

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. MONAGHAN. I desire to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONAGHAN. Would it be in order, following the reading of the first title of the bill, to offer an amendment inserting a new title to precede title I of the bill? If it is in order, would such an amendment have to be disposed of before amendments to title I are offered?

The CHAIRMAN. It is in order, and it would be disposed of before amendments were offered to title I of the bill.

Mr. COOPER of Tennessee. If the gentleman will yield, I believe we can agree, the amendment offered by the gentleman having been printed in the RECORD, to dispense with the reading of the amendment. Would that be agreeable to the gentleman?

Mr. MONAGHAN. That would be agreeable to me.

Mr. SNELL. Is this the McGroarty bill?

Mr. MONAGHAN. It is the last one.

Mr. SNELL. The last edition.

Mr. MOTT. Mr. Chairman, I object. I think the Members should hear the proposition read.

The CHAIRMAN. Before recognizing anyone to offer an amendment, the Chair desires to make a statement. The general debate on the bill has been 23 hours, a longer general debate than the Chair has ever known in this House. The bill has been ably and well discussed. It is the purpose of the Chair to give every Member who has a bona fide amendment to offer an opportunity to do so. It is also the purpose of the Chair to recognize, whenever he can do so, Members who have bona fide amendments rather than those who offer pro forma amendments; in other words, bona fide amendments will have the preference. It is likely that there will be many Members who will ask for recognition. The Chair wants to ask the Members of the House to cooperate with the Chair in keeping order and also to be present.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. When will it be in order for me to offer the Lundeen bill in a similar manner to this?

The CHAIRMAN. After the other amendments are disposed of.

Mr. JENKINS of Ohio. Mr. Chairman, I propose to offer an amendment to include the blind. That amendment will be just like title IV, except that title IV deals with dependent children. As I understand it, so far as title I is concerned, an arrangement has been made whereby the McGroarty bill will be introduced before title I. Will we be compelled to introduce amendments such as I propose before title I is disposed of?

The CHAIRMAN. Not necessarily so. The gentleman from Montana is recognized.

Mr. MONAGHAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Mr. MONAGHAN offers the following amendment: On page 1, following the enacting clause of the bill, insert the following as a new title:

" TITLE I  
" DEFINITIONS

" SECTION 1. The term 'transaction' for the purposes of this act shall be defined so as to include the sale, transfer, barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time or only then agreed to be made and whether under executed or executory contract or otherwise; also including all charges for interest, rent commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service, also transportation by any means, and telephone, telegraph, radio, amusement, recreation, education, art, advertising, any public utility, any water rights, and/or any and all other service of any and every kind whatsoever, but excepting and excluding therefrom any single isolated transfer of property of fair value less than \$100 or any other isolated transaction of the fair value of \$50 or less, which does not arise or occur in the usual

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7260, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. MONAGHAN rose.

course of an established business, trade, or profession, and excluding any loan, deposit, withdrawal from deposit, hypothecation, or pledge of property or money.

"The word 'person' shall include any corporation, firm, copartnership, or association.

"The term 'transfer' for the purposes of this act shall be defined to mean the passing of property, real or personal, or the title ownership or beneficial interest therein, from one person to another, and also includes the rendition of service in connection with the transfer.

"A purchase obligation is not a loan under this act.

"Barter and/or exchange is defined as a plurality of transactions to the extent of the fair value of the property and/or service transferred or rendered other than money.

"The term 'income' for the purposes of this act shall be defined so as to include the gross amount of any and all money or its equivalent received from or for any service performed or from or for any proceeds or profit from any transaction, inheritance, or gift whatsoever.

"The term 'net income' for the purposes of this act shall be defined so as to include all money and/or commercially valuable benefit or its equivalent actually received by the annuitant, after deducting only such charges and expenses as are directly incident to producing such net income.

"The term 'gainful pursuit' for the purposes of this act shall be defined so as to include any occupation, profession, business, calling, or vocation, or any combination thereof, performed for monetary or other commercially valuable consideration, remuneration, or profit.

"The term 'annuity' and/or 'annuities' for the purposes of this act shall be defined so as to include the various sums and/or amount of money distributed and paid pro rata and otherwise to the various persons who shall become and be the beneficiaries under this act.

"The term 'executory contract' for the purposes of this act shall be defined so as to include any and all conditional sale agreements and contracts, and all other agreements and contracts the completion of which is or may be delayed to some time subsequent to the time of making thereof.

"The term 'gross dollar value' for the purposes of this act shall be defined so as to include the sum representing the total fair value of the entire property or service transferred or proposed to be transferred, without deducting any amount of encumbrance or offset of any kind, except a mortgage encumbrance of record upon real property.

#### "TAXES AND COLLECTION THEREOF

"SEC. 2. (a) There is hereby levied a tax of 2 percent upon the fair gross dollar value of each transaction done within the United States and Territories; also, in addition to all other taxes, a tax equal to one-tenth of the tax levied upon all incomes under the provisions of the Revenue Act of 1934 or any amendment thereto; also, in addition to all other taxes, a tax of 2 percent upon the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition or legal descent and distribution of property, as now are or hereafter may be taxable under the laws of the United States; and also, in addition to all other taxes, a tax of 2 percent upon the fair gross dollar value of every gift in excess of the fair value of \$500: *Provided*, That said taxes shall not be levied upon such transactions involving the issuance, sale, or transfer of Federal, State, or municipal bonds or other securities as would be otherwise exempt from Federal taxation under existing law, and shall not be levied upon any transaction done by the Federal or by a State or municipal government, which would be otherwise exempt from Federal taxation under existing law.

"(b) Except as hereinafter otherwise provided, all tax returns for the taxes imposed by this act shall be made by, and the tax shall be paid by, the grantor, vendor, lessor, and/or legal representative thereof, and by the legal entity by whom the service is furnished, for each and every transfer of property and/or rendition or performance of service, and for all transactions arising under executory contract the return shall be made and the tax shall be paid as of the date such executory contract is entered into, regardless of the time of the completion thereof: *Provided*, That in every case of compensation for personal service other than for professional service, the person or legal entity by whom such payment is made shall deduct the amount of the tax and withhold it out of such compensation and shall make the return and the payment of the tax for such cases in lieu of the return and payment by the person who performed the service.

"(c) All taxes imposed by this act shall be deemed levied and shall become payable upon all taxable transactions beginning and occurring on and after 30 days after this act takes effect.

"(d) Every return of taxes, together with the payment of the taxes, as required by this act, shall be made to the collector of internal revenue of the United States, or to such other person as may be designated by rules and regulations issued under this act, for the district from which such return is made, as of the end of each calendar month during which such taxes become fixed and chargeable, and shall be delivered and paid to said collector of internal revenue or other person not later than 10 days after the expiration of the calendar month for which such return is made.

"(e) The Secretary of the Treasury shall enforce the payment of the taxes required by this act to be paid, and shall promptly deposit in the United States Treasury all funds received by him through or from the collection of such taxes, all as required by

rules and regulations to be issued and promulgated by the Secretary of the Treasury of the United States.

"(f) Within the limitations of sections 1 and 2 of this act the Secretary of the Treasury shall by rules and regulations prescribe what shall constitute a taxable transaction within the meaning of this act, in any particular case, and may determine and prescribe the number of transactions to be taxed in the course of the production, distribution, and sale of any article or commodity. He shall also create and maintain a board of review which shall have jurisdiction to hear and determine any claim arising out of the administration of sections 1 and 2 of this act, upon the part of anyone paying or liable for the payment of any of the taxes imposed herein. Said board shall consist of not more than five members who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary to be fixed by the President, not exceeding \$10,000 per year. The decisions of said board shall be subject to appeal to the district court of the United States of the district where the claim arises, in the manner prescribed by law for appeals in income-tax matters.

"In making the rules and regulations herein provided for the Secretary of the Treasury shall be governed by the following basic rules, which are hereby declared to be the policy of the United States with regard to the levy and collection of said taxes:

"(1) Where the transaction involves the physical transfer of property, or the ownership, title, or beneficial interest therein, the tax shall be levied upon the gross dollar value of the property so transferred; except that in the transfer of real property under a contract of purchase, purchase-money mortgage, or other purchase obligation the tax shall be levied and collected upon the amounts paid under such obligation as and when the same are paid.

"(2) Where the transaction consists of the rendition of service only in connection with the transfer the tax shall be levied and collected upon the gross dollar value of the service rendered.

"(3) The gross dollar value in either case shall be the price actually charged for the property or service, unless it shall appear to the Secretary of the Treasury that such price is obviously inconsistent with the fair value thereof, in which case the Secretary of the Treasury shall determine the fair value and levy the tax thereon accordingly.

"(4) A transaction done by a broker, commission merchant, carrier, bailee for hire, or warehouseman in the ordinary course of his business as such in connection with personal property, shall be deemed to be a service transaction.

"(5) Where several transactions are done in the course of the production, manufacture, distribution, and sale of personal property and/or service rendered in connection therewith, all of such transactions, if otherwise taxable hereunder, shall be taxable whether said transactions are done in whole or in part by, within, or under the control of a single person, firm, corporation, copartnership, or association, or whether they be done in whole or in part by separate persons, firms, corporations, copartnerships, or associations; the purpose of this clause being to prevent avoidance by larger business firms and combinations of payment of the same tax for which smaller or independent businesses would ordinarily be liable under this act.

"(6) Where articles are manufactured in whole or in part by the process of assembling together such component parts thereof as are ordinarily purchased from other manufacturers, such, for example, as automobiles, machinery, furniture, etc., the transaction tax herein provided shall be levied upon the gross dollar value of such component parts regardless of whether the same were made by the manufacturer of the assembled or completed article or whether they were purchased by such manufacturer from another, and where the manufacturer of an article upon which a transaction tax is payable hereunder is the producer of the raw material or other material from which said article in whole or in part is made, then the transaction tax upon such material, if the same has not been paid and would be otherwise taxable hereunder, shall be paid by such manufacturer.

"(7) Every person engaged in the sale of goods at retail shall be deemed for the purposes of this act to be an independent operator and not the agent or employee of any producer, manufacturer, wholesaler, or distributor of such goods.

#### "A SEPARATE FUND

"SEC. 3. There is hereby created in the Treasury Department of the United States a fund to be known and administered as the 'United States citizens' retirement annuity fund.' All revenue derived from the taxes levied in and under this act shall be deposited by the Secretary of the Treasury in this United States citizens' retirement annuity fund, and shall be disbursed only for the payments of the sums expressly authorized by this act to be paid therefrom, and for no other purposes.

#### "ONLY UNITED STATES CITIZENS ARE ELIGIBLE

"SEC. 4. (a) Every citizen of the United States 60 years of age and over, or who shall attain the age of 60 years after the passage of this act, shall be entitled to receive, upon filing application and qualifying as hereinafter provided, an annuity payable monthly during the life of the annuitant in a sum to be determined as hereinafter provided in this act.

"(b) The right of any person to receive an annuity under this act shall date from and begin on the date of proper filing of an application therefor, when and if such application is supported by proper and sufficient proofs in compliance with rules and regulations issued pursuant to the provisions of this act, but subject to the limitations upon time and manner of payment as hereinafter provided by this act. In such application the applicant shall dis-

close the nature and extent of any annual or monthly income then being received or due to be received by the applicant.

"(c) The annuitant shall not engage in any gainful pursuit.

"(d) The annuitant shall covenant and agree to expend and shall spend all of each month's annuity during the current calendar month in which it is received by the annuitant, or within 1 month thereafter, within the United States of America or its Territorial possessions, in and for the purchase of any services and or commodities, and/or a home or an equity in or lease of a home, or for the payment of any indebtedness lawfully arising for any such purchase: *Provided, however,* That the annuitant shall not directly or indirectly expend a total of more than 10 percent of any such monthly annuity for gifts or contributions to any person or to any public or private institutions, associations, or organizations.

"(e) This annuity shall not be payable to any person who directly or indirectly receives from any source a net income of any kind or nature in excess of the amount of the annuity to which he would be otherwise entitled under this act.

"(f) Any person otherwise qualified to receive an annuity hereunder, and who at any time receives any net income of any kind or nature not arising from personal services of such person and which in total amount is less than \$2,400 per year, shall promptly make full and complete disclosures in writing under oath, as required by rules to be issued under this act, fully disclosing the amount and source of any and all such income, and thereupon the pro rata monthly amount of any such annual income not arising under this act shall be pro rated over the year and shall be deducted monthly from the monthly annuity payment to which such person under this act would otherwise be entitled, and the remainder shall be the annuity of such annuitant payable under this act: *Provided, however,* That all of the income of any such annuitant, whether arising under this act or otherwise, shall be expended as required for annuity paid under the provisions of this act.

#### "ADMINISTRATION PROVISIONS

"SEC. 5. (a) The Administrator of Veterans' Affairs shall create and maintain boards of review, within the several States, as he may deem necessary to carry out the provisions and purposes of this act, and he shall issue and promulgate and enforce proper and suitable rules and regulations governing the manner and place of registration by applicants for the annuities provided for under this act, and the method of identification of and registration by such annuitants, also to require and secure the proper spending of the annuity money by the annuitant as required by this act, and adequate and sufficient accounting thereof, and such other rules and regulations as he may deem necessary, all in accordance with the intent and purposes of this act; and he shall cause to be paid at regular monthly intervals, to each person who lawfully qualifies to receive annuities under this act, such amount as shall become due the respective annuitants lawfully qualifying under this act.

"(b) Proper and suitable boards shall be established by the Administrator of Veterans' Affairs, within each State as he shall deem necessary, such boards as have exclusive jurisdiction to hear and determine all issues arising under this act, subject to rules and regulations issued and promulgated under this act, concerning annuitants residing within the jurisdiction of the boards, respectively, but subject to the right of either party to have the decision of any such board reviewed by the State court having general jurisdiction over the area in which that board is situated.

#### "APPORTIONMENT AND DISTRIBUTION OF FUNDS

"SEC. 6. From and out of the proceeds of such taxes collected and accumulated under the provisions of this act, disposition and disbursements shall be made in the following manner and order, to wit:

"(a) All proper and necessary expense of administering this act shall first be paid or provided for, and upon a monthly basis whenever practicable.

"(b) A reserve fund shall at all times be maintained sufficient to protect and provide proper payment of any and all annuities, the payment of which for any cause is deferred because of delay in approval of application for the annuity or otherwise.

"(c) All other money available in any month or period, from or out of said tax collections or any undistributed residue thereof, as hereinafter referred to, shall be distributed and paid monthly, pro rata, except as hereinafter provided, to all qualified annuitants who are of record on the last day of the calendar month period or longer first period as hereinafter specified, during which the tax collections and/or residue are accumulated for distribution, in such amount as may properly be paid from the funds accumulated during that period, and in the following manner, to wit:

"(d) First. The total amount available for distribution shall be divided by the total number of the annuitants entitled to share therein, and except for cases where deduction is to be made as hereinafter referred to, the result shall be the pro rata annuity amount.

"Second. The proper deductions provided for by section 4, paragraph (f), of this act shall then be made from the pro rata amount so determined, as to all persons who have any income not arising under this act as annuity.

"Third. The amount so determined to be due each of the annuitants shall then be paid in manner and by method as follows, to wit:

"(e) The total amount of the deductions made as provided in section 4, paragraph (f), of this act shall constitute a residue

which shall be carried over into the next following month and be merged into and become a part of the fund available for that month for distribution to qualified annuitants as provided for in this act.

"(f) All of the funds accumulated under this act during the period extending from the time this act goes into effect and to the end of the first full calendar month after this act takes effect and hereby designated as the 'first period', shall be promptly paid for and as of the 1st day of the fifth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such 'first period' and as hereinbefore provided for in section 6, paragraph (c), of this act.

"(g) All of the funds accumulated under this act during the second full calendar month after this act takes effect, hereby designated the 'second period', shall be promptly paid for and as of the 1st day of the sixth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such 'second period' and as hereinbefore provided for in section 6, paragraph (c), of this act.

"(h) Subsequent monthly payments to the annuitants shall be made by this same method, monthly, as follows:

"Accumulation of third period to be paid on 1st day of seventh month.

"Accumulation of the fourth period to be paid on 1st day of eighth month.

"Accumulation of the fifth period to be paid on the 1st day of the ninth month, and so forth. And continuing so long as any funds are available therefor under this act, to the annuitants identified monthly in accordance with section 6, paragraph (c), of this act.

#### "RULES AND REGULATIONS

"SEC. 7. All administrative details not specifically otherwise provided for in this act shall be governed by rules and regulations issued and promulgated by the Administrator of Veterans' Affairs.

#### "APPROPRIATION FROM THE FUND

"SEC. 8. The Secretary of the Treasury, upon demand by the Administrator of Veterans' Affairs, is hereby authorized and directed to pay from money or moneys available in said United States citizens' retirement annuity fund, the money necessary to cover the monthly annuities as designated by said Administrator to be paid to qualified annuitants, and for other purposes, in a total amount as elsewhere provided in this act, but in any event not to exceed at any time the amount on deposit in said fund; and there is hereby authorized to be appropriated such sum or sums as may be necessary to establish and maintain this act, subject to reimbursement out of funds collected hereunder, pursuant to the provisions of this act.

#### "ANNUITIES NOT SUBJECT TO GARNISHMENT, AND SO FORTH

"SEC. 9. Any annuity granted under this act, and the money proceeds thereof due or in the hands of the annuitant shall be wholly exempt from attachment, garnishment, execution, levy, and/or any other judicial process.

#### "DISQUALIFICATIONS

"SEC. 10. No annuity shall be paid under this act to any person who is not at the time of payment domiciled within the United States or its territorial possessions.

#### "SUSPENSION AND FORFEITURE

"SEC. 11. The right of any person to receive an annuity under this act may be suspended and/or forfeited for any of the following causes:

"(a) For engaging in any gainful pursuit.

"(b) For violation of any of the provisions of this act.

"(c) For unreasonable and unnecessary maintenance of any able-bodied person in idleness and/or for unreasonable and unnecessary employment of a person or persons or the payment to any person of any salary or wages or any other form of compensation in disproportion to the service rendered.

"(d) For willful failure or refusal to obey any rule or regulation issued under this act.

"(e) For willful refusal by any annuitant to pay any just obligation.

#### "DELAY IN PAYMENT—REMEDY

"SEC. 12. If in any case the payment of an annuity to any person is delayed to an extent which causes an accumulation of 2 months or more of annuities, then, and in that event, the expenditures by the annuitant for the amount of any such accumulation shall be made upon the basis of 2 months for every month of such accumulation.

#### "CERTAIN OFFENSES A FELONY—PENALTY

"SEC. 13. It shall be a felony, and punishable as such, for any applicant for an annuity, or for any annuitant, or any person required by this act to make any return for the payment of any tax, to make any false statement, or to knowingly withhold any facts material to the proper administration of this act, with intent to defraud the United States, under a penalty of a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both.

#### "CONSTRUCTION OF THIS ACT

"SEC. 14. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act or the application of such provision to other persons or circumstances shall not be affected thereby."

Mr. COOPER of Tennessee (interrupting the reading of the foregoing). Mr. Chairman, I renew my request and

ask unanimous consent that the further reading of the proposed amendment be dispensed with, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto be concluded in 30 minutes.

The CHAIRMAN. Is there objection?

Mr. MOTT. I object. I shall not object to making it an hour.

The CHAIRMAN. The gentleman from Montana is recognized for 5 minutes.

Mr. MONAGHAN. Mr. Chairman, I shall not endeavor to explain in the brief 5 minutes accorded me the provisions of such a comprehensive measure as the revised McGroarty bill. I merely wish to answer at the outset the unjust attack to which it has been subjected as amended. Ladies and gentlemen of the Committee, you will recall that the McGroarty bill was presented as one of the first measures during this session of Congress as a recovery measure. It was revised at the suggestion of friends who listened to the testimony before the Committee on Ways and Means; revised to meet technical objections made by that distinguished committee. No effort has been made to revise the amount. There has been a move to change the method of taxation so as to include income, inheritance, and gift taxes, to increase the amount that might be raised by the bill. The most misinterpreted concession that has been made is the one made to disarm the insistent objections and criticisms that the bill would not be able to raise the amount provided as the annuity.

