

author of the Democratic resolution, that House conferees on the spending cuts legislation be instructed to keep the minimum benefit, even though both houses have voted to eliminate it. However, the resolution makes no reference to the conference, and Democratic budget leaders have said they favor separate legislation to reinstate the benefit.

Far from silencing his Democratic critics, Reagan prompted an in-kind response from House Speaker Thomas P. (Tip) O'Neill, Jr. (D-Mass.), who attacked both elimination of the minimum benefit and Reagan's more far-reaching proposals to cut future benefits.

"The old age and disability benefit cuts proposed by your administration are twice as deep as necessary to keep the system solvent," O'Neill said. "They are ill-advised and unacceptable. It is unconscionable to create and exploit fears about the fate of the Social Security system so as to make deep cuts in benefit levels."

The Democratic National Committee also made clear it didn't think the president was rising above politics. The committee called major television networks to say the Democrats want time to respond if Reagan gets time for an address on Social Security. White House officials said a specific time will not be requested until after Reagan returns from talks in Ottawa.

Meanwhile, Sen. Donald W. Riegle, Jr. (D-Mich.) yesterday introduced an amendment to the tax cut bill to retain the minimum benefit for those who receive or qualify for it this year. It will be voted on today. A previous Riegle effort to retain the benefit failed earlier this month, 53 to 45.

In conferences to resolve differences in the nearly \$40 billion worth of spending cuts approved earlier by both houses, banking committee conferees agreed to retain Urban Development Action Grants as a separate program, against Reagan's wishes. They also approved tighter restrictions than House Republicans wanted on small cities' block grants. Reagan's proposed block grants for health services emerged as a stumbling block in another conference.

Education committee conferees agreed to \$475 million for impact aid for school districts with large numbers of federal employees; the Senate had proposed \$500 million, the House about \$400 million. The program now costs about \$800 million. The conferees also agreed to split the difference on scaled-back funds to educate poor children.

[From the Washington Post, July 21, 1981]
THE NUNS' STORY

Most of the people now receiving the Social Security minimum benefit are not the sort who can launch massive letter-writing campaigns or work the halls of Congress. Perhaps as a result, an administration proposal eliminating the minimum benefit for people with low earnings records moved with little notice into both the budget bills being reconciled in a Senate-House conference.

Now one group among the 3 million people potentially affected has been heard from—about 14,500 nuns and male clerics belonging to religious orders. Last week, spokesmen for the nuns caused a good deal of squirming among members of Congress on both sides of the aisle, lending strength to efforts by House Majority Leader James Wright and others who are sponsoring a resolution—scheduled for a House vote today—calling for retention of the minimum.

The appearance of the nuns and male clerics came as a surprise to almost everyone. Under the normal conventions of Social Security and other social insurance programs, members of cloistered religious orders wouldn't be eligible. Since they have taken a vow of poverty, they receive no wages and pay no payroll taxes, relying instead on the orders they have joined to provide them with

room, board and other necessities. Amendments to the Social Security law in 1972, however, allowed the orders to make contributions on behalf of their members on the assumption that the benefits they receive have an income value of about \$100 a month. The Social Security benefit formula is weighted to give a very high rate of return on low earnings, but in this case the taxes paid are so low that the nuns' benefits would be very small without the minimum floor. They would, however, retain full eligibility for Medicare.

Spokesmen for the religious orders pressed for a special exemption from the minimum-benefit termination. They argue that their members do not have available the welfare alternative suggested by David Stockman as the proper recourse for the needy, since they have taken a vow of poverty. Since welfare and Social Security are, as far as we know, paid in the same currency—and since welfare benefits are typically set so as to make sure that recipients stay in poverty whether they want to or not—this seems a curious argument. Moreover, since other minimum beneficiaries actually sacrificed income to gain coverage while the nuns and clerics did not, special treatment is hard to justify.

Putting a spotlight on the religious orders has, however, drawn useful attention to the plight of all the elderly for whom adjustment to a sudden reduction in circumstances will be even more difficult. While ending the Social Security minimum for future beneficiaries can be justified—under current law, the benefit is already scheduled for a gradual phase-out—abruptly changing the rules for people already relying on the benefit does not. Of the group at risk, 1.5 million are over the age of 70, close to 100,000 are over 90. Two million stand to lose an average of 40 percent of their current benefits and, according to the Congressional Research Service, 800,000 are potentially without alternative sources of income. Gradual disclosure of one sad case after another caused by an almost unexamined budget decision is not a happy prospect for Congress or this country.

[From the Washington Post, July 20, 1981]
OMB MOVES AGAINST EFFORTS BY DEMOCRATS TO RESTORE MINIMUM SOCIAL SECURITY BENEFIT

(By Nicholas D. Kristof)

The Office of Management and Budget yesterday moved to derail efforts planned by congressional Democrats this week to restore the \$122-a-month Social Security minimum now received by 3 million beneficiaries.

