

Hawai'i retired teachers endorse proposal for a National Social Security Commission

Senator Hiram L. Fong Papers

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Floor Statement by SENATOR HIRAM L. FONG
May 4, 1976

HAWAII RETIRED TEACHERS ENDORSE PROPOSAL FOR A
NATIONAL SOCIAL SECURITY COMMISSION

Mr. President, creation of a permanent, independent, bipartisan National Social Security Commission, which would maintain continuing review of the social security system and its operation on behalf of the American people, young and old, is one of the most important legislative proposals which I have been privileged to introduce.

Recent receipt of a resolution by the Hawaii State Retired Teachers Association endorsing my proposal is, therefore, most gratifying. I request that this resolution, commending me for Senate Joint Resolution 5 to establish such a commission, be placed in the RECORD at the end of these remarks.

S. J. Res. 5 is cosponsored by Senators FANNIN, TOWER, THURMOND, BROCK, DOMENICI and HANSEN. Under it, the National Social Security Commission would have a continuing responsibility to study, investigate, and review the Federal old age, survivors, and disability insurance program and the health insurance programs which operate under authority of the Social Security Act.

At present, the Social Security Act provides for such an overview by the Advisory Council on Social Security, but only on an intermittent, part-time basis. Under our resolution, the Advisory Council would be

replaced by the full-time National Social Security Commission.

It is unfair to the American people, the Congress, and the President to rely for such important studies on an advisory council which holds a limited number of meetings during 1 year out of 4, as is now the case.

Social security is too big, too important, to be the object of only part-time review. Nor is it desirable that such review should be in the hands of the Federal department charged with administration of the social security program.

If the interests of the people are to be fully safeguarded, a constant overview of social security is needed, independent of its administrators, not on a part-time, intermittent basis, but with full-time surveillance. This is the intent and purpose of the National Social Security Commission to be created by Senate Joint Resolution 5.

The importance of the Commission's work, as recognized in the resolution, is underscored by the manner of appointment of its nine members and the provision that the Commission shall be bipartisan.

The Commission chairman and four members would be appointed, on a bipartisan basis, by the President with the advice and consent of the Senate. Two members each, with no more than one from a single political party, would be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives.

This is another way in which the Commission would differ from the currently authorized Advisory Council on Social Security, whose

membership is named by the Secretary of Health, Education, and Welfare.

The Commission membership unquestionably should include men or women recognized as authorities in the fields of actuarial science, economics and other appropriate disciplines.

The National Social Security Commission, in short, should be a blue-ribbon panel capable of imaginatively and effectively responding to both specific and broad ramifications of social security. It should be independently staffed by persons able to give continuous expert attention to such ramifications.

HAWAII RETIRED TEACHERS CONCERNED ABOUT SOCIAL SECURITY FUNDING

In its resolution, the Hawaii State Retired Teachers Association takes note of the fact that social security is the Nation's largest business, paying more than \$70 billion in benefits annually to over 30 million persons, and emphasizes the importance of an independent agency to analyze social security funding difficulties. The retired teachers state that such analysis should be concerned with funding in time of recession as well as prosperity.

The Association's view reflects the serious concern of many Americans about the development in recent years wherein the social security system is paying out substantially more in benefits than it is receiving in contributions through taxes. These deficits, now running at a rate in excess of \$5 billion a year, have been discussed widely in the press and are serving to seriously undermine public confidence in the system's ability to deliver on its commitments to the American people in years to come.

Long-range financial problems of social security, based on assumptions that in years ahead there will only be two workers paying taxes for each beneficiary instead of three for one as is now the case, have been estimated to involve an ultimate total deficit in excess of \$2 trillion.

Congressional action alone can solve the problems which do exist. A National Social Security Commission, however, can be helpful in working out the most intelligent solutions to them. No less importantly, a commission maintaining constant surveillance of the program's operation, independent of the administering agency, can help avoid similar future problems in the future.

In addition to the social security trust fund deficits, recent attention has also been given to serious problems in the Supplemental Security Income (SSI) program which also operates under authority of the Social Security Act. This, too, would come under the Commission's purview.

CONTINUING FULL-TIME REVIEW BOARD NECESSARY

My purpose when I first introduced this proposal in 1973 was to see that effective action is taken to reassure the American people that social security is being constantly examined in their interest by a responsible agency independent of the Social Security Administration. This still remains my primary goal.

I do believe that such a commission should report frequently to the President, the Congress, and the people. I am convinced that the method of appointing members set forth in Senate Joint Resolution 5 is highly

desirable. The important matter, however, is that there be a constant independent overview of social security.

Last year's report of the Advisory Council on Social Security, recommended that there be a continuing review mechanism for the system.

While details of its proposal for continuing review differ from those in Senate Joint Resolution 5, the Advisory Council's conclusion undoubtedly reflected its own experience in trying to do a thorough job under terms of the present Social Security Act. I can think of few stronger recommendations.

MAGNITUDE OF SOCIAL SECURITY REQUIRES OVERVIEW

In my repeated calls for creation of the independent National Social Security Commission, I have reiterated that social security in many respects is the biggest business in America.

Old age, survivors, and disability cash insurance payments and health insurance benefits to approximately 30 million people during 1975 exceeded \$70 billion. Over 90 percent of the American people are covered. Everyone directly or indirectly participates in its financing.

The importance of independent review of the system by experts serving an ombudsman role on behalf of all the people is made clear by these statistics.

The implications of social security, however, go far beyond the dollars in benefits. The system affects all efforts of individual Americans and groups to provide financial security for themselves. It has an impact on private pensions, individual insurance and savings,

health care patterns, and on employment and retirement practices in our Nation.

At no time has there been an authoritative review of all these elements which affect social security or are affected by it.

I believe it is high time that we look deeply and regularly at these questions.

I am most pleased that this view is shared by the Hawaii State Retired Teachers Association.

Hawaii State Retired Teachers Association



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COMMENDATION OF SENATOR HIRAM L. FONG FOR THE INTRODUCTION OF
S.J. RES. 5 -- NATIONAL SOCIAL SECURITY COMMISSION

WHEREAS social security is our Nation's largest business, paying more than \$70 billion in benefits each year to over \$30 million persons; and

WHEREAS this bill would establish an independent, bipartisan commission to maintain continuous overview of social security programs and operations; and

WHEREAS we need an agency that can devote full time to analyzing the difficulties of funding social security in time of recession as well as prosperity: Therefore be it

RESOLVED, That the Hawaii State Retired Teachers Association in convention assembled this 17th day of March, 1976, commend Senator Hiram L. Fong for his action and urge continued effort for the enactment of this bill; and be it

RESOLVED further, That a copy of this resolution be sent to Senator Hiram L. Fong.