Two years of untiring, ceaseless effort upon the part of the great President of our Republic, Franklin D. Roosevelt, and the membership of both the House and the Senate has been engaged, and yet we face the tragic situation in our Republic where 11,000,000 men are still unemployed. The malady affecting our Nation is maldistribution of wealth. Machine production from endless-chain belts to mighty steam shovels, occasioning compulsory, permanent unemployment, is the landmark of that uneven distribution, where the few have much too much and the many have little too little. Proper and effective regulation and legislation would concur that condition. Jobs, and jobs alone, can accomplish recovery. Harking back to that great inaugural address that was delivered on the Capitol steps March 4, 1933, which I believe will go down in history as one of the greatest speeches of any statesman in our Republic, I recall to your minds the words of the President, when he said:

Our greatest primary task is to put people back to work.

It is true that much has been done in the proper direction by public works, by the N. R. A., and by other methods that have been employed to put people back to work, but, by and large, the vast army of the unemployed remains with us even to today. Only one measure has been enacted to date that has fundamentally affected the situation of unemployment in our land and that is the one reported and pushed through in the dying hours of the last session of Congress, the Railroad Retirement Act, which when first put into operation and before it was enjoined by court order in those towns where railroading is the principal industry absolutely abolished unemployment in the ranks of railroad men. There is only one way to meet the ever-changing machine age of our country. There is only one successful method of putting them back on the pay roll of industry in our Nation, and that is the method which even the chiselers and unpatriotic leaders of industry who denounce such progressive methods as this cannot dodge, avoid, or escape, and that is by the pensioning of those noble men and women who pioneered the upbuilding of industry and commerce to make the glory of our Republic.

What shall we do about the man who has given his best to society, who has slaved long and arduously in an economic order devoid of compensation sufficient to provide for old age, who faces that foul blot on a great nation—that soul-

crushed, heart-despairing abode, the poorhouse? The conscience of the Nation shouts the answer with clamorous voice; an adequate national old-age pension; not one that quibbles over age or amount; not one that is a makeshift; but one so sound that it will adequately take care of this great problem. The welfare of the State and legislation looking to the advancement of the individual and his protection should be the endeavor and is the highest ideal of sound government.

Let us have a better America that is economically free, with every man enjoying the right to life, to liberty, and the pursuit of happiness—where the fires of greed and avarice are extinguished by liberty-loving and public-minded officials. The hope of America, the hope of its Constitution, the hope of the people all depend upon that one great principle, the principle that every American shall have the right to live as a decent American.

Amend this bill to the point where it will become a real bill; substitute a new bill in lieu thereof. Then a new America will be built, an America of peace, security, and an America of freedom from worry in old age and unemployment in youth—an America with a new Declaration of Independence as glorious and as great as that which freed the Thirteen Original Colonies, greater because we will have written upon the statute books of America all that will insure us against greedily and avariciously plunging into war as a method of recovery, one that will prevent crime by making life free from financial worry, one that will build a glorious republic and be a challenge to the Old World to follow America to economic freedom even as America was followed to spiritual liberty and political freedom.

Then mines, mills, and factories will reopen at full force. Homes will be remodeled, materials will be purchased. Farmers can sell their products. Despondency will be banished with the poorhouse in its unholy wake, and we will march forward again, a free people economically as well as spiritually, to the tune of the Stars and Stripes Forever, under the splendid leadership of that man who lives for America and its welfare alone, Franklin D. Roosevelt, our fearless and peerless President.

If we enact at this session of Congress a law which will take a sufficient number of men out of industry, and enact again a law that will cut down drastically the hours of labor, those two measures, and those two alone, will fulfill the desire of the great President of our Republic when he said that the greatest primary task is to put people back to work. [Applause.]

Mr. O'CONNOR. Mr. Chairman, when the rule for the consideration of the social-security bill was brought before the House, there was a great deal of ridiculous affirmation it was a gag rule. We, of the Rules Committee, who reported it, tried to show that it is a wide-open rule, and that no rule could be more open. At that time a number of the supporters of the so-called "Townsend plan" and of the "Lundeen bill" took the floor and protested as expert parliamentarians that neither of those bills would be in order under the reading of the bill in the committee for amendment. I stated then that I hoped the Townsend bill would be in order and that I felt personally that it was in order. Today we find that the alleged "Townsend bill" is in order. We have had a lot of commotion about nothing, therefore. What was said then has, however, gone throughout the country, and principally from that great State of California some of us have been lambasted as supporters of gag rules, trying to stop the consideration of measures in this House. Nothing could be farther from the truth, and every Member of this House knows it. We could easily have prevented the consideration of the Townsend scheme and the Lundeen bill, if we felt so inclined, but I for one, stood against any such gag from the very beginning. The irate people of California and other Townsend provinces may never believe it, but this House in fairness knows it.

Let me say to you today that in all the consideration of this bill before the Ways and Means Committee, in all the conferences between the Speaker and me, in all the discussions before the Rules Committee, no one ever even suggested that

either the Townsend plan or the Lundeen bill was not in order under an open rule such as we brought in. It was never intimated that those bills were not in order. So, therefore, there was no attempt directly or indirectly to prevent those bills from being in order.

Mr. Chairman, that the country may know the truth instead of the falsehoods peddled to this great army of misguided people, that the country may understand the extent of the activity of the champions of the Townsend plan and the Lundeen bill, let me say right here now that if those emotional supporters and champions ever entertained the fears they expressed on the floor of the House when the rule was reported, as to whether either of these plans might be in order, they certainly slept on their rights for a long time, because never one man or one woman, championing either plan or bill, ever took the precaution to see or request that his or her proposition be made in order, although they expressed great fears founded on their astute parliamentary knowledge that they might not be in order. If those bills might not be in order, let me say to the country and to these poor, decent, distressed, desperate, but deluded, people of our Nation that if the Townsend plan was not held in order, I was prepared to do my utmost to make it in order so that it might be considered in this great assembly. With myself, that was the attitude of your great Democratic Speaker, through all this consideration of the method by which we would consider this bill. Why, Mr. Chairman, we never heard from the leaders of the Townsend plan; we never heard from the leaders of the Lundeen bill, asking us to make their bills in order, although those leaders said the bills were not in order. Where were those champions? Were they diligent in their great "battle"?

Mr. CONNERY. Will the gentleman yield?

Mr. O'CONNOR. No; not now.

The social-security bill has been considered for 23 hours. The debate has been one of the enlightening chapters in the deliberations of this great House. It has been conducted on a high plane. We are now at the period where we read the bill.

Of course, I have heard politics being played in reference to the bill. I could hear, especially on the other side of the aisle, politics being played. I could see politics being played especially by the Republican Members from California, and it made me think of that expression of their last President, and the last President the Republicans will ever have [laughter]—I thought of the expression he coined, which made such an appeal at the time.

The CHAIRMAN. The time of the gentleman from New York [Mr. O'CONNOR] has expired.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CONNERY. Will the gentleman yield?

Mr. O'CONNOR. Yes; I yield.

Mr. CONNERY. I just want to say to the gentleman from New York, for whom I have the greatest admiration and respect, that the Lundeen bill was passed favorably by the Committee on Labor and reported favorably to the House, and the next day I drew up a resolution asking the Rules Committee to give us a favorable rule in the House, and we received no rule.

Mr. O'CONNOR. The gentleman is talking about a subject matter so far distant from what I have been referring that there is not even a connection, let alone germaneness. I said that if you, Mr. CONNERY, worried about the Lundeen plan being in order in the consideration of the social-security bill, where were you? What effort did you make to be sure it was in order?

Mr. CONNERY. I was here.

Mr. O'CONNOR. But the gentleman did not ask to have the Lundeen bill made in order. Now, that is the fact.

Mr. CONNERY. We had it all drawn up to be in order, however, and it is in order now.

Mr. O'CONNOR. The gentleman is talking about a separate rule for the consideration of the Lundeen bill by itself.

The gentleman interrupted me, a good Democrat, when I was talking about my Republican friends on the other side. [Laughter.]

Mr. CONNERY. I beg the gentleman's pardon for that. I would not stop him for a moment on that.

Mr. O'CONNOR. The last Republican President for all time [laughter] coined the expression, "Playing politics with human misery." I saw it played here during the debate on this bill. I saw it played especially on the Republican side of the aisle and by the Republicans from California—men, who in the ordinary conduct in this body, would never vote for some of these measures we are now advocating; men who would never think of bringing before this House any social-security bill. When did the Republicans ever think of old-age pensions during all the years they were in power? Why, they always fought every humanitarian piece of legislation, from the Workmen's Compensation Act down to old-age pensions. [Applause.] We Democrats are entitled to credit for this great bill. We are pioneers in behalf of our people for the benefits of old-age pensions.

This is a happy hour in this House when, under Democratic leadership, an opportunity for all these great propositions to be considered is presented to the House.

This House is a cross section of the entire country, representing not only geographically, but mentally, morally, and emotionally every current of thought in our Nation. With that background, we cannot be wrong. That this great bill represents the spirit of America will be evidenced by the fact that every one of these much discussed propositions, antagonistic to its plans, will be voted down by at least 8 to 1, and the bill will pass with not more than a score of the peoples' Representatives voting against it.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I renew my unanimous-consent request that all debate on this amendment and all amendments thereto be concluded in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. LUNDEEN. Reserving the right to object, will the gentleman agree to a roll call on the bill?

Mr. TREADWAY. Reserving the right to object, we have reached an agreement, or at least I understood it was an agreement, to be very liberal in the use of time on amendments.

It does not strike me as quite the right thing to do for the chairman just at the beginning of consideration of the bill, under the 5-minute rule, to endeavor to force a closure in 20 minutes. Let us start out by having liberal consideration of the amendments offered. I think this would be advisable.

Mr. DOUGHTON. I will say to my friend from Massachusetts that we have had 23 hours of general debate. Numerous amendments are to be offered, and if we set the precedent of having an hour or two of debate on each amendment we shall not make much progress. If we allow it in one case we must allow it in all.

Mr. TREADWAY. If no objection is raised to the gentleman's request that debate on the pending amendment close in 20 minutes I hope it will not be construed as setting a precedent of allowing only 20 minutes on the other important amendments, for a great many Members want the opportunity of speaking on them.

Mr. DOUGHTON. We are going to be reasonable. Let us see how the Members feel about it.

Mr. MOTT. Mr. Chairman, reserving the right to object, may I offer a suggestion to the gentleman from North Carolina? Instead of submitting his unanimous-consent request now, why does he not allow debate on the amendment to run along for 20 minutes and then if the Members think there has been sufficient discussion, let him renew his unanimous-consent request that debate close immediately or in 5 minutes. I would like 5 minutes on this amendment, but it is very doubtful if I can obtain it.

Mr. DOUGHTON. Mr. Chairman, I renew my request.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. FORD of California. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the McGroarty-Townsend bill for the reason that the social-security act we are now considering in my judgment has three defects in the old-age pension phase of it. The first is that the sum to be allotted by the Federal Treasury to the States, of \$15 per person per month, is too low; the second is that the age limit we have fixed in this bill is too high; and the third is that under the provisions of the bill not over 5, 6, or perhaps 10 States at the outside, will be eligible to take advantage of its provisions because of, first, financial, and, second, constitutional or other legal limitations existing in the various States.

Mr. Chairman, had the social-security act, or an act of similar character, been put into operation or attempted to be put into operation along in 1924 or 1925 when the country was fairly prosperous, it could have been justified; but we are bringing this bill in at a time when the country is almost prostrate, at a time when 7,000,000, 8,000,000, or 10,000,000 elderly people are without means of subsistence. We are in a critical period, a period that is similar to a man stricken with appendicitis. You cannot cure his appendicitis by prescribing a diet, the only way you can cure it is by an operation. We have got to take a drastic step here and see that the people of this country are given an opportunity to get some help at this time.

The McGroarty bill will do that now. It will not affect the Treasury. The money to put it into operation will be collected over the country, and I feel in my soul that the average person would be willing to pay the 2-percent tax necessary to assure the millions of aged people being taken care of now.

Mr. Chairman, I withdraw my pro forma amendment.

Mr. MOTT. Mr. Chairman, I rise in support of the motion of the gentleman from Montana.

Mr. Chairman, in discussion of this matter during the course of the 23 hours' debate on the pending economic-security bill I have tried to avoid anything that could be construed as political or partisan. I think I have succeeded so far, and I am not going to say anything political now. I cannot refrain from observing at this point, however, that I do not agree with the statement just made by the gentleman from New York [Mr. O'CONNOR] as to the reason why we are permitted to have a vote on this amendment, the revised McGroarty bill, H. R. 7154, at this time. I believe, if it were not rather certain in the minds of the majority leaders that the amendment would be defeated, a vote would not be allowed on it under the rule.

I am entirely satisfied—and so, I believe, is everyone here—that if the McGroarty amendment had any chance of adoption today, a point of order would immediately have been made against it on the majority side on the ground that it was not germane, and that the point of order would have been sustained. However, I do not intend to discuss that point now. It is enough that we are at least to vote on it.

There are 435 Members of the House. All of them have had an opportunity to study the revised McGroarty bill, which is now offered as a substitute for title I of the economic-security bill; most of them have had opportunity to talk upon it, if they desired to do so. The text of the revised McGroarty bill, with certain highly important perfecting and clarifying amendments, appears printed in the RECORD on pages 5888–5890. I hope every Member who has not already done so will read it. I do not expect everyone to be able to study it as carefully as it ought to be studied, but I want to suggest to gentlemen who intend to oppose it that they should at least be familiar enough with it to oppose it for what may appear to them to be valid reasons.

I have listened carefully to everything that has been said on this proposal in the general debate, and, frankly, I have been surprised at the apparent lack of information in regard to it that has been displayed by many of the able gentlemen who have seen fit to oppose it. With the exception of two or three of the gentlemen who have spoken in opposition to

it, the only arguments offered against the McGroarty proposal upon the floor of the House to date have been in the nature of ridicule.

Now, you cannot ridicule this thing out of existence, nor can you laugh it out of existence, even though you might not agree with it. Some 20,000,000 people in this country have by their petitions said that they desire enactment of a much more drastic and far-reaching old-age-pension law than that proposed in the revised McGroarty bill, and I say to you that you cannot ridicule out of existence a legislative proposal supported in good faith by 20,000,000 Americans.

What is the revised McGroarty bill, which we now propose as a substitute for the old-age-pension provisions of the administration bill? What is its purpose and how does it propose to translate that purpose into statutory law?

The fundamental purpose and object of the revised McGroarty bill is to provide an opportunity for every person in the United States who has reached the age limit of his economic usefulness to retire completely from competition with those who have not yet reached that age and to live the remainder of his life in decency and comfort and happiness. The McGroarty bill proposes that this great blessing of security shall be extended to the aged of our Nation, not as charity but as a matter of right.

So far then as the purpose of the bill is concerned, I venture to say that no one can very logically oppose it, because to do so would be to deny what is universally conceded now to be not merely a desirable thing but a demonstrated necessity. The only question, therefore, which I think can be properly raised is this: Does the revised McGroarty bill offer a feasible, a sound, and a practical method of achieving this admittedly worthy object? Let us examine it with this question in mind and see whether reason and experience, when applied to the provisions of the bill, will not answer the question for us.

The bill places the age of eligibility for a pension at 60 years. Why? For two reasons: First, because experience has shown that in modern industry—and in that term I include industry and business of every kind—the limit of the average person's real economic usefulness is reached, and that the majority of people above that age have not been able to exist in modern industry in competition with people who have not reached that age. The second reason is that 9 people out of 10 above the age of 60 years do not have an income sufficient to support themselves, and that the majority of people of that age are objects of charity in one form or another. Ninety percent of all the people past 60 who are holding jobs at the present time are holding them at the expense of younger people who are better fitted to do the work, and they are thus keeping out of employment millions of people who are still within the age which qualifies them to do the work required by modern industry.

Looking at the problem, therefore, from the viewpoint of economic necessity and desirability alone, I think most people will agree that the age of 60 is the proper age of eligibility under any comprehensive Federal old-age-pension law. From the humanitarian angle also an age limit not greater than this commends itself to most students of this problem.

Not all people over 60 would be eligible under the revised McGroarty bill, as they would have been under the original bill. This bill provides that no person having an income of more than \$2,400 a year shall be eligible in any event. It also provides that if a person who is otherwise eligible has any independent income under that amount, the same shall be deducted from the amount of the pension he would otherwise be entitled to receive. This provision of the revised bill, I think, is proper and equitable both from the economic and humanitarian viewpoint.

No one, of course, is obliged to accept a pension under this bill. If he does accept it, however, he must agree to spend the entire amount of the pension every month. There are two reasons for this provision. The first is that since the pensioner is to be assured of an adequate annuity monthly during the remainder of his life, there is no economic necessity for his having to save it, and the second is that it is economically desirable to put this huge pension fund into

immediate and continuous general circulation. That the compulsory circulation of several billions of dollars a year will tend to increase business, to create new jobs, and to otherwise help to bring about a recovery, there can be little doubt. This is an important feature of the McGroarty bill, and it is entitled to the very thorough and thoughtful consideration of the Congress.

The McGroarty bill is unique among the many old-age-pension proposals pending here in that it provides a definite method for raising the necessary revenue to finance the pensions. It does not depend upon borrowing to finance it, as does so much of the so-called "recovery and reform legislation" enacted by Congress during the present administration. Neither does it depend for its financing upon taking out of the Treasury a part of the money raised for general governmental purposes. Finally, it does not propose to increase existing rates on any of the taxes which are now employed by the Federal Government for revenue-raising purposes. The bill proposes an entirely new kind of tax which is to be used exclusively for the financing of the pensions to be paid under it and for no other purpose.

The revised McGroarty bill provides for the raising of the revenue necessary to create the fund wherewith to pay the pensions by the levy of a 2-percent tax upon transactions. Under the original bill both the character of the transactions which could be taxed, as well as the number of taxable transactions, was unlimited. Under the revised bill taxable transactions are carefully limited by very strict definition.

There are two reasons for this change in the revised bill. The first is that it was felt that a tax upon all transactions, unlimited either as to scope or number, might lead to considerable confusion and that it might also impose upon industry a tax burden greater than was necessary to provide an adequate pension. This, in my opinion, is the most important change in the revised bill, and it was a frank concession to those who believed in the fundamental principle of the plan involved in the bill, but who could not see their way clear to support the proposal to place a tax upon the gross dollar value of every conceivable sort of transaction involved in our very complicated industrial and financial system. It is not believed it will be necessary to go that far in order to raise the required revenue.

The second reason why it was thought necessary to put some limitation upon the character and number of taxable transactions was that without such limitation the small independent operator would be put to a disadvantage, because the large operator would be able to eliminate certain taxable transactions which the independent operator could not eliminate. Under the bill as now drafted the tax affects everyone alike and in equitable and exact proportion to the business he transacts. This is true whether the transaction be done by the independent corner grocer or whether it be done by the biggest chain store in the country. For example, under the revised bill an automobile such as that manufactured by Henry Ford, who makes all the parts which go into his product, would be subject to exactly the same number of taxable transactions as an automobile assembled by a company which buys most of its parts from other manufacturers. Under the revised bill, an article of merchandise purchased at the neighborhood drug store is subject to exactly the same tax and the same number of taxable transactions as a similar article purchased over the counter of the great chain drug store, which is merely the retail branch of the company which manufactures, distributes, and sells that article.

This part of the revised bill, namely, the limitation by definition as to the character and number of taxable transactions, and the provision for the equitable distribution of that tax burden upon everyone, large and small alike, is, as I have said, perhaps the most important change in the bill aside, of course, from the elimination of the original bill's compulsory requirement of a \$200 a month pension; and with these changes it seems to me that all of the really valid objections to the original bill have been removed. When the gentleman from California [Mr. Buck] and the gentleman from Wisconsin [Mr. Boileau] criticized the bill a few days ago on the

floor upon the ground that a transaction tax would give an unfair advantage to the large operator, I am sure they were not aware of amendments 5 and 6 to section 2 (f) of the bill as it appears printed in the Record this morning. It is this revised and amended text of H. R. 7154, of course, and not the printed draft of H. R. 7154, as introduced, which has been offered today as a substitute for title I of the administration's economic-securities bill.