A statement issued by OMB said the minimum, which is slated to be dropped under the House and Senate spending cut bills, is a "pure windfall" for recipients that would cost \$7 billion over the next five years. The additional cost would make "the Social Security financing crisis that much more acute and jeopardize benefits of those who earned them."

At issue is only whether the minimum should be preserved for those who now receive it. Even House Democrats have proposed eliminating it for future recipients.

Because the minimum is received by those who would earn less by the conventional formula, OMB termed it "an unearned benefit." Among those who receive the minimum OMB said, 300,000 would feel the effect of the cutback. Even those could not fall below a "safety net" of supplementary security income, food stamps and Medicaid that stands at about \$10,600 per couple per year, OMB said.

Of the other 2.7 million recipients of the Social Security minimum, OMB said:

1.7 million would be unaffected because they receive more than the minimum through an accounting technicality, because they earn an amount nearly equal to the

minimum by the standard formula, or because they receive supplementary security income benefits that will make up the money lost from Social Security.

800,000 receive pensions or have spouses who work or receive pensions. The OMB said the average of these people's total incomes is above \$20,000.

200,000 are college students or children below the age of 18 whose families have outside incomes.

House Majority Leader James C. Wright (D-Tex.), who led the move Thursday to reinstate the Social Security minimum in pending legislation, responded, "The mathematical gyrations of the OMB never cease to amaze me. The fact remains that most of the people adversely affected are among the poorest and the oldest and the most politically defenseless in our society."

Wright said that if so many people would be unaffected, the resulting savings would not be large. "You can't have it both ways," he said. "If the government saves money at the expense of these elderly Americans, then the elderly Americans obviously must lose the money that is saved." ●

● **Mr. MITCHELL.** Mr. President, last month the Senate rejected, on a 53-to-45 vote, an effort to make savings in the minimum benefit of the social security system by eliminating it prospectively, beginning on August 1, 1981. Instead, the majority of 53 voted to eliminate the minimum benefit retroactively, to take it away from people now receiving it, to take it away from a group which has been receiving it in many cases for over 10 years, 15 years, and 20 years.

This cut in an existing benefit has been defended on the grounds that we must save money, that the minimum benefit is not sufficiently closely tied to earnings and contributions to the system, that those who suffer an income loss will be able to make it good through welfare, that a GAO study of 1977 entrants into the system showed that most were sufficiently well off not to rely on the minimum benefit as their prime source of income. The cut has been defended on the grounds that this is one of those welfare-like provisions which has crept into the system over the decades, and which must be rooted out if we are to retain its fiscal stability and to reorient it toward its appropriate goals.

The minimum benefit has been an integral part of the system since its creation. It was particularly necessary in the earlier years, when short periods of coverage and very low incomes would have left some beneficiaries with truly insignificant benefit checks. And as we added new categories of workers to the system—farmers, domestic workers, members of religious orders, as late as 1972—the minimum benefit gave these people a small income to make up for the fact that the system had excluded them from full coverage. So those who claim to want to rid the system of recently acquired welfare characteristics should look elsewhere than at the minimum benefit.

The 1977 GAO study that is touted so often was precisely that: a study of people entering the system in 1977. It made no claim to being a study of those already in it. Congress responded to that report by freezing the 1977 minimum benefit and preventing it rising above \$122 a month. GAO estimated that 15

percent of current minimum benefit recipients correspond to the popular notion of the well-off retired bureaucrat with a Government pension and a social security benefit gained through minimal work in the private sector. So we are seeking to rectify a loophole used by 15 percent by penalizing the other 85 percent.

Those arguments to eliminate the minimum benefit were not compelling last month and have gained no credence since. The administration has been unable to produce any more information than that which was available last month about the beneficiaries under the system or their prospects in life if this benefit is ended than was available then. The only added information consists of Mr. Stockman's contention that the minimum benefit represents a \$7 billion "windfall" to undeserving people who do not really need the money.

The facts of the situation ought to dispell that vicious canard: Three million Americans today receive the minimum benefit. Three-quarters of them are elderly women—elderly women who spent their earlier lives in a society where women worked less often and had fewer professional opportunities to earn an adequate wage.

Half these people, men and women, are over 70 years of age. They are people who retired years ago and who based their retirement decisions, at least in part, on the calculation that the minimum benefit of \$122 per month—just \$30 per week—would be a source of income to them.

Nine hundred and fifty thousand of these people are over 75 years old. They retired at least 10 years ago. Half a million of them are over 80—they retired more than 15 years ago. In 1966.

Eighty thousand of these people are over 90 years of age: People who left the work force before 1961—not healthy, relatively young people with recent work experience who can find some other source of income.

Of the 3 million who receive the benefit, 1.2 million fall below the poverty line. These are not middle-class Government workers who have worked a few short years just to top off a nice pension with the minimum social security benefit. Almost half these people now live on incomes that the Federal Government itself concedes place them in dire poverty. Yet, the argument has been made that this is a windfall benefit, unearned, undeserved, and unfair to working people.

