Interest and other.....	191	231	266
Proposed legislation extending coverage, raising tax base, and adding disability benefits.....			1,700
Expenditures (benefit and administrative expenses):			
Existing legislation.....	559	656	745
Proposed legislation.....			1,500
Net accumulation (including proposed legislation).....	1,248	1,330	2,141
Total assets of fund as of June 30.....	10,047	11,377	13,518
Investments in United States securities as of June 30.....	9,937	11,267	13,408
<b>Unemployment trust fund:</b>			
Receipts:			
Deposits by States and railroad unemployment taxes.....	1,148	991	1,017
Interest.....	165	181	185
Proposed legislation extending coverage and improving benefits.....			230
Expenditures:			
State and railroad unemployment withdrawals.....	856	963	1,020
Proposed legislation.....			150
Net accumulation (including proposed legislation).....	457	209	262
Total assets of fund as of June 30.....	18,323	8,532	8,794
Investments in United States securities as of June 30.....	8,288	8,507	8,769
<b>Railroad retirement account:<sup>2</sup></b>			
Receipts:			
Transfers from budget accounts.....	758	565	716
Interest on investments.....	39	51	62
Expenditures (benefit payments, salaries, and expenses).....	222	289	317
Net accumulation.....	575	327	461
<b>Federal employees' retirement funds:</b>			
Receipts:			
Salary deductions and transfers from budget accounts.....	486	566	693
Interest.....	108	120	139
Expenditures (annuities, refunds, and expenses).....	244	274	277
Net accumulation.....	350	412	555
<b>Medical care insurance trust fund (proposed legislation):</b>			
Receipts from pay-roll contributions.....			260
Expenditures (benefit payments).....			260
Net accumulation.....			260

<sup>1</sup> Data from the *Daily Statement of the U. S. Treasury*.

<sup>2</sup> Adjusted for proposed changes in legislation.

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1950*, unless otherwise noted.

current fiscal year and for 1949-50 they are expected to be \$4,147 million and \$7,218 million, respectively (table 5). For 1949-50 the total includes estimated receipts of \$2,190 million under proposed legislation, including tax receipts for medical care insurance. The higher level of taxable wages, expanded coverage, and higher contribution rates account for the large increase in estimated receipts in 1949-50. Federal social insurance contributions, as estimated for 1949-50, would amount to 13.7 percent of all Federal budgetary receipts; in 1948-49, this ratio was 6.9 percent.

All social insurance benefit payments are made directly from the trust funds, which accumulate reserves against future benefit payments. It is estimated that the additional old-age and disability pay-roll tax collections under proposed legislation would amount to \$1.7 billion, while the increase in expenditures would come to \$1.5 billion. Under combined present and proposed legis-

lation, total benefit payments are expected to increase from \$656 million in 1948-49 to \$2,245 million in 1949-50. The anticipated excess of receipts over expenditures will make possible the acquisition of new securities amounting to \$1.3 billion in 1948-49 and \$2.1 billion in 1949-50. The total assets of the fund are expected to reach \$11.4 billion by June 30, 1949, and \$13.5 billion at the end of the fiscal year 1949-50.

The unemployment trust fund is directly affected by the level of economic activity. The estimates of receipts and expenditures submitted in the budget for 1950 anticipate continued high employment at high wages. Receipts for the fiscal year 1948 were \$1,313 million; they are estimated at \$1,172 million for the current fiscal year and, if the proposed legislation is enacted, at \$1,432 million for 1949-50. Expenditures for these years are \$856 million, \$963 million, and \$1,170 million, respectively. The net addition to the fund would be \$209

**Table 5.—Social insurance tax collections, existing and proposed legislation, fiscal years 1947-48, 1948-49, and 1949-50**

[In millions]

Item	Actual, 1947-48	Estimated	
		1948-49	1949-50
<b>Total.....</b>	<b>\$4,019</b>	<b>\$4,147</b>	<b>\$7,218</b>
Old-age and survivors insurance, total.....	2,659	2,936	5,727
Federal Insurance Contributions Act:			
Existing legislation.....	1,616	1,754	2,420
Proposed legislation.....			1,700
Medical care insurance pay-roll tax (proposed).....			260
Federal employees' retirement acts <sup>1</sup> :			
Carriers Taxing Act.....	486	566	693
	557	616	654
Unemployment insurance, total.....	1,360	1,211	1,491
Unemployment insurance contributions:			
Federal Unemployment Tax Act.....	208	229	239
Deposits by States <sup>2</sup> .....	1,007	982	998
Proposed legislation.....			230
Railroad Unemployment Insurance Act <sup>3</sup> .....	145		24

<sup>1</sup> Represents employee and Government contributions to the civil-service, Canal Zone, and Alaska Railroad retirement and disability fund.

<sup>2</sup> State pay-roll tax collections deposited in the unemployment insurance trust fund.

<sup>3</sup> Represents railroad unemployment insurance contributions shown as a receipt item in the budget and the collections deposited by the Railroad Retirement Board in the railroad unemployment insurance account of the Federal unemployment trust fund.

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1950*.

million in the current year and \$262 million next year. The assets of the fund at the end of the fiscal year 1950 are estimated at \$8.8 billion.

Receipts of the proposed medical care insurance trust fund are estimated at \$260 million in 1949-50. Present plans call for increased contributions for this purpose in subsequent years. No outlays for benefits are planned in 1949-50.

## Employers, Workers, and Wages, Third Quarter, 1948

The estimated 41 million workers with taxable wages from employment covered by old-age and survivors insurance in July-September 1948 represent a 0.5-percent increase over the number in April-June. The estimated number of workers employed in covered industries during the quarter was 42.4 million, or 3.2 percent larger than the total in the preceding