To the printed draft of H. R. 7154 I think the objections of these able gentlemen were valid and to the point, but it is my opinion that the amendments I have referred to have met these objections and that no question can now be properly raised as to the complete and equitable distribution of the tax burden imposed by this bill.

Some question has been raised as to the amount of revenue which a 2-percent transaction tax, such as is contemplated under the revised bill, would provide. It has been contended that we do not know just how much that revenue will amount to, and that therefore we cannot calculate what the amount of the pension will be. I am perfectly willing to admit that, but I do not admit that that is a valid objection to the bill. No one can tell in advance of the actual levy and collection of an entirely new kind of tax just how much that tax will raise. Before the first Federal income-tax bill was passed it was admittedly impossible to estimate accurately the revenue to be expected from it. This has been true of every new tax bill. It was largely for that very reason that the revised McGroarty bill, unlike the original bill, does not undertake to prescribe the amount for the monthly pension. The bill simply provides that out of the revenue raised by the 2-percent tax on transactions, together with the other minor taxes provided in the bill, the pensions shall be paid, pro rata monthly, to those eligible to receive them under the bill. I do not contend that the bill is perfectly drawn in this respect. My own preference would have been to specify such a pension for the first year as could have been ascertained with certainty from the expert testimony given on this point by Dr. Doane before the Ways and Means Committee—page 1120 of the hearings. However, I did not draft the bill, and I certainly do not expect this or any other great piece of controversial legislation to conform to every idea that I may personally have on the subject.

And now in this connection I want to make an important observation. It is this: There has been entirely too much controversy as to the probable amount of the pension to be paid under this bill. The amount of the pension to be paid during the first year or two of the operation of this law, if the revised McGroarty bill becomes law, is not, in my opinion, very important at this time. I know that many at first will differ with me in this, but further consideration, I am sure, will persuade those very people to concur in this opinion. The important thing is not to get a law which will immediately pay a fixed pension large enough to satisfy everybody. Great legislation such as this is not made that way. The important thing here and now is to get the fundamental principle of this bill enacted into law and to set up the tax machinery to finance it. That fundamental principle, as I have so often repeated, is to provide a pension for everyone who has reached the age where he ought to retire in an amount sufficient to enable him to retire in complete comfort and in peace of mind, so that he may be freed entirely from the necessity of competition, and so that he may safely turn over the job he now holds to a younger man who is out of a job and who is being kept out of that job largely because it is necessary for the old worker to hold on to it as long as he can in order to live.

This, and not the precise amount of the pension, is the fundamental principle, the dominant idea, behind this proposed legislation. And when we have enacted that proposal into statutory law, we will have accomplished two great things which have never yet been accomplished in the whole history of the world. We will have changed the period of old age from a period of fear and want and despair into that period of happiness and blessedness which the Creator surely meant it to be. That is what this bill will do from the humanitarian angle of it. Upon its economic side it will take

the greatest step toward the solution of our unemployment problem that has ever been taken, because it will immediately and automatically release millions of jobs to the young people of our Nation who now, through no fault of their own, find themselves without work while they are still living in the period of their greatest economic usefulness.

Therefore, I want to say again that whether the revised McGroarty bill will furnish an immediate pension as large as some have claimed or hoped for is not at all the important thing at this particular time. The important thing is that this pension, which will at least be an adequate one, will actually enable the old people of our country to cease competition and to retire. And this great purpose, having once been actually translated into law, that law can be amended at any subsequent session of the Congress so as to fix the pension at whatever figure experience and good judgment may then show that the tax proposed in this bill can properly and safely sustain.

I come now to the question of the tax itself, and although this is the most controversial feature of the bill it is my intention to discuss it only briefly. It has already been thoroughly discussed and everyone, I believe, knows what it is.

The objection advanced against the transaction tax is that it is a multiple sales tax and that a sales tax is wrong in principle because it does not assess the taxpayer in accordance with his ability to pay.

I answer that objection first, by admitting that for purposes of general revenue for ordinary governmental purposes the sales tax is not an equitable tax, because under it the poor man is more heavily burdened than the rich man. This is because the poor man must spend everything he makes in order to live while the rich man needs to spend only a portion of his income for that purpose. But I contend that this objection is valid only when the sales tax is used for the general revenue-raising purposes. When it is used for a specific and exclusive purpose, for the purpose of financing a necessary and indispensable activity outside of the usual and ordinary functions of government, then this objection largely disappears, because then the tax is used for the direct and special benefit of those who pay it.

There are many examples of the truth of the statement I have just made. I will cite you only one; that of the gasoline tax, which is purely and simply a sales tax. The sales tax on gasoline in most States amounts to a tax of from 20 percent to 25 percent of the retail price of the gasoline. No one would tolerate such a tax for general governmental purposes. But the gasoline tax is paid by motorists, for whose benefit the roads are built, and it is used exclusively for road building. Without the gasoline-sales tax the motorist knows his automobile would be useless to him. Therefore he willingly pays the tax, which is several times as high as the tax contemplated in the revised McGroarty bill, because he derives the entire benefit of the tax he pays. I venture to say that the most outspoken opponent of the general sales tax—and I, myself, happen to be one of them—would not for a moment consider doing away with the gasoline sales tax, or even reducing it in any considerable amount.

The same reason that makes the gasoline-sales tax desirable and necessary for the special and exclusive purpose of road building makes such a tax as the transaction tax desirable and necessary for the financing of this new and special and necessary governmental activity, which is for the direct and special benefit of those who pay the tax, and without which tax the benefit cannot be given.

The objection to the tax feature of this bill is a fundamental objection, of course, but I think a complete answer can be given to that objection by asking this question: Is the benefit to be derived by the taxpayer from this bill great enough and necessary enough to warrant the tax burden which it must necessarily impose upon the taxpayer? If it is, then the objection fails, no matter what the objector may think of this particular tax, because without some special tax of this kind it would be impossible to raise enough revenue to finance any comprehensive adequate Federal old-age pension. To finance it by raising the rates on existing taxes

would more than double those rates, because the financing of adequate pensions will require as much money annually as the entire present Federal tax revenue.

Therefore if it be once conceded that we should have an adequate Federal old-age pension system, and nearly everyone now does concede that, then we must provide for its financing; and to do that we must of necessity employ a tax which is capable of raising the necessary revenue. Since no other tax entirely capable of doing this has as yet been proposed, or appears likely to be proposed, it follows as a matter of ordinary logic that this is the tax which should be employed.

And who pays the tax under this bill? Obviously everybody pays it. Who directly benefits by paying the tax? Again everybody, because everybody living in the United States, no matter what his age, will be eligible to the benefits of the act, if he needs them, when he reaches the eligible age. And please do not forget in this connection that experience has already demonstrated that 90 percent of the American people now living will need its benefits when they arrive at that age. That is a plain, cold statistical fact which should give pause to everyone in his consideration of this bill.

It has been argued here that this bill is a tax on poverty. I do not agree with that, nor do I think such a contention can reasonably be sustained. It is a tax upon the rich and the poor alike. But to those who say that the poor will pay most of the tax because they constitute the great majority of our population, because they make up the major portion of the ultimate consumers, and because they must spend all they earn in order to live, I reply that it is the poor who will most surely be the direct beneficiaries of this bill. I reply also that it is not the poor who are objecting to the taxing features of the bill. And if the poor themselves do not object to being taxed for the purpose of insuring to themselves a little comfort and happiness when finally they enter upon the twilight of the evening of their lives, surely no one else should be heard to raise his voice against it.

I wish it were possible to find a tax which the very poor did not have to pay at all, but no one, I am sure, believes that this is possible. It is the poor who have always been really taxed, regardless of what the form of taxation has been. The great-income taxpayers, for example, have always managed to pass along most of the tax to the consumer, although the tax the income-tax payer pays is merely a tax upon his profits. Even this tax he passes on to the ultimate consumer who, as has truly been said, is for the most part poor. Throughout all history that has been the case. The rich always have been few. Always the poor have been multitude. From the beginning the poor have carried upon their backs the burden of the world. They still carry it. They have fought its battles, they have created its wealth, they have paid its taxes, and as their reward they have died, as they have lived, still poor. I say this has always been so. But has not the time now come to inquire whether it must continue to be so forever? Is there always to be no hope, no reward, no surcease from the never-ending toil of the masses of our people?

Mr. Chairman, for the first time in the history of legislation I see in this bill the hope that the age-long burden of the poor may be lightened, at least toward the end of the journey. This bill does not propose to make the poor man rich. It does not propose, as has mockingly been said, to make spendthrifts of the aged. It does not propose to bring about any revolutionary change in our economic system. It does not propose to take away wealth from anyone. But it does propose and it does undertake to insure to all the people of the United States, no matter how poor they may be, that when they have reached that age in life where they are no longer fitted by nature to continue the strenuous fight for existence that they shall receive back something of the wealth they have already created as their reward and their due for having created it. It does undertake to say to them that when, by virtue of their years, the time comes for retirement that they shall be entitled to retire as a matter of right and that their retirement shall be one of comfort and security.

It undertakes to liberate from the minds of all the devastating fear of poverty in their declining years and to bless those years with the sunshine of peace and happiness. And while doing all this it undertakes, at the same time, a rational effort to solve at least a part of the vital problem of unemployment, which must be solved if the Nation is to endure, but which all the billions expended and all the volumes of legislation of the past 2 years have as yet failed to accomplish.

A bill having such things as these for its goal and purpose must, in my opinion, ultimately become law. I believe this bill will go far toward accomplishing these ends, and I consider myself fortunate, therefore, in having the opportunity to support it upon its initial introduction in the Congress. [Applause.]

Mr. WHITE. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am in favor of this amendment presented by Mr. MONAGHAN and known as the "McGroarty old-age-pension plan." I regret that, as a Member of this House, I shall be forced to vote on this bill as a whole, which attempts to legislate, as it does, on so many different social features. I know that the people whom I have the honor to represent favor some of the legislation embraced in this measure and are opposed to others. I believe until this Congress can be induced to give this country a good, workable, adequate money system to supply the needs of the country that we must resort to some recovery measure of this kind. I am in favor of a national old-age pension. I am in favor of a pension plan that will pay as it goes. I am also in favor of a national old-age pension plan modeled somewhat along the lines that we use to pay our ex-service men—with money raised by taxation and paid to the beneficiaries by the National Government. The pension system that is being followed by the National Government in caring for our ex-soldiers is successful. If the men and women of the generation that is passing—who have brought forth the present generation and endowed it with the wealth and institutions of this great country—are to be safeguarded in their declining years in security and comfort and ease, our National Government must come to their assistance by enacting a liberal national old-age pension law that will provide for their care.

Mr. Chairman, I have read the social-security bill that we have been discussing the last few days from one end to the other, and I believe it is not feasible, that it is impracticable and unworkable, and will not do the things which it is designed to do.

For these reasons I am in favor of and shall vote for the McGroarty revised old-age pension plan.

Mr. TRUAX. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TRUAX. Is an amendment to the amendment now pending in order at this time?

The CHAIRMAN. It is.

Mr. KRAMER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KRAMER to the amendment: Page 8, line 12, after the word "of", strike out "\$2,400" and insert in lieu thereof "\$1,200", and in line 18, strike out "\$2,400" and insert in lieu thereof "\$1,200."

Mr. MOTT. Mr. Chairman, I make a point of order against the amendment. As I understand the amendment offered by the gentleman from Montana, it consists of the text of the bill as printed upon page 5888 of the Record. There is no provision for \$2,400, or any other amount in the text of that amendment.

Mr. KRAMER. If the gentleman from Oregon will read the bill he will see it refers to \$2,400. It accepts the amount on page 8 and says that the person who receives a pension will be eligible to receive \$2,400.

Mr. MOTT. I make the point of order that language is not in there at all.

Mr. O'MALLEY. The \$2,400 is not in the amendment.

The CHAIRMAN. The point of order is overruled.

Mr. MICHENER. Two thousand four hundred dollars is not mentioned in the amendment which we are to vote on.

The CHAIRMAN. The Chair overrules the point of order.

Mr. KRAMER. Mr. Chairman, I do not believe it is necessary to make a lengthy speech for the benefit of my constituents, as the good people back in my home community know very well how I feel now and how I have always felt toward an old-age pension. The people in the Thirteenth District of California know that this has been my most earnest desire for more than 3 years, and I want to emphasize the fact again—just as I did during my last campaign and the campaign 2 years before that—that I am heartily in favor of an old-age pension, and it, therefore, gives me great pleasure to support the McGroarty amendment to the Doughton bill, known as the "social-security bill", which is now under consideration in the House of Representatives.

Although there are some provisions in the McGroarty bill, which is now being offered as an amendment, many of my good colleagues have stated that no bill is perfect when it reaches the floor of the House. However, the thing that is confronting our Nation today is the fact that we must sometime commence to take care of our aged, our helpless children, and others who are unable to provide for themselves. There is no better time than the present to start this great humanitarian work which has been promulgated by our great President during the last session of Congress, as well as during this session of Congress.

I exceedingly regret, however, that I cannot agree with the members of the Ways and Means Committee in the enactment of the present bill without the McGroarty amendment just submitted, because the amount set forth in this bill in the way of pension, benefits, or whatever you may choose to call it, is wholly inadequate to provide for a decent and comfortable subsistence for our aged.

And may I also add that the age limit is too high in this bill. There are any number of men and women today who are holding positions but who are wholly unfit to do so—they should be retired and allowed to enjoy their declining years in peace and quiet, and also to make room for the younger generation who needs these positions. A man or woman should not be obliged to work up until their last day, but should have the security of a decent income so that they may enjoy their old age and get the pleasure out of life that was meant for all of us—rich and poor alike—without any discrimination.

There are a great many portions of the committee bill which have excellent humanitarian and meritorious qualities, and I know that the committee—the chairman of which I hold only in the highest esteem and respect—are anxious to enact a fair and acceptable bill; but, as expressed by some of the ranking members of the minority side of the House, it does not take care of the immediate needs of our aged.

I am in no way criticizing the committee for the manner in which they have submitted this bill, as I know they have labored unselfishly and untiringly night after night for more than 90 days in order to bring out the best bill which would be applicable to the needs of our old people and one which would pass the House. But I do not feel that I can support the bill in its present form, and I am therefore taking the floor today in support of the McGroarty bill as an amendment to title no. 1.

Mr. Chairman and Members, it behooves us to do that which is only right, decent, and proper to repay these old people for their labors and sacrifices through the years. We have prescribed and supported many other ventures throughout the country to take care of the needs of the unfortunate. Why cannot we do as much for our old folks who have given their all for the younger generation? We have been very liberal in appropriating money for other purposes, and I think that now is the time for us to do that humanitarian act and provide for the mothers and fathers in order that they may enjoy the short span of life that is before them.

I know there is no Member in this House who would not reach down in his own pocket and help some aged man or woman or some helpless child or mother who may be in need, so why not put our thoughts and feelings into legislation at

this time and do this one fine and humanitarian thing which none of us will ever regret?

Out in sunny California—the Golden State of the Union—we try to live up to the Golden Rule and do unto others as we would have others do unto us; and I can tell you sincerely that the cries of the aged throughout the Nation reach to the heavens above for the Members of Congress to vote for a fair old-age pension plan.

As I said before, the passage of this legislation at this time will not only be a great aid to the aged but will open up opportunities for the younger generation, inasmuch as it will provide additional positions and greatly relieve our unemployment situation.

We must all strive to carry out the American spirit and American principles to enact humanitarian legislation, and not develop a national weakness. We should be fair to all our citizens in every walk of life and, our fairness should not be tainted with any selfishness.

In conclusion, let me say that while this is entirely new legislation, and while we are pioneering, we must give a great deal of consideration to the many problems confronting us relative to the passage of this bill. I therefore sincerely hope and pray that every one of you men here will open up your hearts and support this legislation.

[Here the gavel fell.]

Mr. TRUAX. Mr. Chairman, I offer an amendment which I send to the desk.

The CHAIRMAN. The Chair may state to the gentleman from Ohio that there is an amendment pending to the amendment offered by the gentleman from Montana [Mr. MONAGHAN], therefore the amendment to the amendment offered by the gentleman from Ohio, being an amendment in the third degree, would not be in order.

Mr. MOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOTT. Mr. Chairman, in looking at the print, copy of which was offered as an amendment, now pending before the House, and which is supposed to be a duplicate of the text as printed in this morning's RECORD. I notice that it does not eliminate the \$2,400. May I ask now if it would be in order to ask unanimous consent that the print which is in the hands of the Clerk may be amended to conform with the print in the RECORD in that respect, which takes the \$2,400 out? If that is in order, I ask unanimous consent that that change may be made.

Mr. KRAMER. That is my amendment.

Mr. MOTT. So that it will conform to the text appearing in the RECORD.

Mr. VINSON of Kentucky. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. I could not hear just what the unanimous-consent request was.

Mr. MOTT. There is a typographical error appearing in the print now in the hands of the Clerk, which is supposed to be a duplicate copy of the printed text of the revised McGroarty amendment in the RECORD.

Mr. VINSON of Kentucky. I understood the gentleman to say that certain language had been left out of the RECORD.

Mr. MOTT. No; I should have stated it the other way around. The figures \$2,400 appear in the text which the Clerk has, but they do not appear in the text as printed in the RECORD.

Mr. VINSON of Kentucky. Is this a fifth Townsend plan?

Mr. MOTT. The gentleman will have to ask the gentleman from California [Mr. BUCK], because he is the authority on the number of revisions.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to modify the Monaghan amendment in the respect stated. Is there objection?

Mr. KRAMER. Mr. Chairman, I object.

Mr. MOTT. Then, Mr. Chairman, I move that the amendment be so modified.

The CHAIRMAN. Such motion would not be in order at this time.

Mr. MCGROARTY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I just want a minute or two to answer some things that have been said this morning and have been said before.

The distinguished Chairman of the Rules Committee, my very dear friend Mr. O'CONNOR, has put out not only the innuendo but the statement that the advocates of this bill are playing politics with human misery. The trouble with Mr. O'CONNOR is that he lives among the skyscrapers of New York and does not know the country. If he knew his countrymen as he should, if he should take a trip to California, where he has never been, and meet with people, he would know that no American worthy of the name would play politics with human misery. [Applause.]

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MCGROARTY. I only have 3 minutes.

Mr. O'CONNOR. The gentleman is mistaken. I said the Republicans were playing politics with human misery. [Laughter.]

Mr. MCGROARTY. Well, I do not believe it. I do not believe that even a Republican would do that. [Laughter and applause.]

Mr. Chairman, let us look this thing in the face. Before you vote on this amendment think twice. Thirty million of your countrymen and countrywomen want this bill enacted into law as amended now in the committee. This is the truth, and do not forget that they are hanging upon every word that is said in this House this morning and upon every vote that is cast. Use your own convictions if you want to—that is what you ought to do—but for God's sake think of these old people, so near to the heart of God, who need your help, and the only way they can get it is through this amended bill. Do not tell me that this social-security bill as presented to this committee means a thing. It means no pension, and you know it. It means nothing. [Applause.]

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, certainly I was a prophet and spoke correctly day before yesterday when I said that the bill then pending before the House bearing the name of the gentleman from California [Mr. MCGROARTY] would never be called to the attention of our committee for action.

We have an entirely new one here this morning, or at least, so the gentleman from Oregon [Mr. MOTT] has said, and he has stated that it answers all the objections which I made to H. R. 7154 the other day, which he was kind enough to say were valid objections.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. No.

Mr. MONAGHAN. Will the gentleman, then, support the bill?

Mr. BUCK. The gentleman can judge when I finish these remarks.

I want to call your attention to just what some of these amendments do.