It is claimed that these beneficiaries will make up the income loss. Well, the Social Security Administration has some information on that; 1.2 million may be able to make up the income loss and will not suffer, because their spouses' benefits will rise, or because their earned benefits are equivalent to the minimum. One million people may be able to turn to the supplemental security income program: Some 80,000 will become newly eligible when we eliminate their current income. Some half-million not now in the program will be able to enter.

But the best calculations of both OMB and the Social Security Administration still leave unanswered the fate of 800,

000 of these people. We will impoverish 80,000 people sufficiently to make them eligible for welfare. We will force another half million who have been too proud to take welfare or too old to understand their eligibility, to go down to their local welfare offices and put themselves on public assistance for the remainder of their lives.

But for 800,000 human beings. We are legislating in a vacuum. We simply do not know if these are wealthy people taking advantage of the system, or the very, very elderly who began receiving benefits many years ago and have not been in touch with the system since then. We simply do not know.

The ease with which people are going to make up the lost income is something on which we have little information. Current law requires that no SSI benefit go to any person with liquid assets of \$1,500 or more. Simply stated, that means the elderly person who has managed to set aside \$2,000 or \$1,700 for a decent funeral will be forced to spend some of that money before the SSI program will recognize a need. Simply put, we are willing to ask a million old people who have worked, paid into the system, most at very low wages, and many in jobs for which social security coverage came late, to live out their lives on welfare, to spend their small nest egg if they have one, to give up their right to self-respect, to stop being able to proudly write—as so many Maine people have written me—"I never took a nickel from the Government"—we are asking them to do this because we are simply unable budget or in the social security system itself.

That is not believable. As a Member of the Senate who has voted for spending cuts that this administration did not want—for cuts in such questionable priorities as the Clinch River Breeder Reactor, the tobacco subsidy program, the incredibly bloated self-promotion budgets of every Cabinet department and agency—I reject the contention that our economic plight is so desperate—that our budget has been so closely pared—that no other course remains open but to sacrifice the dignity and the self-respect of 3 million retired Americans.●

Mr. SARBANES. Mr. President, I rise in strong support of the pending amendment that would restore and maintain the minimum social security benefit for those persons who currently receive it and those who will be eligible to receive it through the end of this year. The administration's proposal actually takes away social security benefits from people who are already receiving them, thereby abruptly terminating this benefit for people who were relying on it as part of their retirement income. It will establish a dangerous and unfortunate precedent, namely that social security benefits can be cut back and taken away.

The termination of the minimum benefit and the other recently proposed wide-ranging cuts that the administration has put forward regarding our social security system have caused deep concern, anxiety, and fear among the American people. Such action by the adminis-

tration repudiates the commitments made by the Government to our citizens and places those citizens who have relied upon promises with respect to their retirement years in a very difficult and unfair situation.

This particular proposal of the administration to terminate the minimum benefit strikes many of those least able to afford any reduction in their already low income. The minimum benefit, currently \$122 a month, was specifically established to assist citizens with very low earnings to obtain a basic minimum retirement income from social security in order to improve the possibility of their economic independence. Should the administration's recommendation be enacted into law, 3 million elderly persons, half of them already below the poverty line, will find their monthly benefits drastically reduced or completely eliminated. Fifty percent of these recipients are over 70 years of age and 80,000 are above the age of 90. Many are receiving the minimum benefit as their sole source of income and would be forced to turn to welfare if this benefit is terminated.

It is of great importance to our society that every individual have dignity, self-sufficiency, and self-respect. A major ingredient for self-sufficiency and therefore dignity, is economic independence. Social security benefits are provided to more than 90 percent of our older citizens and are usually their most important single source of income. It has been estimated that the social security program has cut the incidence of poverty among the aged by two-thirds. Yet, even with these benefits, the incidence of poverty among the elderly is increasing. A recent report shows that the percentage of the elderly below the poverty line climbed from 14 percent in 1978 to 15 percent in 1979, after having decreased for a number of years.

We must recognize the importance of the stability and reliability of the social security system and oppose the proposed reductions in benefits. Social security rests on a pledge between our citizens and our Government, a pledge which has been honored since the inception of the system. Retired people and those about to retire in the near future should not be treated in an arbitrary and cavalier manner. They deserve better for a lifetime spent working to build our country.

MOTION TO TABLE AMENDMENT NO. 503

Mr. DOLE. Mr. President, I move to table the amendment in the first degree. I refer to the amendment in the first degree.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. BAKER. Mr. President, this is a tabling motion. Have the yeas and nays been ordered on the tabling motion?

The PRESIDING OFFICER. The vote occurs on the tabling motion. The yeas and nays were ordered on the tabling motion last night.

Mr. DOLE. That is the tabling motion on the amendment in the first degree.

The PRESIDING OFFICER. That is the tabling motion on the amendment in the first degree.

The clerk will call the roll.