In spite of all the verbiage that is on printed pages 5888, 5889, and 5890 of the RECORD, the objections made by the gentleman from Wisconsin [Mr. BOILEAU] and myself, that under the proposed McGroarty bill independent operators and small retailers will be penalized at the expense of the large operators have not been met. Section 2 (f) (5) and (6), which is new matter, does not prevent the Atlantic & Pacific Co., or any other chain-store organization, from buying directly from the producer and then through its stores making direct sales to the consumer. They are given the advantage of eliminating the wholesaler and the jobber and thus avoiding from one to three turn-over taxes.

The gentleman from Oregon may think he has this covered by subdivision 7—

Mr. MOTT. No; subdivision 5.

Mr. BUCK. Subdivision 5 does not cover it.

Mr. MOTT. Read it.

Mr. BUCK. I have read it, and in the limited time I have I cannot enter into a debate with the gentleman, and the gentleman knows it; otherwise, I would be pleased to do so.

Mr. MOTT. I shall not interrupt the gentleman further.

Mr. BUCK. I want the gentlemen of the Committee to read the new proposed substitute for title I in the light of the objections I made the other day.

The gentleman from Oregon, in his revised draft, attempted to remove the words "\$2,400 per year" in section 4 (e) and substitute "the amount of the annuity to which he would be otherwise entitled under this act." I regret that he was prevented from doing this through a clerical error. But if it had been done and the words "the amount of the annuity to which he would be otherwise entitled under this act" had been substituted, this amendment taken in connection with the proposed elimination in section 6 (c) of the words "not exceeding \$200 per month" would permit the payment of pensions up to \$1,000 per month or more if the United States Government were fortunate enough to collect that much money. It eliminates all restriction whatever and is even worse than the original Townsend plan.

Furthermore, in connection with the powers granted the Secretary of the Treasury, the gentleman from Oregon, in his amendments, has gone further than ever. He has now given, in section 2 (f), the Secretary of the Treasury power to prescribe what shall constitute a taxable transaction, and the Secretary of the Treasury may determine and prescribe the number of transactions to be taxed, in the course of the production, distribution, or sale of any article or commodity.

Mr. MOTT. The gentleman should yield there, Mr. Chairman.

The regular order was demanded.

Mr. BUCK. The amendments attempt to remove, and have removed successfully, my objection to the tax being laid on the amount of any mortgage on a farm when sold, but this amendment does not remove the objection that if a man who has an automobile and has a chattel mortgage on it, or if a man who owns any other personal property with a chattel mortgage, or if a man who has a lien against his livestock, who sells, will have to pay a tax on the lien on such chattel.

This is still one of the most vicious multiple-tax propositions that has ever been presented to the House.

The gentleman from California, the kindly gentleman, Mr. McGROARTY, spoke to you about 30,000,000 people having endorsed this proposition. Good God, has any one human being had time to endorse this proposition that is presented to you to vote upon here today? I have been trying diligently throughout the course of these hearings to secure some concrete proposal that might make sense, and have it debated, but no one can pin the Townsend supporters down to any stable plan. It changes over night. But even this changed plan cannot overcome the fundamental objectives.

Everyone knows that so far as I am concerned I have been one of the advocates of the most liberal old-age-pension systems that can be adopted, but this, Mr. Chairman, is not an old-age-pension system. It is just as the organizers of the Townsend plan have described it, an attempt to work an economic revolution, and as I told you day before yesterday in the committee, the revolution that will be worked will not be the economic revolution that the proponents of the plan desire, but within 6 months after such a bill was passed there would be a revolution on the part of every worker in this country against the bill. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. KRAMER] to the amendment offered by the gentleman from Montana [Mr. MONAGHAN].

The question was taken, and the amendment was rejected.

Mr. TRUAX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Page 4, line 13, strike out all of section 2 and insert a new section, as follows:

"Funds to provide for the purposes of this act shall be obtained by a capital-tax levy on all individual fortunes of \$1,000,000 and

over, on all inheritances and gifts, on all individual and corporation incomes of \$5,000 a year and over."

The CHAIRMAN. All time having expired, the question is on the amendment offered by the gentleman from Ohio.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Montana [Mr. MONAGHAN].

The question was taken; and on a division (demanded by Mr. MONAGHAN, Mr. McGROARTY, and others) there were—ayes 56, noes 206.

So the amendment was rejected.

Mr. SCRUGHAM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 1, following the enacting clause, insert the following as a new title.

"GRANTS TO STATES FOR OLD-AGE ASSISTANCE

"APPROPRIATION

"SECTION 1. For the purpose of enabling each State to furnish financial old-age assistance there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$250,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Social Security Board established by title VII (hereinafter referred to as the 'Board'), State plans for old-age assistance.

"STATE OLD-AGE ASSISTANCE PLANS

"SEC. 2. (a) A State plan for old-age assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim for old-age assistance is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and (7) *Provided*, That each State must collect from the estate of each recipient of old-age assistance an amount equal to the old-age assistance furnished such recipient, and of the net amount so collected there shall be promptly paid to the United States such sum or a proportionate part thereof as contributed to such recipient during his or her lifetime. Any payment so made shall be deposited in the Treasury to the credit of the appropriation for the purposes of this title. *Provided, however*, There shall be exempt from such lien, claim, or charge against the estate of such recipient the home or homestead of such recipient of a value not to exceed \$3,000.

"The benefits under this act shall not be granted to any person who has within 5 years prior to making application for old-age assistance divested himself or herself directly or indirectly of any property for the purpose of defeating or evading the lien herein provided for the repayment of any assistance that may thereafter be given such person.

"(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for old-age assistance under the plan—

"(1) An age requirement of more than 60 years; or

"(2) Any residence requirement which excludes any resident of the State who has resided therein 5 years during the 9 years immediately preceding the application for old-age assistance and has resided therein continuously for 1 year immediately preceding the application; or

"(3) Any citizenship requirement which excludes any citizen of the United States.

"(4) The taking of a pauper's oath in order to enjoy the benefits of this act.

"(c) (1) No person shall receive old-age assistance under the provisions of this act until he or she actually withdraws from the field of competitive earning: *Provided*, That the occupation of agriculture shall not be hereby deemed a field of competitive earning where the total area of land so cultivated shall not exceed 5 acres and where no products of said 5 acres or less are sold or bartered or offered for sale or barter: *Provided further*, That if the recipient reenters the field of competitive earning, he or she shall be ineligible for pension during the period of earning.

"(2) The qualifications of eligibility and the monthly amount to be paid to each recipient subject to the provisions of this act shall be governed by the laws of the State of residence of such recipient.

## "PAYMENT TO STATES

"Sec. 3. (3) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing July 1, 1935, (1) an amount, which shall be used exclusively as old-age assistance, equal to twice the total of the sums expended during such quarter as old-age assistance under the State plan with respect to each individual who at the time of such expenditure is 60 years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds \$30, and (2) 3 percent of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.

"(b) The method of computing and paying such amounts shall be as follows:

"(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of clause (1) of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such clause, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-third of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of aged individuals in the State, and (C) such other investigation as the Board may find necessary.

"(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State under clause (1) of subsection (a) for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter.

"(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified, increased by 3 percent.

"(4) Nothing in this act shall be construed as limiting the amount any State may pay as old-age assistance in excess of said total sum of \$30 per month.

"(5) *Provided, however,* That there shall be paid to all persons by the United States Government over the age of 60 years, who are citizens of and residing in the United States, commencing with the date of their eligibility, but not after June 30, 1937, who are now or who may hereafter be placed upon the public welfare rolls or who are receiving or may receive any aid or assistance from the Federal Government, State government, or any political subdivision thereof, the sum of \$60 quarterly, commencing with the quarter starting July 1, 1935, until the State of the residence of such recipient enacts appropriate old-age-pension legislation in conformance with and to obtain the benefits of this act.

## "OPERATION OF STATE PLANS

"Sec. 4. In the case of any State plan for old-age assistance which has been approved by the board, if the board, after notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

"(1) That the plan has been so changed as to impose any age, residence, or citizenship requirement prohibited by section 2 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

"(2) That in the administration of the plan there is a failure to comply substantially with any provision required by section 2 (a) to be included in the plan, the board shall notify such State agency that further payments will not be made to the State until the board is satisfied that such prohibited requirement is no longer so imposed and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State.

## "ADMINISTRATION

"Sec. 5. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$250,000 for all necessary expenses of the board in administering the provisions of this title.

## "DEFINITION

"Sec. 6. When used in this title, the term 'old-age assistance' means money payments to aged individuals."

Mr. DOUGHTON. Will the gentleman from Nevada yield?  
Mr. SCRUGHAM. I yield.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. SCRUGHAM. Mr. Chairman, there are many Members of this Congress who have a sincere and profound conviction that the pending committee measure to promote social security, as now drawn, is entirely inadequate to fulfill its purpose.

As a representative of this group, I first wish to express appreciation of the splendid spirit of fairness manifested by Speaker BYRNS and the House leadership, particularly the Chairman of the Rules Committee and the membership of the Ways and Means Committee, in giving us an open rule and permitting full discussions.

The essential features of this proposed amendment, which are largely the suggestions and ideas of the able Congresswoman from Arizona, may be enumerated as follows:

(a) Pensions are provided to be immediately available to those over the age of 60 now actually on the relief rolls, without the indefinite wait for enabling State legislation. With the exception of in a very few States, the prospect of any early relief for the aged under the terms of the Ways and Means Committee bill is a snare and a delusion. Disappointment and resentment on part of the proposed beneficiaries should not be invited, as in the pending committee measure.

(b) The next major point in which my amendment differs from the committee print is in the reduction of the required State contribution to a ratio of \$10 to \$20, instead of \$15 to \$15, and the eligibility and total amount to be paid is controlled by the State. Having possession of the power to coin money and to regulate the value thereof, it is only proper that the Federal Government assume the major monetary burden in the case. The tendency to drain the fluid wealth of the country into the great financial centers makes it impossible to have an equality of taxation between the States. Their resources for raising money are comparatively limited. The National Government should pay at least two-thirds of the cost of the old-age pensions.

The severe economic calamity from which we are just emerging is national in scope, and its mitigation is primarily a national and not a State responsibility.

(c) The next modification of the committee bill is in the authority to appropriate \$250,000,000 for the fiscal year ending June 30, 1936, instead of the sum of \$49,750,000. The latter amount is insufficient to give the relief intended.

(d) No pauper's oath is required. In case a beneficiary leaves an estate, it is made mandatory for the State to levy thereon an amount equal to the pension benefit paid, however, exempting a home or homestead up to the value of \$3,000.

(e) This amendment also compels the withdrawal of the pension beneficiary from the field of competitive employment.

(f) The State is given the right to exceed the \$30 per month pension if desired, the Federal contribution remaining at \$20 per month.

Recapitulating, this amendment markedly improves the committee measure, in that it actually provides an immediate pension for the aged, instead of an imaginary one, reduces the burden on the States, simplifies procedure, eliminates pauper oaths, and makes provision for refund of moneys paid to pensioners leaving estates. I trust that the amendment will prevail. [Applause.]

Mrs. GREENWAY. Mr. Chairman, those of you who have been courteous enough and have had the time to read the proposed amendment, must realize that its purpose and its method of administration are those of the bill that we are considering from the Ways and Means Committee. The language, in principal part, is the same. We wrote that deliberately for this reason. A great many of us in this House believe that the bill that we are considering and we are going to have to vote on shortly will not give to the old and destitute people of this country at this time anything whatever for practically 2 years. I have spent much time to try to present to you something that is reasonable enough to merit the support of the most conservative, something that is right, although inadequate, and something that will conform to all of our State problems, and that the Committee

on Ways and Means itself will concede, because our purpose is the same as the bill that has been reported to this House, namely, to give pensions to the aged.

We are dealing with people who are perfectly helpless. Who today, who is destitute and over 60 years of age, can help himself or herself? No one. We are not considering the distribution of wealth. We are considering the distribution of necessities of life that, in the language of the bill, ought to create "decency and health." The committee bill is written in such a way that most of the States cannot benefit therefrom until they have passed State legislation conforming to this bill. In many States that actually means a constitutional amendment to their State constitution and this cannot be obtained in any but a regular session of the State legislature. That puts off for 2 solid years our ability to function under this law and the aged will receive no pension meantime. The purpose and the administration of this amendment are like the bill that we are considering. I want to be honest, and not evasive. We have changed the years from 65 to 60 years, and have done that because I have in my files letters from departments of this Government saying that a man of 45 is too old to work.

What is going to happen to the people between 50 and 65 years of age? We have changed the matter of relief from 50-50 to one-third to two-thirds, the States to contribute one-third and the Government two-thirds. The argument against that is: What about the States that will pay the bill for the States that have not got the money to meet their share? Let us be honest. I can afford to be honest and proud. We try to take care of our old people in Arizona as best we can. We pay \$30 a month under certain conditions. Do you not think that the people of the United States generally who have developed the wealth in congested districts in some measure, thus fabricating the natural resources of the country, should care for the numerically few people in States like Oklahoma, for instance—wind-swept at this time, the very earth itself leaving the farms? Cannot we people throughout the United States who are better off afford to take care of the comparatively few thousand people in a place like Oklahoma and the other States which at the moment are hard up, but which over the history of time may come to be among the most wealthy States in the Union?

In this proposed amendment we do what may appear to be a very drastic and a very liberal thing, but it is a very deliberate thing. We make it compulsory that everybody applying shall give up gainful occupation, and that all people over 60 shall receive this pension. This is in order to avoid the overhead of bookkeeping and investigation. However, on the death of the recipient the amount received is refunded in its proportion to the State and the Federal Governments, and is held as a lien against their estate, with the exception of the home or homestead in which they live, and the pension is not a lien against that home. Also, under the amendment you can operate on a 5-acre farm, if you are not gainfully employed by selling your products for profit, and receive the benefits of such pension.

I congratulate the House on having taken even 20 hours to consider a bill that has to do with 45 years, and generations, possibly to eternity. It involves \$56,000,000,000, as I can read it. I ask you from the bottom of my heart to consider the merits of what I have given you, and to so vote that the people today who are receiving relief can be transferred to pensions in their helplessness until the State legislatures convene to conform to the provisions of the committee bill.

Mr. EKWALL. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. EKWALL to the amendment offered by Mr. SCRUGHAM: After the word "exceeds", on page 3, in line 26, strike out "\$30" and insert in lieu thereof "\$45"; on page 4, line 27, strike out "\$30" and insert in lieu thereof "\$45"; in line 36, on the same page, strike out "\$60" and insert in lieu thereof "\$90."

Mr. EKWALL. Mr. Chairman, I am heartily in accord with the amendment which has been offered by my good friend, Governor SCRUGHAM, of Nevada, and the gentlewoman

from Arizona, Mrs. GREENWAY, who are sponsoring the proposed amendment; but I am going a little farther than they. We are all from the West, where possibly our needs are different than in some of the other sections of the country.

I believe the age limit of the pensioners should be reduced to 60 years, and I believe that the monthly payment of the Federal Government should have a limit of \$30, rather than \$20, as provided in the proposed amendment.

I also believe that the provisions which require the States to meet this payment with one half as large should be deferred until the time set out in the proposed amendment, namely, June 30, 1937. Therefore, I have proposed this amendment providing that each quarter year the recipient shall receive \$90 rather than \$60.

I yield to no one in this House or anywhere else in my interest in the aged people of this country. I believe, however, that we should give them a law which will be operative, one which we have reason to believe the President will approve and sign, and which will do them some good immediately. I am heartily in favor of increasing these figures as herein outlined. I believe if we can raise the Federal contribution to \$30 a month and a provision is made that the States would not be required to match more than half that amount, those States which could match it fully or go beyond the required sum could certainly have the privilege of doing so and making the lot of their people that much better.

I believe this bill, if it is amended as proposed by my amendment to the amendment offered by Governor SCRUGHAM, will empty the poorhouses of this country and will bring a reasonable measure of security to our deserving aged people. I believe it will do many of the things that have been claimed for other bills which have been proposed. I have no quarrel with any of them. I am doing what I consider my duty, trying to use my efforts on behalf of the best bill that, I think, we can pass at this session of Congress and have approved by the President. I hope the men and women in this Chamber will give very serious consideration to this question of raising the Federal contribution and of lowering the age limit to 60 years.

I agree with the gentlewoman from Arizona when she says that many people are cast off long before they become 60 years of age. We certainly must do everything reasonably possible to meet this crisis and to provide a bill which in a practicable manner will really aid the people of this country. When we have finished our deliberations on this bill we should have the conviction that we have done everything possible for the aged people at this time under these circumstances, considering the financial condition of the country. It would be a movement forward, and from time to time we could improve on the law in the light of experience gained from its operation.

Mr. SHORT. Will the gentleman yield?

Mr. EKWALL. I yield.

Mr. SHORT. Does not the gentleman feel that the best feature of the pending amendment is that it provides for immediate benefits to old people?

Mr. EKWALL. Yes. I thought I made that clear in supplementing the remarks of the lady from Arizona. These payments will begin immediately without the necessity of the State legislatures having to convene in order to pass laws to synchronize with the provisions of this bill. It will be a godsend to the people of this country. Let us give them help now when they need it. I think now is the time to aid them with something that is really substantial, practical, and which in all probability will meet Executive approval.

Mr. WOOD. Will the gentleman yield?

Mr. EKWALL. I yield.

Mr. WOOD. Referring to subsection 5 of section 3 of the amendment, is it the gentleman's opinion that all persons over 60 years of age, who are in need and can qualify with reference to their needs, will immediately start drawing \$60 a quarter pension?

Mr. EKWALL. Ninety dollars.

Mr. WOOD. With the gentleman's amendment, \$90?

Mr. EKWALL. Yes.

Mr. WOOD. Now, what about the States which have old-age pension laws and have their regulations, providing, for instance, that they must be citizens for 5 years at least?

The CHAIRMAN. The time of the gentleman from Oregon [Mr. EKWALL] has expired.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that the gentleman be given 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WOOD. There are 29 States that have old-age pension laws—

Mr. VINSON of Kentucky. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Kentucky. Is the discretion of recognition in the Chair?

The CHAIRMAN. It always is.

Mr. SAMUEL B. HILL. The question is, Mr. Chairman, how the time is to be divided. The time was limited to 30 minutes.

Mr. WOOD. I only asked that he be given 1 additional minute to answer my question.

The CHAIRMAN. The Chair recognizes the fact that the time is limited, but when the gentleman asked for 1 additional minute, if the gentleman from Washington had any objection, he had the right to object at that time.

Mr. WOOD. The only thing I want to get clear in my mind is this: There are 29 States which have old-age pension laws now. They have requirements that those old people must be citizens for at least 5 years. How is this amendment going to affect them?

Mr. EKWALL. This amendment will not have an effect on any State law until the waiting period for State participation is over, at which time the State provisions would have to conform to the Federal provisions contained herein.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

I speak for the committee and in opposition to the substitute and the amendment thereto. I want to say personally that I am sorry the good lady from Arizona [Mrs. GREENWAY] did not appear before the committee when the committee was holding public hearings.

Mrs. GREENWAY. Will the gentleman yield?

Mr. McCORMACK. Yes; I yield.

Mrs. GREENWAY. I had no bill to offer. I only wanted to offer an amendment. I had to wait until I could see the bill which the committee reported and study it.

Mr. McCORMACK. I repeat, I am sorry the gentlewoman from Arizona did not appear before the committee with or without a bill to contribute to the committee evidence to which the members of the committee might give consideration when it went into executive session.

This substitute is suddenly offered. Nobody knows its contents. Somebody takes the floor and tells us it means an increase to \$20, and somebody else tells us it means a reduction of \$10 by a State. It contains some words to that effect. The age limit is reduced from 65 to 60, and the appropriation is increased from \$50,000,000 for the first year to \$250,000,000. No committee of the House has considered the plan which is offered as a substitute. Nobody knows how many people over 60 are on welfare in this country. We do know, however, there are approximately 1,000,000 people on the welfare list of the country who are 65 or over.

Mrs. GREENWAY. The welfare agencies can furnish statistics as to how many on relief are over 60 and how many are over 65.

Mr. McCORMACK. How many are over 60?

Mrs. GREENWAY. Just a little under 1,000,000; and their names and addresses are contained in the welfare catalogs.

Mr. McCORMACK. The gentlewoman from Arizona states that there are a little less than 1,000,000 on welfare who are 60 years of age.

Mrs. GREENWAY. No; who are over 65.

Mr. McCORMACK. Can the gentlewoman from Arizona give any information as to how many are on the lists who are over 60?

Mrs. GREENWAY. No.

Mr. McCORMACK. That answers my question and my argument. There has been no evidence submitted to this committee as to the number who are on the welfare rolls over the age of 60, and this matter has received no consideration. On the other hand, the Ways and Means Committee have given 3 months to the consideration of this bill.

Mrs. GREENWAY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am sorry; I have but a moment left.

In the consideration of this great movement we must not break down our dual system of government. I have great pride in State rights; I have great pride in our States' governments, and I have equally great pride in our Federal Government. This amendment is a step in the direction of the disintegration of our dual system. It provides for a two-thirds contribution by the Federal Government and one-third by the State government. Why not go the whole distance if you want to do this; why not federalize each of the unfortunates of our country rather than have them subject to the jurisdiction of their local government and subject to local sentiment? Why have the social workers from one part of the country go into other parts of the country where they have no knowledge of local conditions or of local sentiment and enter into the family life and dictate the principles of family life in the sections of the country into which they go?

We want local sentiment governing our social service with reference to the unfortunate dependents of our country. I want those who have knowledge of conditions in Massachusetts to administer the law in Massachusetts; and in California, Idaho, and other States I want those administering the laws to be people acquainted with local conditions, persons in whom the people have confidence.

I am speaking for the Committee on Ways and Means. This amendment is not meritorious, is impractical, and unworkable, and the committee hopes it will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada.

The question was taken; and on a division (demanded by Mr. MOTT and Mr. SHORT) there were—ayes 87, noes 165.

So the amendment was rejected.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. CONNERY offers the following amendment: On page 8, before title I, insert the following as a new title:

"TITLE I

"The Secretary of Labor is hereby authorized and directed to provide for the immediate establishment of a system of unemployment insurance for the purpose of providing compensation for all workers and farmers above 18 years of age, unemployed through no fault of their own. Such compensation shall be equal to average local wages, but shall in no case be less than \$10 per week plus \$3 for each dependent. Workers willing and able to do full-time work but unable to secure full-time employment shall be entitled to receive the difference between their earnings and the average local wages for full-time employment. The minimum compensation guaranteed by this act shall be increased in conformity with rises in the cost of living. Such unemployment insurance shall be administered and controlled, and the minimum compensation shall be adjusted by workers and farmers under rules and regulations which shall be prescribed by the Secretary of Labor in conformity with the purposes and provisions of this act through unemployment-insurance commissions directly elected by members of workers' and farmers' organizations.

"SEC. 2. The Secretary of Labor is hereby further authorized and directed to provide for the immediate establishment of other forms of social insurance for the purpose of providing compensation for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability. Such compensation shall be the same as provided by sec-

tion 1 of this act for unemployment insurance and shall be administered in like manner. Compensation for disability because of maternity shall be paid to women during the period of 8 weeks previous and 8 weeks following childbirth.

"SEC. 3. All moneys necessary to pay compensation guaranteed by this act and the cost of establishing and maintaining the administration of this act shall be paid by the Government of the United States. All such moneys are hereby authorized to be appropriated out of all funds in the Treasury of the United States not otherwise appropriated. The benefits of this act shall be extended to workers, whether they be industrial, agricultural, domestic, office, or professional workers, and to farmers, without discrimination because of age, sex, race, color, religious or political opinion, or affiliation. No worker or farmer shall be disqualified from receiving the compensation guaranteed by this act because of past participation in strikes, or refusal to work in place of strikers, or at less than average local or trade-union wages, or under unsafe or insanitary conditions, or where hours are longer than the prevailing union standards of a particular trade or locality, or at an unreasonable distance from home."

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CONNERY. Mr. Chairman, my distinguished colleague, the gentleman from Massachusetts [Mr. McCORMACK], just gave as one reason for opposing the previous amendment, his desire to see State rights protected and not to have outside social workers coming into communities and interfering with the lives of the people. I agree with my friend on that proposition.

I call attention to the fact that in the Lundeen bill which I am offering at this time we prevent social workers from going into the States and interfering with the rights of the citizens. Under the Lundeen bill the workers elect their own representatives under the administration of the Secretary of Labor; and so in this bill the people of Arizona, California, Massachusetts, Florida, and every other State, have the say in how they want these funds to be administered. Concerning the bill before the House I have no fault to find with the Ways and Means Committee. That committee worked hard and deserve great credit for that reason.

They said they discussed that bill for 3 months. I want to call the attention of the Members of the House to the fact that the Committee on Labor, of which I have the honor to be chairman, has been considering that legislation for 15 years. We have considered old-age-pension legislation, unemployment insurance, maternity care, child-welfare care, and every phase of legislation contained in this bill, and as a result of 15 years of study by the Committee on Labor our committee reported favorably to the House of Representatives by a vote of 6 to 1 of the subcommittee and by a vote of 7 to 6 of the full committee the Lundeen bill which I am offering now as an amendment to the pending bill.

Mr. Chairman, we know all about unemployment insurance from the testimony before our committee in the past 15 years. We know all about old-age pensions. We know who is going to stand the burden of this bill brought in by the Ways and Means Committee before the House. We do not want the poor people of the United States to carry the burden of supporting themselves. We want the tax to come where it ought to come from. The other day in passing the McSwain bill taking the profits out of war, the House adopted an amendment providing for an excess-profits tax of 100 percent in order to take the profits out of war. We are asking you today in the Lundeen bill to take off the burden from the backs of the poor people to stop the big employers, the big money interests of the United States, from exploiting the great masses of the people. You now have the opportunity today to vote for this Lundeen bill in order to take care of the unemployed men and women of the United States, in order to take care of their dependents as well. Do not take the money from the poor by a pay-roll tax, but get the money where it ought to come from, namely, by taxing tax-exempt securities, by taking it from the big swollen fortunes of the United States, from men who do not want to pay the share which they ought to pay toward

taking care of those who are responsible for their wealth, the poor, helpless, and exploited masses of the American people. [Applause.]

Mr. LUNDEEN. Mr. Chairman, I rise in favor of the amendment. Permit me to call attention of the Members of this House to the fact we are not getting roll calls on these amendments. I cannot understand the frame of mind of these gentlemen in control. I think we should have roll calls on the McGroarty-Townsend amendment, as well as on the amendment presented by the gentleman from Nevada [Mr. SCRUGHAM], so ably supported by the distinguished gentlewoman from Arizona [Mrs. GREENWAY].

Mr. Chairman, we should have a roll call on the amendment presented by the gentleman from Massachusetts [Mr. CONNERY], the able Chairman of the great Labor Committee. But these amendments are all being voted down one after another and there are no roll calls on any of them. That is what we are objecting to. We ought to have roll calls so that the country may know how we voted on these various measures. The roll call is the best means of ascertaining where we stand.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. LUNDEEN. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman understands, of course, that we cannot have a roll call in the Committee of the Whole under the rules of the House.

Mr. LUNDEEN. I grant that, but if I had the say and if there were a labor party in control of the House of Representatives, we would have a rule so that the people of America could find out how Congressmen stand on the McGroarty-Townsend bill and on the Lundeen bill, which has been favorably reported by the Labor Committee.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. LUNDEEN. I yield to the able and courageous gentleman from New York.

Mr. MARCANTONIO. We could have had a roll call if they had brought this bill in under a special rule providing for two or more motions to recommit, as was done in the case of the bonus bill. The so-called "generosity" flaunted here this morning is, therefore, a sham, and we are still working under a trick rule.

Mr. LUNDEEN. The gentleman is right, and he reminds me of another matter. I am thinking of the huge appropriations which have been made for the next war, and I am in favor of adequate defense, but we have gone absolutely wild with appropriations of a billion dollars for 1936 to prepare for wars on other continents. At the same time we have no money for the veterans of America. I am for the Patman, so-called, "bonus bill." The administration says we cannot pay that. We ought to do something for the American people. The bill before us provides not a dollar, not a cent, not a nickel, for the twelve or fifteen million unemployed. What are you going to tell your folks back home when the unemployed rise up in the campaign and say, "Where do we come in?" You will have to say to them, "You do not come in." Perhaps they will have something to say to us then.

Mr. CONNERY. Will the gentleman yield?

Mr. LUNDEEN. I yield to our leader from Massachusetts.

Mr. CONNERY. Before the subcommittee the gentleman had some 80 witnesses appear, which witnesses covered every walk of life?

Mr. LUNDEEN. Yes; and some of them were prominent economists of the country, from Bryn Mawr College, Smith College; the College of the City of New York, Johns Hopkins University and from Bradford College.

Mr. CONNERY. And labor?

Mr. LUNDEEN. And labor. I thank the gentleman for his suggestion there. I may be mistaken, but I do not believe there has been a single labor union connected with the American Federation of Labor that has endorsed the administration bill. If so, I would like to have the name of that labor union. Can any of you gentlemen name me one? There seems to be no answer. We have endorsements of

thousands of labor unions in this country, American Federation of Labor unions. I refer you to the Senate Finance Committee hearings for the names of the organizations that have endorsed the Lundeen bill—they want unemployment insurance now. They want old-age pensions to commence with the passage of this bill, not in the dim, distant future, when half of these people are dead. We want to do something for the unemployed today, men and women who built America into a mighty Nation, veterans, farmers, workers, now unemployed; they have a right to exist; they have a right to life, liberty, and the pursuit of happiness.

#### THE TOWNSEND PLAN

We just listened to eloquent appeals for the revised Townsend plan, demanding that we give adequate compensation to the aged now—today—and not wait until sometime in the future. The House has seen fit to vote down that proposal. I call attention to the fact that I was the fifth signer on the petition on the Speaker's desk to bring the Townsend plan before this House for discussion. Is there any reason why we should not fully debate so important a plan before this House and have a roll call vote which you are being denied today?

#### THE GREENWAY PLAN

We have listened to the distinguished lady from Arizona [Mrs. GREENWAY] one of the ablest and most courageous Representatives on the floor of this House, pleading that we do something now for the aged. Meanwhile, the administration bill talks about doing something in the dim and distant future when millions of these aged will have passed from this life, and certainly the proposal of the gentlewoman of Arizona deserves a roll call vote in this House.

You have voted down all of these proposals. You have beaten them back, and you have said to them, "We will not do anything for the aged now. We will not permit you to help the aged today or tomorrow or this year or next year. We will think about doing something for them several years from now."

#### HOUSE LEADERS DECLARE ADMINISTRATION BILL INADEQUATE

I say to the Members of this House that you will face the voters in 1936, and these aged people will rise up in your audiences and demand from you, "What did you do to bring us adequate, genuine old-age pensions in the Seventy-fourth Congress?" And I predict that they will not be satisfied to hear you say that, "We voted something for you for sometime later on—years from now." And remember that the initial appropriation of \$49,750,000 has been rated by able men on this floor—Democrats, I might say, notably the gentleman from Arkansas [Mr. McCLELLAN]—as low as \$4.17 per month on the basis of 1,000,000 out of 7,500,000 people who are more than 65 years of age, and \$2.08 per month on the basis of 2,000,000 aged people who the gentleman estimates are in need of this relief. The gentleman from California [Mr. GEARHART] estimates that the initial old-age provision of the administration bill will provide \$6.56 per year, 54 cents per month, 1½ cents per day, and even then there are many States in such deplorable financial condition in the midst of this panic that they cannot pay even this pittance, pitifully and utterly inadequate, as provided in the administration bill.

I want Members of this House to know that the Lundeen bill, H. R. 2827, is designed to help all workers, men who toil in the shops and factories and transportation lines of our country; who walk behind the plow; domestic workers, professional and office workers, and all men and women who are unemployed through no fault of their own; and it is designed to begin payment now, not later on, but now; and I say to you gentlemen of this House that we are asking for only \$10 per week minimum and \$3 per dependent, and that is all. That is the minimum. Oh, you may say, what about the maximum. The maximum is the average wage of the community in which they live, which averages less than \$100 a month, as shown by official Government labor statistics. Why gentlemen of the administration were talking here yesterday about \$85 a month as not an unreasonable amount.

#### COST OF PRESENT RELIEF

Harry L. Hopkins, able Federal Emergency Relief Administrator, in a speech published by the President's Committee on Economic Security, page 3, says that—

We now have 4,600,000 families on relief, and 800,000 single persons in addition.

And he states on the same page, in a prior paragraph, that—

It is going to cost the American people far more in the future than the proposed \$4,000,000,000—perhaps twice four billion—if we keep up this relief.

Why, gentlemen, under the Lundeen bill, we are not asking for any more than the costs of actual adequate relief in the country, but we are asking for it on the basis of equality and on a basis of right. We are demanding it for the working people of these United States, whether they work in an office or in a shop, or on a farm, or in a factory. We are asking for it on the basis of respectability, for upstanding American citizens who do not have to beg for charity. We demand that these American men and women have the right of a pension, of the right of a compensation. For did they not build this country out of a wilderness, and did they not raise the mansions of the rich? Did they not build our factories and financial institutions and great cities here with their own hands and with their technical knowledge? We cannot drive these people into further distress and misery and poverty. Continued relief will tend to destroy their moral fiber and self-respect and tend to make of them medicants who beg for daily aid. That is not Americanism. That is going back to the medieval ages. That is going back to the day of the castles and the barons and the serfs. We want none of that.

#### "BONUS" PAID INDUSTRIALISTS

We talk about more money for the Army and the Navy, and I am in favor of an adequate defense of the home soil of our country, but we are overreaching ourselves. We are going mad with war preparedness and all at the very moment when we spend a billion for further armaments and battleships for wars to be fought in Europe, Asia, and Africa, we turn on the soldiers who fought and won the last war and tell them, "You shall not have immediate cash payment of your adjusted-service certificates. They shall not be paid until a million or more of you are dead. Then we will think about paying you in 1945." But we did not hesitate to pay the munitions makers, the bankers, and the railroads as soon as war ended when they clamored at the doors of the Capitol for millions and billions.

We promptly paid them. There was no hesitating; they were paid. We did not hesitate to loan to kings and emperors of Europe more than \$10,000,000,000 for rehabilitation to put the industries of Europe on their feet so that they could cut our own throats with our own money, and when that interest had been figured into 62 years, and the sum total amounted to \$25,000,000,000, we did not hesitate on this floor and in the Senate and in the White House to cancel one-half of that twenty-five thousand million dollars, principal and interest—about the year 1926; and I must say I had no part in that. I opposed these loans to Europe. We canceled, I say, \$12,087,667,000; and the kings and emperors and militarists of Europe went us one better. They said: "All right, you canceled half, now we will cancel the other half", and they did just that. We have unloaded from the backs of the European taxpayers twenty-five thousand million dollars, and we have placed that load upon the American taxpayer and he is staggering under that load today.

We did not hesitate to do that, to the everlasting injury and harm of the great American people; but when the aged come to Washington, these men and women who suffered and toiled and struggled to build this great and grand country of ours, then we have no money and then we proceed to talk about passing a camouflage bill that holds up the illusion like some mirage which they see in the distance, and that they ever walk toward and seek to find but never find. In the dim and distant future they are to get an old-age pension, and if they ever get it, if they live long enough to get it;

it is going to be as the gentleman from California [Mr. GEARHART] says during the first year \$6.26 for each person of the seven and one-half million over 65 years of age in these United States on a first year fixed offer of \$49,750,000, which amounts to 54 cents a month, or a little better than 1½ cents a day, for each of the seven and one-half million.

That is something, my fellow citizens and colleagues, to give the aged of the United States so that they can enjoy the blessings guaranteed by the Declaration of Independence: "Life, liberty, and the pursuit of happiness."

#### PROMINENT LEADERS SUPPORT LUNDEEN BILL

I want you, my colleagues, to remember the words of Congressman WILLIAM P. CONNERY, Chairman of the Labor Committee, on this day. I think his words will ring in your ears long after you have left this hall. I want you to remember the words of Congressman SROVICH, Chairman of the Patents Committee, who said, page 1602 of the RECORD for February 6, 1935:

I still consider the Lundeen bill as the only bill that would solve the social problem of old-age pensions and the unemployment insurance.

I want you to remember the words of Congressman KENT KELLER, Chairman of the Library Committee of this House, who said, page 5552 of the RECORD for April 12, 1935:

The Lundeen bill is an idea, and it is a broad-gaged idea. It is an idea that is worth the time of any Member on this floor giving attention to, because I am not willing to say it might not hereafter become the ideal plan to be adopted by the American people.

I want you to know that the Authors' League of these United States, the men who write the editorials and the news articles for the great newspapers of the United States—these men have endorsed the Lundeen bill.

I want you to know that professional organizations without number have endorsed H. R. 2827, known as the "workers' bill." I want you to know that thousands of American Federation of Labor local unions, international unions, six State federations of labor, and scores of central labor bodies have endorsed this bill after debate and over the opposition of high officials of the American Federation of Labor. I want you to know that thousands of these American Federation of Labor organizations have endorsed this bill, and I challenge anyone here on the floor today to show me a single union of the American Federation of Labor which has endorsed the administration bill. I may be mistaken. If I am, I want to be corrected now. I have heard of not one single such union, have you?

I want to repeat here the words of William Green, president of the mighty American Federation of Labor of these United States, with millions of members, who, in an article published in Labor for February 5, 1935, stated that the administration bill is "pitifully and utterly inadequate."

What more devastating, destructive, completely annihilating statement can any man make in this country today than that—"pitifully and utterly inadequate"? That is the statement of William Green, of the American Federation of Labor, and I want to say that I am proud today to have the leading labor leader of the House of Representatives, Hon. WILLIAM P. CONNERY, than whom no bolder warrior for the rights of labor ever stood on this floor, leading the fight today in behalf of the Lundeen bill, H. R. 2827, and I am proud to march in the ranks whenever he leads the way.

I want you to see, and I will be glad to show any Member of this House, wires and letters from scores and scores, hundreds and hundreds of great organizations—not just wires and telegrams from various individuals, but from great organizations who have thoroughly debated this measure and who are for this bill, and I will say without hesitation that there is no bill before the Congress today that has been endorsed by so many organizations as has H. R. 2827, known as the "Lundeen workers' unemployment, old-age, and social insurance bill."

#### OLD-AGE PENSIONS FOR THE DEAD

You have drafted a bill for unemployment insurance. You provide no insurance for those now unemployed. What kind

of an unemployment insurance bill is that? Please define that to me. You say this is a bill for the aged, and then you tell the aged that they must wait until they die before they get old-age pensions. You say that you will help the States, when you know that the States are bankrupt and financially wrecked because of the war which gentlemen on this floor and in the Senate and in the White House thrust upon the people of the United States, against their expressed vote in the November 1916 election, when they voted to keep us out of that war. I say that that Congress, and I say that the Government of the United States put the American people into this panic, into this terrific financial disaster and drove our people into this misery and poverty, and I say it is up to the Congress of the United States to pay our aged and unemployed people, and the way to pay these people is to tax the fortunes of the superrich in the United States.

We want a tax on all income figures above \$5,000. Leave the little fellow below \$5,000 alone, but when a man is earning five or ten thousand, or \$25,000, or a million or more, it is time to make him realize that he has a responsibility to the people who made this money for him; for he surely did not create all this wealth himself. He is merely a custodian for this money, which other people sweated and toiled and made for him. He may have been a good manager; he may have had a good business head, but others created the wealth for him. He is merely a custodian of that wealth, and he owes something to the man and the wife and the children of the man who created the wealth for him. I propose to lay a heavy hand of taxation upon these men who shouted for war and who were so "patriotic" in 1917 and who told the soldiers that they could have anything if they would go to Europe and protect their international investments; who told the American people that unless they went to war, the Kaiser and his legions would be marching up Pennsylvania Avenue.

#### ARE BRITISH MILLIONAIRES MORE PATRIOTIC THAN AMERICAN MILLIONAIRES?

These men are responsible for the terrible tragedy that we are in. I say, let them pay! I say that we have a splendid method of taxation in mind, not an untried method of taxation. It is the British system of taxation. We have a great habit in the United States of trailing along behind the British Government, in recent years, at least, I must say. Now, I propose to follow them at least in one respect, although no one can say that I have been much for legislating in the wake of England—and that is, the British have a system of income and inheritance taxes which they have enforced upon the superwealth of their country, and that system of British taxation if it had been applied to the United States in 1923, it would have yielded us more than \$5,000,000,000. This you will find in reading the hearings of the Labor Committee as placed in the RECORD, by noted economists.

We might have collected over five billion, which would have been enough to take care of all of the provisions of the Lundeen bill. It is true that in years subsequent to 1923 their incomes have been somewhat decreased, but I am informed by reliable financial authorities that large incomes have increased in the last 12 months and that wealth is piling up and men are growing richer at this very moment, so I say the time has come to apply the British income-tax and inheritance-tax rates on incomes about \$5,000, and the time has come to levy income, inheritance, and gift taxes, so that the Treasury of the United States may have the war funds with which to fight this depression. I want to recall to your minds—and you know that I am telling you the truth—that every dollar of this money that you pay to these people in compensations and pensions will be infused into the arteries of commerce and that it will flow into the channels of trade and stimulate business. Then men will once more in America walk erect, look their fellowmen in the eyes, and stand erect in the sunlight of God, self-respecting American citizens instead of cringing before the relief administrators in front of some counter where some haughty clerk looks them over and passes upon their means test or pauper test—foundations of financial poverty and distress.

The time has come to end this shameful condition in this country, and I say to the ladies and gentlemen here, and I hold all of you good colleagues of mine in high regard, that if we do not solve it and solve it as self-respecting Americans should solve it, we will be given a vacation from the Congress of the United States and an angry citizenship will rise up and send here to these halls men and women who will dare to carry out the wishes of the rank and file and the mass of American voters.

#### LABOR COMMITTEE HEARINGS REVEAL MERITS OF LUNDEEN WORKERS' BILL

The Committee on Labor, which held hearings on the Lundeen bill, H. R. 2827, reported the measure favorably and without amendment and recommended the passage of the bill.

The hearings commenced on February 4, 1935, and concluded on February 15, 1935, during which time testimony was heard from 80 witnesses who appeared to speak in favor of the bill. The witnesses included seven economists, specialists in the law, social service and relief, women in industry, maternity care, and medical service; 12 representatives of American Federation of Labor local unions, most of whom were delegated by district committees of American Federation of Labor locals representing hundreds of locals; farmers, veterans, unemployed workers, small home- and land-owners; a representative of the railroad brotherhoods; representatives of professional workers, including writers, teachers, physicians, architects, engineers, chemists, and technicians; dentists, and many others. All of the above-mentioned witnesses testified as to the wide-spread necessity for genuine unemployment and social insurance and testified in favor of this bill, H. R. 2827.

#### FEATURES OF THE BILL

The bill provides for the immediate establishment of a system of social insurance to compensate all workers and farmers, 18 years of age and over, in all industries, occupations, and professions, who are unemployed through no fault of their own, and for the entire period of this involuntary unemployment. To prevent the lowering of minimum standards of living, insurance benefits are to be equal to full average wages in the locality; and in no case less than \$10 a week, plus \$3 for each dependent. Those employed part time who are unable to find full-time employment, are to be paid the difference between their earnings and the prescribed insurance benefit. As a further safeguard of the minimum standards of living, stability of the purchasing power of the insurance payments is to be maintained by requiring the minimum compensation for unemployment to be increased with increases in the cost of living. Administration of the insurance and adjustment of the minimum compensation shall be controlled by unemployment-insurance commissions directly elected by workers' and farmers' organizations under rules and regulations prescribed by the Secretary of Labor in conformity with the purposes and provisions of the act.

Similar social insurance would be established by the Secretary of Labor for all workers and farmers who are unable to work because of sickness, old age, maternity, industrial injury, or any other disability.

Moneys necessary to pay the compensation and to administer the act would be paid by the Government of the United States out of funds in the Treasury not otherwise appropriated, increased if necessary by levying additional taxation on inheritances, gifts, and individual and corporation incomes of \$5,000 a year and over.

#### DIFFERENCES FROM OTHER PROPOSALS

This bill differs from other proposals in that (1) it covers all the unemployed for the entire period of their unemployment, whereas other systems limit the occupations covered and the duration of benefits so that numbers of the unemployed who are outside its scope or who have exhausted benefit payments are left dependent upon private charity or public relief; (2) it derives its funds from current taxation instead of from reserves built up through taxation on pay rolls, which inevitably raises prices to the consumers, taxes wages and salaries, directly or indirectly, and by the reserve features complicates the debt-credit structure of the mone-

tary system, thus tending to prolong depression and to create further maladjustment between funds available for investment and money available for consumers' purchasing power; (3) it provides democratic administration by workers' representatives.

#### WHY SOCIAL INSURANCE IS NEEDED

Testimony summarizing the need for this new form of social insurance showed that the continuation of extensive mass unemployment demands comprehensive action to provide insurance for all workers, in lieu of income from earnings now cut off through long-continued depression. Estimates of present unemployment placed before the committee ranged from 14,000,000 to 17,000,000. Indices of employment and earnings were cited showing that both are still considerably below the level of 1923-33 or 1925-27, but that total earnings are disproportionately low as compared even with the continued low level of employment, indicating a lowering of the purchasing power of the masses. At the same time, output per man per hour has considerably and disproportionately increased, indicating the probability of increase in permanent technological unemployment.

The great and vital need of the unemployed for means with which to buy the necessities of life for themselves and their families is not and cannot be met by the uncertain and inadequate provision for relief. The new proposed work-relief program will, at best, if enacted, provide relief for approximately one-third of the jobless in the United States who are seeking employment. Yet there are at least 20,000,000 persons in this country whose sole or chief source of subsistence is obtained through the program of the Federal Emergency Relief Administration. For these only an assured and immediate social-insurance program can prevent appalling destitution which will permanently undermine standards of living.

Mass unemployment, though unusually long continued and wide-spread in the present crisis, is not an unusual emergency, but has recurred at frequent intervals in this country. Between 1793 and 1925 the number of depressions was 32, with an average period of 4 years from panic to panic. For every year of depression, there was only one and a half years of prosperity. The time has come for definite recognition of the obligation of government and the economic system to insure continuity of income.

The Lundeen bill is a practical proposal. Technicians and scientists agree that the productive capacity of the United States is equal to a far greater measure of security and to far higher standards of living than have yet been established; and science and invention promise to expand this productivity to a higher level if the productive system can be freed from the recurrent burden of industrial depression.

This, however, cannot be achieved merely by rearranging workers' earnings by taxing pay rolls for reserves for future unemployment. The first step is compensation for insecurity by taxing higher incomes, not pay rolls.

As a continuing problem, mass unemployment requires congressional action because of the mandate laid upon Congress by the Constitution to provide for the general welfare. The general welfare is undermined at all points by mass unemployment.

#### ESTIMATES OF COST OF THE BILL

To determine the cost of the social insurance which would be provided in H. R. 2827 requires several estimates, which should be used with caution. In the first place, the United States has no current basis for ascertaining accurately the number of the unemployed.

The second and more important point requiring caution relates to the estimate of the effect of social insurance upon purchasing power, and its consequent results in decreasing the amount of unemployment through stimulation of reemployment. No experience in this country is available to indicate the extent to which an increase in consumers' purchasing power for those in the lower income groups would stimulate production and increase employment.

If it is assumed, however, that the entire amount of benefits paid under the provisions of this bill would appear in the market as new purchasing power, economists have cal-

culated that 60 percent of this total would become available as wages and salaries. Therefore, on the basis of given average wages and salaries, it can be estimated how many persons could be reemployed, and this would result in a corresponding decrease in the number of unemployed eligible for benefits, and therefore in a reduction of costs.

Having in mind the above cautions, it may be said at once that if there be 10,000,000 unemployed, the annual gross cost, after taking care otherwise of those who should receive old-age pensions and those who are unemployed because of sickness or disability, and eliminating those under 18 years of age, to whom the bill does not apply, would be 8,235,000. Deducting from this the estimated decrease in the cost of unemployment insurance on account of the reemployment of workers following the establishment of a social-insurance program, \$6,090,000,000, and adding to it the cost of old-age pensions, sickness, disability, accident, and maternity insurance, and deducting present annual expenditures for relief amounting to \$3,875,000,000, we would have a net annual increase for the Federal Government imposed by the provisions of the bill amounting to \$4,060,000,000.

If the number of unemployed be equal to the average number estimated as unemployed in 1934, as 14,021,000, then the annual net increase in cost, after deducting present expenditures for relief and estimating the reemployment which would follow adequate social insurance, would be \$5,800,000,000.

The estimate of total costs of the program for social insurance under the bill should be compared with the amount that workers have lost in wages and salaries since the beginning of the depression. According to estimates published in the Survey of Current Business for January 1933, total income paid out to labor since 1929 was as follows (in millions):

	1929	1930	1931	1932	1933
Total income.....	\$52,700	\$48,400	\$40,700	\$31,500	\$29,300
Loss from 1929.....		4,300	12,000	21,200	23,400

The total loss to workers in wages and salaries in the first 4 years of the depression has amounted to \$60,900,000,000. It is with these huge losses sustained by American workers during these 4 years that the costs of security provided by the bill should be compared. Furthermore, in view of the inadequacy of present relief measures, it must be realized that the cost of truly adequate relief would be the cost of this bill.

SOURCES OF FUNDS

An important difference between H. R. 2827 and other proposals is in the source of funds. Other proposals, including H. R. 4120 and H. R. 7260, the Wagner-Lewis-Doughton bills, depend on the building up of reserves in advance of payment of benefits, these reserves to be secured by a tax on pay rolls. Several serious objections are made to this method. In an article in the Annalist, published by the New York Times on February 22, 1935, by Elgin Groseclose, professor of economics, University of Oklahoma, under the title, "The Chimera of Unemployment Reserves Under the American Money System", attention is called to the provisions in H. R. 4120 in these words:

The Wagner bill, as introduced in Congress, sets up in the Federal Treasury an "unemployment trust fund" in which is to be held all moneys received under the provisions of the act, and directs the Secretary of the Treasury to invest these moneys, except such amount as is not required to meet current withdrawals, in a defined category of obligations of the United States or obligations guaranteed as to both principal and interest by the United States.

The Annalist article summarizes the objections to these reserves for unemployment insurance as follows:

(1) Finance reserves can be effective only in cases where contingencies can be calculated and determined by actuarial methods and where these contingencies arise in sufficient regularity to permit the arrangement of reserves in accordance therewith. (2) The incidence of depressions are irregular and unpredictable, and hence defy actuarial procedure. (3) Purchasing power can-

not be stored up en masse under our money system, which is a system of debt, rather than metallic circulation. (4) The attempt to create unemployment reserve will intensify booms. (5) Unemployment reserves are incapable of mobilization when needed and any attempt to mobilize them will only result in further intensification of depressions.

Testimony before the Committee on Labor on H. R. 2827 brought out the further objection that a tax on pay rolls is a tax on cost of production which is passed on to the consumer in higher prices to all consumers and to workers in lower wages as well as in higher prices to them as consumers. It tends to reduce rather than to expand purchasing power, causing in itself recurrent industrial depression which arises out of the failure of consumption to keep pace with production, or a disproportion between money available for consumers' purchases and funds available for investment in increased production.

Moreover these reserves, even if they could be accumulated without these disastrous effects upon consumers' purchasing power, and upon the monetary system, would be inadequate to cover more than a fraction of needs. The Commissioner of Labor Statistics and Senator ROBERT F. WAGNER—in radio addresses on March 7—have estimated that if H. R. 4120 had been in effect from 1922 there would have been set aside by 1934 the sum of \$10,000,000,000; yet, the figures on the national income published by the Department of Commerce show that in 4 of those years workers lost \$60,000,000,000 of wages and salaries. Therefore, even if reserves seem to involve saving the Treasury from obligation, as a matter of fact, they leave unsolved the real problem of protecting workers against the destitution of mass unemployment.

As the only adequate solution of the problem, and to avoid the unsound idea of setting aside reserves, the funds required in H. R. 2827 are made an obligation upon existing wealth and current higher incomes of individuals and corporations. These sources may be indicated as follows:

First. Income taxes of individuals: If the United States were to apply merely the tax rates of Great Britain upon all individual incomes of \$5,000 or over, a considerable sum would be available for social insurance. These rates in 1928 would have yielded the Federal Government five and three-fourths billion dollars as against slightly over one billion actually collected. In 1932, a year of low income, we would have collected on the same basis \$1,128,000,000, as against the actual receipts of \$324,000,000.

Second. Corporation income tax: Compared with other countries also our corporation tax is very low. Taking a flat rate of 25 percent, we would have raised in 1928 the amount of \$2,600,000,000 instead of \$1,200,000,000.

Third. Inheritance or estates: Here again the United States is very lenient. In 1928 on a total declared gross estate of three and one-half billion dollars, the total collected by Federal and State taxes was only \$42,000,000, or a little over 1 percent. If an average of 25 percent were taken this would have been raised in 1928 to \$888,000,000.

Fourth. Tax-exempt securities: Exact figures on the total are not available, but here is an important source of large additional returns which should be available for the general welfare.

Fifth. Tax on corporate surplus: In 1928 the corporate surplus, representing the accumulation by corporations of funds which had not been distributed to labor and capital amounted to \$47,000,000,000, and even in 1932 it was over thirty-six billions. Made possible as it is by the cooperation of labor and capital, thus surplus which is now set aside to meet capital's claims for exigencies certainly should be also a source of funds for labor's social insurance in the exigencies of unemployment. The Department of Commerce has showed in its study of the national income that labor has lost a larger percentage of its earned income in the depression than capital has lost in interest charges, because capital has been sustained by drawing both on current income and on accumulated surplus. The great economist, Adam Smith, 150 years ago, called the industrial system a "collective undertaking." It is both logical and just to provide a tax on corporate surpluses as a source for social insurance.

## THIS BILL IS UNQUESTIONABLY CONSTITUTIONAL

This bill provides for the appropriation of Federal moneys out of the Treasury of the United States for the payment of compensation to the unemployed, the sick, the disabled, and the aged. It is simply an exercise of the appropriating power, the power of Congress to spend money. The bill does, indeed, do more than provide for appropriations; it provides for the setting up of the administrative machinery. But the appropriating power of Congress necessarily carries with it the incidental power to provide administrative machinery for disbursing the moneys appropriated and for insuring their proper application to the purposes sought to be achieved by Congress.

One of the enumerated powers set forth in the Constitution is the power of Congress to "lay and collect taxes, pay debts, and provide for the common defense and the general welfare of the United States." To limit this power to spend moneys for the "general welfare", the power to spend money for the execution of other enumerated powers, is to rob the "general welfare" clause of its meaning, and thus to violate an elementary principle of constitutional construction. Such distinguished constitutional authorities as Washington, Madison, Monroe, Hamilton, Calhoun, and Justice Story have repudiated the conception of an appropriating power limited by the other powers. Our highest authority, the United States Supreme Court, has, in the famous Sugar Bounty case, definitely upheld appropriations by the Government in payment of purely moral obligations, entirely beyond the scope of the other specifically enumerated powers. Congress itself has uniformly and consistently exercised its appropriating power for any purpose which it deems for the general welfare, and irrespective of whether the purpose came within the specifically enumerated powers or not. Surely it could not be said that a bill which will provide a system of unemployment and social insurance for millions of unemployed, sick, disabled, and aged is less for the "general welfare" than other bills, such as the one above. If Congress passes the bill, it will thereby declare that, in its judgment, the bill is for the "general welfare", and no court has the power to substitute its judgment on this question for that of Congress.

While the bill does indeed invest the Secretary of Labor with large discretion, this does not render the bill unconstitutional. The United States Supreme Court has again and again sustained delegations of power to the President, Cabinet officers, and commissions. The Tariff Act of 1922 was held constitutional, although it vested the President with the power to raise or lower the tariff upon any important article whenever it found that American products were at a competitive disadvantage with those imported from abroad. Again an act of Congress which gave the Secretary of the Treasury, on the recommendation of experts, the power to fix an established standard of purity, quality, and fitness for consumption of certain commodities imported into the United States was held constitutional.

In H. R. 2827 the discretion vested in the Secretary of Labor is narrow, for the beneficiaries who are to receive the compensation are named, the minimum compensation is prescribed, the maximum compensation is ascertainable, and the nature of the compensation is fixed. Certainly the discretion here vested in the Secretary of Labor is far less wide than that vested in the Secretary of Agriculture by the Agricultural Adjustment Act of 1933, wherein the Secretary of Agriculture was granted the power "to provide for rental or benefit payments in connection with crop reduction in such amounts as the Secretary deems fair and reasonable."

No specific amount is appropriated by this bill, but this does not render the bill unconstitutional, for general indefinite appropriations are common. The first of such general indefinite appropriations was passed when Congress directed that all expenses accruing and necessary for the maintenance of lighthouses should be paid out of the Treasury of the United States. Since then hundreds of statutes containing similar indefinite appropriations have been passed.

This bill deprives no one of his property without the "due process of law" guaranteed by the Constitution. Unlike all

other unemployment and social-insurance plans, this bill does not involve the setting up of "reserves" created by enforced contributions by employers or employees. The only way that any person could regard himself as in any-wise deprived of property for the purpose of financing this bill would be by regarding this bill as a taxing measure. The bill provides that—

Further taxation necessary to provide funds for the purposes of this act shall be levied on inheritances, gifts, and individual and corporation incomes of \$5,000 a year or over.

But even if it can be argued that this is a taxing measure, the bill is a proper exercise of the taxing power of Congress, since Congress has the power under the Constitution to lay taxes for the "general welfare", subject to two limitations only. In the case of duties, imports, and excises "this must be uniform." In the case of direct taxes they must be apportioned according to the census. Neither limitation, however, applies to incomes, gifts, or inheritances since the sixteenth amendment. Once Congress has levied such a tax, the tax cannot be assailed by a taxpayer, since the courts will not review the exercise of the congressional discretion involved. The decision of Congress is thus final.

This bill in no way involves a question of usurpation of the rights of the States. While the power of Congress to regulate commerce and industry is limited to the "inter-state commerce power" and any matters "not commerce" is unconstitutional, this argument is wholly inapplicable to the present bill. This bill is not an exercise of the interstate commerce power; it is an exercise of the appropriating power. This bill does not involve any regulation of intra-state commerce of matters "not commerce." It does not involve the setting up of "reserves." It does not set up such business relationships as might possibly be involved in the creation of special accounts with employers or employees based on their contributions to a reserve fund. The Supreme Court has explicitly declared that no State will be heard to complain that the Federal Government is invading State rights when it simply exercises its appropriating power.

The Congress which passed the Agricultural Adjustment Act of 1933 declared that the loss of the purchasing power of the farmers endangered the entire economic structure of the Nation. The mechanism set up by that act was conceived as a device to restore purchasing power. Similarly this bill is an effort to restore purchasing power and may be therefore conceived to remove obstacles to the free flow of interstate commerce by creating purchasing power for the masses who must spend the money for the necessities of life and who, in spending the money for these necessities, will thereby remove obstructions to the free flow of interstate commerce.

Since this bill is merely an exercise of the appropriating power, it rests upon the same constitutional basis as do the Reconstruction Finance Corporation Act and Home Owners' Loan Corporation Act, which involve merely an exercise of the power of Congress to spend Federal moneys. The Reconstruction Finance Corporation Act, the Home Owners' Loan Corporation Act, and, indeed, the bulk of the national emergency legislation which has been enacted during the Hoover and Roosevelt administrations, involve recognition of the national character of our problems. These acts all provide for direct aid to persons, firms, and corporations in the States. The Reconstruction Finance Corporation Act supplies Federal moneys directly to banks throughout the country. Unemployment and social-insurance problems are even more clearly Federal problems. They require a similar national solution.

The Congress which passed the Reconstruction Finance Corporation Act, the Home Owners' Loan Corporation Act, and the bulk of the national emergency legislation clearly conceived that it was for the "general welfare" that individuals, corporations, and banks should be given money out of the Treasury of the United States. When Congress passes this bill it will have realized that it is for the "general welfare" that all human beings in the United States who through no fault of their own are unable to earn the necessities of life should receive money representing their contribution to production so that they may purchase the

necessities of life and, in so doing, maintain not only their lives, but the economic life of the United States. In view of the foregoing considerations this bill is clearly constitutional.

This bill is necessary to prevent and relieve wide-spread destitution; practical in view of the great productive capacity of the Nation and its surpluses available for taxation; sound in its probable effects upon purchasing power and the monetary system; and constitutional under the obligation of Congress to legislate for the general welfare.

**STRENGTH OF A GOVERNMENT DEPENDS UPON THE LOVE OF ITS PEOPLE**

Now there are a lot of good people in these United States who are worrying about the flag. They are afraid somebody is going to pull it down. They are worried about the Constitution, that someone is going to tear it up. They talk about the Reds, Bolsheviks, the Communists, Socialists, and radicals, and what not, and they lie awake nights seeing the red bogeyman in the attic.

Now, I want to say that I know how to allay their childish fears. I can tell you the remedy for that situation. If you wish to preserve and protect this country, and we all do; if we want to live on in peace, common sense, health, and happiness, then let us pass real, genuine, adequate social-security, unemployment, old-age, and social-justice legislation, and put it in force now—immediately—and stop this relief business, because, after all, the safeguard of any flag or any constitution or any government is not in its armies or in its navies or in its guns or in its magazines for war, but in the love of the people for that country and that government, and you can gain the affection of the American people in no greater measure than by passing adequate and genuine social-insurance legislation. That will be the best way to protect the flag and to safeguard the Constitution written by our forefathers, and it is up to us to show that we are worthy of the trust handed down to us by our forefathers and that we do not pattern after European medieval castles and that we are not believers in peasantry, serfdom, and peonage; but if you want to imperil this flag and put the Constitution in danger—and I cannot conceive of any sane person in the United States who wants that—if you want to do that, proceed as you have been doing and build up your relief rolls and increase your unemployment rolls until you have so many millions of unemployed that you cannot even count them, so that no man on this floor will know how many unemployed we have, but we can only guess how many tens of millions are on relief and unemployed lists.

**SOCIAL SECURITY MEANS GOVERNMENT SECURITY**

If you want to imperil this Government and shake it to its very foundation and have marching into Washington great masses of people who may come here not to overthrow the Government, but for the purpose of demanding their rights—if you wish to avoid this, you can do so very easily and very readily by passing the Lundeen workers' bill, H. R. 2827, giving social justice and social security to the American home and the American fireside.

I say to you, my fellow citizens, you shall not crucify American labor upon the cross of international finance. You shall not press down upon the brow of labor the crown of destitution, misery, and poverty. The American people, all of them, are entitled to life, liberty, and the pursuit of happiness. We are entitled to that; less than that we will not consider. We mean business, and those who legislate must act now. There may come a day when it is too late. "For of all sad words of tongue or pen, the saddest are these: 'It might have been.'" We will fight on until life, liberty, and the pursuit of happiness are ours finally and forever. [Applause.]

Mr. TRUAX. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. TRUAX to the Connery amendment: On page 3, line 8, after the word "on", strike out the remainder of lines 8 and 9 and insert in lieu thereof "all individual fortunes of \$1,000,000 and over, inheritances, gifts, and individual and corporation incomes of \$5,000 a year and over."

Mr. TRUAX. Mr. Chairman, I happen to be a member of the Labor Committee that reported, by a vote of 7 to 6, the Lundeen so-called "workers' old-age pension and unemployment bill."

There is only one thing that I see wrong with this bill. The gentleman from Minnesota [Mr. LUNDEEN], in his bill proposes to tax inheritances, gifts, and all annual incomes of individuals and corporations in excess of \$5,000 per year. This provision of the bill, in my judgment, does not go far enough. We ought to tap right now, once and for all time, every fortune in this country of ours of \$1,000,000 and over.

Mr. Chairman, how long do you think it is going to take the United States of America to recover and to rehabilitate the 20,000,000 who are on Government relief rolls or on doles? How do you ever expect to reemploy 11,000,000 men who seek jobs, but where jobs cannot be found? You cannot do this by continually and everlastingly skimming the skim milk off of the wealth of the country. You have got to get down to the cream of wealth, the millionaire crowd, down to the enormous fortunes, and to the swollen, predatory wealth of the country. Why, this is the reason you are considering this very legislation today. It is because you have too many millionaires and too few people with an annual, livable income, or people of modest means.

Where do you expect to get the money? I do not care if you amend this bill and make it \$30 or \$50 a month, which I favor for all men and women who are destitute at the age of 60, and \$75 for all men and women who are destitute at the age of 70, but where will you get the money if you amend this bill and adopt these amendments?

This committee has made an intelligent, a worthy attempt to solve this problem. They have gone as far as the present orthodox system of government financing will stand, and when you go further you have got to get at the swollen, plutocratic wealth of the country. For one, I would take old Morgan and let him bear the entire expense of this humanitarian legislation until you got his swollen fortune down to \$1,000,000. If he cannot live on \$1,000,000, let him leave this country and go to England, the country in which he lives, and in which he pays taxes. I would take old Andy Mellon, who is now spending his declining days in attempting to defraud the Government of \$3,000,000, and I would let him bear the cost of this legislation for a while until you scaled his fortune down to \$1,000,000. Then, I would go after the fellows with incomes of \$50,000 a year and more. This is enough income for any man or woman in this country.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Not now; the bankers are all against my plan, anyway. [Laughter and applause.]

[Here the gavel fell.]

Mr. MARCANTONIO. Mr. Chairman, I rise in favor of the amendment proposed by the gentleman from Massachusetts [Mr. CONNERY], which is commonly known as the "Lundeen bill."

I think the only proper way in which to approach this question is by comparing the Lundeen bill with the present bill under consideration by this Committee. There are two outstanding, glaring defects in the bill proposed by the Ways and Means Committee: First, it does nothing for the present 11,000,000 unemployed; second, the Ways and Means Committee bill provides that the burden of taxation for unemployment insurance and for old-age pensions eventually must fall on the shoulders of the wage earners of America.

You may call this a pay-roll tax in one case to be imposed on the employer, but as I explained yesterday, any form of pay-roll tax, any form of direct taxation of this sort, is bound to fall on the wage earners of America who cannot afford to pay any tax today and cannot defend themselves against any wage cuts.

By your bill and our bill we agree that unemployment insurance is inevitable; we agree that old-age pensions are inevitable, but there is one fundamental difference between yours and ours, and that is, in your bill you place the burden on the poor of the Nation and in our bill we place it on the wealth of the Nation, where these burdens should be imposed. [Applause.]

The form of taxation provided under your bill, and I have asked the members of the committee about it repeatedly in general debate, is just as vicious as a sales tax. I have repeatedly challenged the committee to distinguish between a pay-roll tax and a sales tax. In effect, they are both the same. They fall on the poor of the Nation. I shall never forget March 24, 1932, when I sat in the gallery up there, before I ever dreamed of coming to Congress, when I heard the following words spoken on the floor of this House:

My reason for opposing a sales tax is that I know it is unsound in principle and will be harsh, burdensome, and unjust in its operation. It contravenes every accepted theory of taxation. Not even in the emergency of the World War did our Government seriously consider such a tax.

Are we willing now, with our boasted wealth, to admit that conditions are so desperate and that other sources of taxation have been exhausted and are inadequate and we must violate the time-honored policy of our Government, as advocated by both the great parties, and adopt a sales tax? Are we Democrats willing to make a record in this House, after being out of power for 12 years, and accept the responsibility for the enactment of the sales tax, notwithstanding the fact that such bill has been recommended by the Ways and Means Committee? I served notice when the bill was reported by the committee that I would offer an amendment to strike out this part of the bill; and if it were not stricken out, that I would vote against the bill on final roll call.

Remember, if you do this, you will be writing on the statute books of the Nation a record that you never can explain—never can justify—and it can be justly capitalized as a campaign issue against you for generations. But let me make this prediction: If this sales-tax provision remains in the bill and becomes a law, you Republicans will not only have to take the blame for its necessity, if there be one, but also the responsibility of its enactment: for certainly a majority of the Democrats in this House will by their action this day demonstrate that they not only do not approve but will not accept this unjust, unreasonable, unnecessary, and unconscionable form of taxation. Who are urging this sales tax anyway, and where did it have its birth and inception? That Andrew Mellon, William Randolph Hearst, and the millionaires and multimillionaires have had for their sole purpose and determination for years to get a sales tax fastened on the country in order that they may be relieved of paying income taxes, everyone knows.

Now is the time and the accepted time to demonstrate to the American people that their Representatives have heard their voice and know their will and will obey it. Let us kill it now, kill it dead, and trust it is killed forever.

Mr. CONNERY. Who said that?

Mr. MARCANTONIO. These are not my words, these are the words of a man whom I revere and respect, and I revere and respect this man for his great fighting qualities. America owes this man an everlasting debt of gratitude for having defeated the sales tax on the floor of this House. I am referring to fighting Bob DOUGHTON, the author of the present bill under consideration [applause], and I appeal to him that the same reasons urged by him on March 24, 1932, against a sales tax exist today against a pay-roll tax, which is just as un-American and vicious as a sales tax.

I appeal in the name of the wage earners of America, in the name of the aged of America, in the name of the unemployed of America, let us kill the pay-roll tax and let us, like humane and just Americans, place the burdens of taxation for the care of the poor on the shoulders of the wealthy, on the shoulders of the community, where it belongs, and hence preserve our American institutions, our American form of government, and be justly proud of our actions as representatives of the American people. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment. It may be that there is some good in the Lundeen bill. I am frank to say that I am not thoroughly familiar with all of the provisions of that bill, not having had the time to examine it in detail, being so busily engaged on the bill under consideration by the House.

I may say that notwithstanding there may be merit in the Lundeen bill—and I do not care to criticize it at this time—I am sure that the Lundeen bill has no place in this bill.

This bill under consideration now under the rules of the House has had 23 hours of general debate, wherein Members of the House could sit here and hear explanations of every title, every provision, every section, every line, and every word of the bill, so that they would have an opportunity to vote intelligently on the proposed legislation. They have been so busy that they may not have time or the opportunity

to give intelligent consideration to the Lundeen bill, which every Member of the House ought to give before he is called upon to discharge the solemn responsibility of voting on legislation of this importance.

Now, the gentleman from New York referred to a speech I made on the floor of this House with reference to a sales tax. I will say that I have nothing to recant, nothing to take back, nothing to apologize for as to that speech. I would make the same speech again under the same conditions, but the situation today is not what it was at that time when that bill was under consideration.

The tax imposed in this bill is not a sales tax. It is an income and an excise tax, not for the purpose of balancing the Budget. A sales tax may be justified in a great emergency, and under some circumstances I might vote for it, but this legislation is not to meet an emergency, but to provide permanent legislation.

Mr. LUNDEEN. But why not tax great wealth?

Mr. DOUGHTON. I will say that we are taxing great wealth. If we were not taxing great wealth the expenses of this Government could not be met. Great wealth is now taxed for all purposes for which a tax can be legitimately imposed by this Government. You cannot tax wealth until it disappears. If you did, then how do you propose to finance the cost of government?

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. LUNDEEN. The British income-tax rates are the ones we advocate, and would be thoroughly adequate, and Britain announces that she is on the high road to prosperity.

Mr. DOUGHTON. Oh, very often it is a case, Mr. Chairman, of those who "darkeneth counsel by words without knowledge." Great Britain has only one taxing authority for all of the units of the British Government. They are all provided for in one tax, whereas in this country we have a State and a county and a municipal and a Federal tax and a tax going and a tax coming and a tax for the living and a tax for the dead, tax without end. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio [Mr. TRAXL] to the amendment of the gentleman from Massachusetts.

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs upon the original amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 52, noes 204.

Mr. CONNERY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. CONNERY to act as tellers.

The Committee again divided; and the tellers reported—ayes 40, noes 158.

So the amendment was rejected.

Mr. COLMER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLMER: Page 4, line 19, after the word "to", strike out the words "one-half" and insert in lieu thereof the words "four-fifths", and on page 5, line 16, after the word "than", strike out the words "one-half" and insert in lieu thereof the words "one-fifth."

Mr. COLMER. Mr. Chairman, like every Member on this floor I have been intensely interested in seeing the aged people of my congressional district receive some benefits from the legislation which has been proposed and is now being advocated for the security of these aged people. Frankly, in my judgment, there are going to be very few aged people benefited under this legislation as it is now written, and, as it is quite apparent, it is going to be passed by this Committee of the Whole. I call attention particularly to the fact that, assuming that your States can qualify by the proper legislation, there are many States in the Union that are not financially able to match dollar for dollar the amount put up by the Federal Government. I have no idea that my State can qualify, and I dare say that, if you will give as much thought to the question of your own particular State as I have to mine, you will come to that same conclusion.

This should be recognized as a national problem. The States should not be required to contribute dollar for dollar. If I had my way about it I would eliminate entirely State participation, but I realize as a practical measure what we are up against here and so I have offered this compromise measure. I trust when you are called upon to vote for or against this amendment you will take into consideration the aged people in your districts in the States less wealthy and bear in mind they are not going to get anything under this legislation and that you will have to face that proposition when you get back home.

Mr. DONDERO. Does the gentleman's State now have any tax at all for the aged?

Mr. COLMER. It does not and I doubt if it could afford one. I shall not dwell on this longer. I hope you will not railroad this amendment down but will give the aged people in these States that are not able to put up this money an opportunity to qualify under the bill. My amendment simply means that if the State puts up a dollar, then the Federal Government will put up \$4 for this proposition. It does not materially change the bill. It only changes it in that one aspect. It will give these States an opportunity to participate and these people an opportunity to receive benefits. I appeal to you in the name of the aged people in your districts to give them this opportunity. I hope you will agree to the amendment. This piece of legislation if enacted into law without amendments will stand out as the greatest disillusionment possibly of any piece of legislation ever passed the House. I repeat that very few of the States will be able to qualify, and the hundreds of thousands of aged people seeking relief at the hands of this Congress will be keenly disappointed. Our aged people are clamoring for bread and we offer them a stone. This legislation does not meet the demands; it is highly inadequate. And frankly, Mr. Chairman, there is little inducement offered to vote for it. If my amendment does not prevail I shall feel very despondent indeed about it. And the only justification that I could possibly find in voting for the bill as it was reported out of the committee would be that possibly it would be a step in the right direction and because of the other wholesome provisions of the bill aside from the old-age pension. [Applause.]

Mr. FORD of Mississippi. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Mr. Ford of Mississippi offers the following substitute amendment for the amendment offered by Mr. COLMER: Title I, page 3, line 16, strike out the word "one-half" and insert in lieu thereof "99 percent"; and on page 4, line 19, strike out the word "one-half" and insert in lieu thereof "99 percent"; and in line 25, strike out "\$30" and insert in lieu thereof "\$15"; and on page 5, line 16, strike out the word "one-half" and insert in lieu thereof "1 percent."

Mr. FORD of Mississippi. Mr. Chairman, I concur in what my colleague from Mississippi [Mr. COLMER] has said to the Committee this morning. That is why I have offered the substitute amendment for the consideration of the Committee, because I realize there is opposition on the part of the membership of this House to increasing the amount of the pension to be paid over the sum of \$15. I would like to see the Federal Government put up \$25 and the States put up \$5, and provide \$30 for the old people of this country, but after seeing the amendments heretofore offered voted down, I fear that the majority of the membership of this House will not vote for more than \$15 to be paid by the United States. It is with that in mind that I come before the membership of this House this afternoon and appeal to you. If we intend to do anything for the old people of this country, you should support the substitute amendment I have offered to the amendment offered by my colleague from Mississippi. I want to briefly explain it to you. Under the proposed legislation now under consideration it is required that the Federal Government pay \$15, provided the States match this sum with \$15. My amendment simply strikes out the provision that the State pay one-half, and provides that the Government pay 99 percent and that the State pay 1 percent, thereby retaining the provision that the States will administer this fund, and pro-

tect the State rights which the able gentleman from Massachusetts was talking about a moment ago.

I do not say this in criticism of the membership of the Ways and Means Committee, but I say it to you in fairness and frankness that the old people living in some of the States of this country will not be able to obtain one dollar in pensions, because the States which they reside in are not able to finance the payment required of them under the bill now before the House.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. FORD of Mississippi. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. I am in thorough accord with the provisions of the gentleman. I am wondering how he would have this 1 percent provided by the State. Would that require an act of the legislature?

Mr. FORD of Mississippi. Yes. It would require all States to enact legislation as provided in the bill, but would relieve the States from having to pay \$15 before the aged living in those States could qualify. It does not change anything in the bill except to provide that the Federal Government will pay 99 percent of the \$15 and the States will put up 1 percent, and will have charge of administering the fund under the plan set out in the bill now under consideration.

Ladies and gentlemen, I appeal to you in order that we may reach all of the old people of this country and not discriminate against those who may not be fortunate enough to live in a rich State. I hope you will vote for this amendment so that we may give a universal pension of \$15 a month to the old people of this country. By doing this the legislature of every State can increase the amount if they desire. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I rise in opposition to the amendment. The amendment offered by the gentleman from Mississippi [Mr. COLMER] proposes that the Federal Government contribute four-fifths of the total amount of a pension of \$30 per month and that the State contribute one-fifth of the total amount of the pension. The substitute offered by the gentleman from Mississippi [Mr. FORD] proposes that the \$15 provided in the bill as presented be the total amount of the pension and that the contribution by the Federal Government be 99 percent thereof. In other words, \$15 is the total amount of pension contributed by both the Federal Government and the State government. Out of that, under the substitute amendment offered by the gentleman from Mississippi [Mr. FORD] the Federal Government will contribute \$14.85 of the \$15, and the State will contribute 15 cents of the \$15 to the total pension of \$15. It is so obvious on its face that that is simply a subterfuge, that the State under that provision would not be participating in any substantial amount, that it does not justify further argument in opposition to it.

I therefore ask that the Committee vote down the substitute and then vote down the amendment offered by the gentleman from Mississippi [Mr. COLMER].

[Here the gavel fell.]

The CHAIRMAN. The question arises on the substitute amendment offered by the gentleman from Mississippi [Mr. FORD] to the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The amendment to the amendment was rejected.

The CHAIRMAN. The question now arises on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The amendment was rejected.

Mr. TREADWAY. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. TREADWAY: On page 2, line 10, strike out "\$49,750,000" and insert "\$69,750,000"; on page 4, line 25, strike out "\$30" and insert "\$40."

Mr. TREADWAY. Mr. Chairman, I am offering this amendment in carrying out the attitude and policy of the minority members on the Ways and Means Committee. We

have said from the very beginning that we favored old-age pensions, and we favored a larger amount than appears in the bill. The bill calls for an appropriation of \$49,750,000 "in order to assure reasonable subsistence compatible with decency and health to aged individuals without such subsistence."

Now, I claim, Mr. Chairman, that there are a great many instances where \$30 a month is not sufficient to care for aged people in the manner in which section 1 of the bill provides. If we match \$20 with \$20 from the States, an aged person can then receive the amount of \$40 per month, which is \$10 more than is provided for in the matching manner that the committee has suggested.

In my remarks on page 5709 of the RECORD during the general debate I covered this item as fully as was necessary, and I refer the members of the Committee to what I said at that time. We are simply asking that this Committee and the House carry out the idea that in aiding aged people we do it decently and sufficiently to care for their needs in their old age.

The minority report reads:

We favor such legislation as will encourage States already paying old-age pensions to provide for more adequate benefits and will encourage all other States to adopt old-age pension systems. However, we believe the amount provided in the bill to be inadequate and favor a substantial increase in the Federal contribution.

I am, therefore, asking that this substantial increase be made, \$20,000,000, in order that the purpose of aiding the aged may be accomplished to a certain extent.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. TREADWAY. I have only 5 minutes; I prefer to use my time. I am sure the gentleman can get recognition. Now, that is a very definite proposition; and while I realize there are many pending amendments to title I, I think this is the crux of the matter, whether the House intends to favor a decent allowance to the aged people or whether it intends to scrimp them. Twenty-eight States already have adopted old-age pension systems. This would encourage them and would encourage others to go along with them. It is something in which the American people have shown their interest. It is the most important title in the bill. In fact, it is one of the outstanding features of the bill. Members on this side of the House have said from the beginning of the consideration of the bill and from the beginning of the debate in the House that we stood solidly behind an amount sufficient to care for the aged people in a decent and respectable manner, which they are entitled to. I trust, therefore, this amendment I have offered will be given the favorable consideration of the majority, and I assure the majority that we on this side of the House will go along with them in an effort to provide proper care for these aged and unfortunate people. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would not want to go into the RECORD uncontradicted the statement of the gentleman from Massachusetts that in proposing an increase in this appropriation by the paltry sum of \$20,000,000 he is providing adequate pensions for the poor aged people of this country. After sitting on the Ways and Means Committee for 3 months on this bill, the gentleman certainly ought to know that an increase of \$20,000,000 would not be adequate; that an increase of \$200,000,000 would not be adequate.

This bill carries provision for about \$50,000,000. It takes a very short problem in simple arithmetic to show that \$50,000,000 would pay not more than 300,000 people the sum of \$15 a month. The gentleman's proposal is to raise the pension from \$30 up to \$40. I might go along with him on that increase if he had any system of increasing the number who would get it. If you adopt his amendment, the additional number of people who will be provided for by it would hardly be worth making the change in the bill; in fact, it would not add any more to the number of beneficiaries; 300,000 out of the 4,000,000 or 5,000,000 who should be pensionable under the terms of this bill. It gives these

300,000 people \$5 or \$6 a month more, about \$5, but it does not add another single aged person to the pension roll of the country.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. DUNN of Pennsylvania. It is a fact, though, that those aged who would be benefited under the bill will be benefited to the extent of an additional \$10.

Mr. MARTIN of Colorado. I admit that if the gentleman's amendment is adopted it will mean that 300,000 people will receive a few dollars apiece more, maybe \$5, but it will not add one additional person to the pension rolls of the country. The hearings show that there are 1,000,000 people in this country over the age of 65 who are on F. E. R. A. relief or public charity. Certainly these million people are all qualified for pensions, and we ought to pass a bill which will give them all a Federal pension of at least \$15 a month, and it will take the sum of \$180,000,000 to give 1,000,000 people over 65 years of age, all of whom are now on F. E. R. A. or public charity, \$15 a month; if the gentleman proposes to increase the monthly pension to \$40 from \$30 and pay for it out of \$20,000,000 under the pretext that he is furnishing the poor people of this country an adequate pension, it ought to be voted down as an insult to them instead of giving them an adequate pension.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. TREADWAY. I appreciate the gentleman's courtesy, because I declined to yield to him; but I want to call his attention to the clause following the amount where my amendment would be inserted:

Amount of \$69,750,000 for the first year ending June 30, 1936—

And quoting the language of line 10:

And there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purpose of this title.

Mr. MARTIN of Colorado. I am not interested in the other years now; what I am interested in is the first year. The sum provided in this bill and the sum provided in the gentleman's amendment would not grease a skillet. I say the House should pass a half-way decent old-age-pension bill, which would pay now.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. LEHLBACH. Does this amendment in any way cut off or add a beneficiary? Does it not merely increase the benefits of those who will be taken care of; and is not the situation the gentleman attacks to be found in the bill instead of in the amendment?

Mr. MARTIN of Colorado. I agree with the gentleman that it will simply increase by a few dollars a month the pension these 300,000 people will receive but will not add any beneficiaries.

Mr. LEHLBACH. That is the fault of the bill.

Mr. MARTIN of Colorado. Yes; that is the fault of the bill.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, it is very evident from the debate for the last 30 or 40 minutes that none of these amendments representing the ideas of any of these special groups are going through. We are about through with this title. What are you going to do about it? Do you want \$5 a month more from the State and \$5 more from the Government? Do you not want to raise it \$5 for the Federal Government and \$5 for the State, making \$10 altogether? If so, here is your chance.

Mr. Chairman, there is nothing about this that needs a lengthy explanation. It is simply a straight out-and-out proposition. This is about our last chance to vote on the proposal. I, for one, think we ought to extend this benefit so that the rich States may come forward with more money, if they desire, without imposing any additional compulsory burden upon any of the smaller States. The poor States are not compelled to put up an extra nickel.

The amendment ought to satisfy everybody. The Republicans will vote for it, and the Democrats should vote for it, especially those who have been on their feet for the last 30 or 40 minutes trying to get more money. No man is justified in saying he will not vote for this, because it does not do justice. The question is, Is this as much as you can get? Is this the last chance? I say it is. Now is the time to say whether you stand for a maximum as high up as you can get it, even if you cannot get it as high as you want it. Do you stand for a proposition that will permit the rich States to give the poor people all they want to give them and permit the poor States to give them as little as they want to give them? If you do, you should vote for this amendment.

Mr. Chairman, there is no compulsion about this. It is a fair, honest proposition. Personally I am satisfied with the \$15 limit now provided in the bill, but in order to satisfy those who are not satisfied this amendment is offered.

Mr. COOPER of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the majority members of the committee, of course, hope that this amendment will not prevail. We have always heard the expression "Beware of the Greeks bearing gifts." That is the situation here today.

The Ways and Means Committee spent 3 months carefully considering every phase of this important measure which has for its purpose social security for the people of our country. The gentlemen on the other side now rise to try to do what they say will make a contribution to this measure; yet we know from their speeches made here during the 23 hours of general debate that they are against the bill anyhow. I appeal to those Members who are interested in this legislation to carry forward the program of the President as we have brought it to you.

Mr. Chairman, what are the facts with reference to this amendment? There are only two States in the Union that have a law which would permit them to pay a greater amount than that provided here in the bill, and those are the wealthy States of New York and Massachusetts. The other 46 States of this Union could not receive any benefits under such an arrangement as is provided here, as their laws now stand. It should also be borne in mind that under the provisions of this bill, as it now stands, it gives larger benefits; it contains more liberal provisions than those afforded in the legislation of any other country in the entire world. This bill provides for \$30 a month. That is greater than now being paid in any of the 29 States which have old-age pension legislation. It is greater than is now being paid by any other country in the world.

Mr. Chairman, it should be borne in mind that we are now pioneering the way, we are now enacting legislation that is charting a new course in this country of ours. The President in his conferences with us about this bill, as well as those who have appeared before the committee and who have given thought and consideration to this important question, have stated that we should move cautiously, that we should start on a plan that we know can succeed and will not break down. We have presented to you the plan that has the best prospect of success in the great field of social security. The only purpose in bringing forward this amendment is to try to disrupt this program and try to defeat the very purpose we have set out to accomplish. I appeal to all the Members to vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The question was taken; and on a division (demanded by Mr. REED of New York) there were—ayes 85, noes 121.

Mr. TREADWAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. TREADWAY to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 80, noes 142.

So the amendment was rejected.

Mr. KNUTSON. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: On page 2, line 10, strike out "\$49,750,000" and insert "\$99,500,000"; on page 4, line 1, strike out "65" and insert "60"; and one page 4, line 25, strike out "\$30" and insert "\$60."

Mr. KNUTSON. Mr. Chairman, I am prompted to offer the amendment that has just been read because I certainly believe the provisions of the bill that we have before us are wholly inadequate. This is particularly true in the Northern States where \$30 per month would not give the aged and indigent economic security and, as I understand the purpose of this legislation, that is the aim of the present administration.

Mr. Chairman, I also feel that the age limit of 65 is too high to give material relief. It certainly will not be of any assistance in relieving the unemployment problem that so seriously confronts the country at the present time. If we are going to pass an economic-security bill in this Congress, we ought to pass something that is more than a mere gesture, and that is all \$30 a month is, so far as it applies to the northern United States.

I can understand that down in the Cotton Belt, perhaps, \$30 a month would be enough, but it certainly is not anywhere near enough in the sections of the country where the people have to buy fuel 6 or 7 months of the year.

I feel strongly, Mr. Chairman, that if we are going to pass legislation of this kind we should pass something that we do not have to go home and apologize for.

I realize that my amendment will not completely take care of the situation. There are a number of States that are unable to take any advantage of this legislation. As I see it, Mr. Chairman, the whole thing should go over until the next session of the Congress. It is plain to be seen from the debate we have had under the 5-minute rule in the consideration of this measure, that there are as many different opinions upon this proposition as there are varieties of preserves and condiments put up by a man named Heinz.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. TAYLOR of Tennessee. Would the gentleman be in favor of paying pensions to the aged in one State and denying such pensions to the aged in another State, even though the States may be adjoining?

Mr. KNUTSON. I would not. Such an idea is un-American and unfair, but what are you going to do with such a steam roller in operation as we have in this House? They talk one way and then they vote the other way when we have a teller vote. [Laughter.] Yes; this is a sample of your consistency—you talk one way and vote another.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. MOTT. It would require about \$4,000,000,000 a year to pay an adequate pension to all of the old people who need money in this country and who are over 60 years of age, would it not?

Mr. KNUTSON. I do not know just what the exact figure would be.

Mr. MOTT. Does the gentleman think it is possible to raise \$4,000,000,000 or any other amount that would pay an adequate pension by the system proposed in the pending bill?

Mr. KNUTSON. Of course not. This pension should be financed through a turn-over tax that would be equally distributed among all.

Mr. MOTT. Can it be raised in any other way?

Mr. KNUTSON. No; it cannot be raised except through a turn-over tax, and what we have before us is merely a shot in the arm—it is not even that. It will prove a bitter disappointment to our people.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota.

The gentleman from Minnesota is one of those men who is naturally in opposition to anything proposed even by his own party, to say nothing of this side of the House. It will

be recalled that after the minority had made a report on this bill, and I believe the gentleman from Minnesota concurred in that report, he went off by himself and, after sulking awhile, decided that the minority report did not suit him, and he made a separate report of his own.

If this side of the House had incorporated in this bill the very provision suggested by the amendment he has now offered, it would not have suited him, and he would have offered something else and would have jumped on the proposal offered by this side with all his strength. He is one of the men on that side of the House whose head is a fountain, whose eyes are rivers of water, on account of the great burden that is going to be imposed on industry in the payment of the taxes necessary to finance this bill, and yet he knows very well, because he is an intelligent man, that if we increased the amount as he has proposed in his amendment, this burden would fall on industry and would double the amount of taxes necessary to finance this scheme of old-age pensions.

The gentleman has not said a word about where he will get the money. In a few years it would take out of the Federal Treasury at least \$1,000,000,000 annually and yet he is one of the men who lament the fact that this measure will impose such an unbearable and intolerable burden upon industry, and because there are certain States that may not get any benefit at all, the gentleman proposes an amendment whereby industry will have to bear a still further burden and a burden much heavier than that proposed in the bill.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?  
Mr. DOUGHTON. I yield.

Mr. KNUTSON. The gentleman speaks about raising money. Why, this administration has a magic wand with which it can go out and raise \$4,880,000,000 by simply calling on a few leaders. Let them call on a few more leaders and raise the money necessary to give the poor, downtrodden, hungry people something to eat.

Mr. DOUGHTON. That is just a sample of the billingsgate and the balderdash that this gentleman unloads on this House from day to day, and that is all it is.

I call for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

Mr. ROBSION of Kentucky. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. Robsion of Kentucky offers the following amendment:

On page 2, section 1, line 10, strike out the figures "49,750,000" and insert the following "100,000,000 or so much as may be necessary."

On page 2, lines 12, 13, 14, 15, 16, and 17, strike out all in section 1 after the word "title" and period, and insert the following: "There shall be paid by the Federal Government as a pension to every needy citizen of the United States and its Territories and the District of Columbia 60 years of age or over, and to every needy blind person, and to every needy person totally and permanently disabled, who shall make application therefor and who shall make satisfactory proof of the requirements of the board or agency set up by the Government to administer this act, the sum of \$25 per month from the date of the passage of this act up to and including June 30, 1937, without any contribution from the State or States. Beginning with July 1, 1937, the Federal Government shall match funds provided by the several States, Territories, and the District of Columbia, to the amount of not exceeding \$20 per month for each person pensioned under this act."

Mr. ROBSION of Kentucky. Mr. Chairman and ladies and gentlemen of the Committee, under general debate I discussed this measure in detail and at some length. I pointed out how grossly inadequate the provisions of the bill were and that very few people in any State, and no one in Kentucky, would receive an old-age pension within the next year, and, perhaps, not within the next 2 years, and I also pointed out that while this measure is called an "unemployment" insurance bill, it would not put a single person back to work and did not provide a single dollar for the unemployed. I expressed the hope that liberalizing amendments would be offered and adopted. Many have been offered by several outstanding Democrats, men and women of the House, but were ruthlessly voted down.

The amendment that I have offered provides:

(a) To fix the minimum age at 60 instead of from 65 to 70 years as is provided in the President's bill.

(b) It authorizes an appropriation of \$100,000,000 and such further sum as may be necessary to carry out the provisions of this amendment, for the year beginning July 1, 1935, instead of \$49,750,000 as provided in the President's bill.

(c) It provides for the immediate payment of \$25 per month by the Government, without any contribution from the States, for each and every needy man or woman 60 years of age or over, and this payment to continue without the State's contribution until June 30, 1937. The bill of the President does not permit the Federal Government to pay out one dollar except and until the State or States change their laws and levy and collect taxes for that purpose, or at least provide a fund for that purpose.

(d) My amendment also provides the same pension to needy blind and needy people who are crippled and disabled, \$25 per month, whatever their age may be. The President's bill does not include needy blind people or needy crippled people, unless they are 65 years of age or over, and then the Federal Government will not pay anything unless the State first matches the Federal Government's money.

NO RELIEF FOR THE AGED, THE BLIND, OR THE CRIPPLES IN KENTUCKY

Under the President's bill, the State must first have its legislature meet and fix the qualifications under which needy old people could get a pension, and they may fix the minimum age anywhere from 65 to 70 years; and the State must agree to levy and collect taxes and provide a fund to meet the Government's money; and the pension would be limited to whatever the State fixed it—any sum from 1 cent to \$15 per month. The Government, under this bill, will not match more than \$15, and only \$49,000,000 in all is authorized under this bill for the year beginning July 1, 1935, and ending June 30, 1936.

There is little doubt but what there are at least 6,000,000 people in the United States over 65 years of age that are wholly dependent. Of course, if all applied and were allowed pensions and each State would match the Government's total contribution of \$15, it would only pay each person the sum of \$1.40 per month, or about 4½ cents a day, for the year beginning July 1, 1935, and ending June 30, 1936.

But the thing that alarms me most is that the aged needy in Kentucky will not receive anything for the next 2 years. We have been informed that it will be necessary to amend the constitution of Kentucky, and the constitution of Kentucky can be amended only by a vote of the people at a regular November election; and after our constitution shall be amended, it would be necessary for the legislature to meet and provide for the levy and collection of a tax for old-age pensions. This will mean more delay.

Kentucky already is heavily in debt. It has a burdensome sales tax, and even with the sales tax it is going deeper in debt every day. What if Kentucky is unable to raise the tax to match the Government's money?

So, under the President's bill, the needy old people of Kentucky must wait and wait and if Kentucky does not change its constitution and laws and match the Federal money, then there is no relief offered in the President's bill for these needy old people in Kentucky at any time.

The President's bill does not hint at any relief for the poor blind people or for poor men and women who are crippled and permanently and totally disabled.

The age limit is too high. Therefore, I am urging you, ladies and gentlemen of the House, to support this amendment of mine and fix the age limit at 60 years and include needy blind people and needy crippled people and to pay each of these groups \$25 per month, to begin just as soon as this measure becomes a law and to continue these payments until June 30, 1937. This will give Kentucky and other States similarly situated time and opportunity to amend their constitutions, change their laws, and provide a fund to meet the Government's fund, although so far as I am concerned I favor the Federal Government paying a

reasonable sum to each one of these groups so that all of our citizens may be treated alike and let each State that is able to do so add to the Federal contribution.

Of course, the rich States—New York, Pennsylvania, Massachusetts, New Jersey, and other rich States—will be able within the next few months to adjust their laws and finances to meet the Government's money because they now have effective old-age-pension laws.

Then we will have the spectacle of Kentucky, under the general revenue laws, as she did last year, pay between eighty millions and one hundred millions into the United States Treasury and that money go to help pay old-age pensions in other States out of this Federal appropriation and the old and needy, the needy blind, and the crippled people in Kentucky will not receive anything.

IS THE PRESIDENT'S BILL SACRED?

Scores of Democrats, including Mrs. GREENWAY, of Arizona, Mr. SCHRUGHAM, former Governor of Nevada, Mr. EKWALL, Mr. COLLINS, Mr. FORD, Mr. CONNERY, Mr. MILLER, Mr. MASSINGALE, Mr. SAUTHOFF, and several Republicans, have introduced amendments to liberalize this bill, with the purpose of getting relief to these old and needy people now; but your big Democratic machine in this House has rolled over them and defeated all liberalizing amendments.

As pointed out, the President's bill proposes no relief whatsoever to the needy blind and to the needy cripples. My amendment will provide a pension for them. If this is a bill for the relief of the needy, on what theory will you vote down this amendment for the blind and cripples? There are no groups in this country that need help more than they do.

There never has been a time in this country when poor old people needed relief as much as they need it now. My amendment provides immediate relief.

The distinguished chairman, Mr. DOUGHTON, says that I have roared like a mountain lion against this bill. I am one of those who sincerely and earnestly believe in immediate relief for the needy old people, for the poor blind, and the poor cripples of this country. Let me say to my good friend Mr. DOUGHTON that I am in dead earnest. I know how sorely disappointed will be these needy groups and the needy dependent children and poor widows if we pass the President's bill in its present form. Your machine has run over everybody here who has attempted to offer amendments to bring immediate relief to these needy groups, and more than likely your big Democratic machine will defeat my amendment. If this bill is passed in its present form, there will be persons roaring other than myself, and it will not be like one mountain lion but it will be more like the roar of 10,000 African lions. The wails of disappointed needy people in this country will be heard from one end of the Nation to the other. Your Democratic machine may run over us in the House now, but you have another problem when you undertake to run over the sentiment and the humanity of the American people next year, when you will be called upon to give an accounting of what you are doing here.

You have the majority; you can defeat this needful amendment; I can do no more than to present it to you and plead with you to forget party politics and urge you to adopt it. If you run over these needy old people, the blind, and the cripples, the responsibility is yours and not mine.

FAVOR MOTION TO RECOMMIT

Indications are that you Democrats at the behest of the President will jump through the hoop and pass this, the President's bill, as it has been submitted. I am advised that the Republicans will offer a motion to recommit. In that they will propose to increase the amount to each needy old person, fixed in this bill, and will vote to eliminate the section that proposes to tax the wages of the railroad workers, miners, and others. This motion to recommit does not go as far as I should like for it to go but, in my opinion, it is an improvement on this bill and I shall support it. I have not lost an opportunity and shall not lose an opportunity to vote for amendments and motions that have for their purpose to liberalize and improve this bill.

Permit me to repeat again, as I did in my speech the other day, the so-called "employment insurance" in this bill is a misnomer. This bill does not make any provision to give work to a single unemployed person, unless it is to an army of faithful Democrats in the many offices that are created by this bill. It does not provide a job for any one except for a Democratic politician. It gives no work to the unemployed. It does not provide for a single dollar for the unemployed, unless such unemployed persons are over 65 years of age and their respective States provide a fund to match the meager Federal old-age-pension fund set up in this bill.

But this bill does put a 3-percent tax on every dollar of wages of those who are employed or may become employed—mark you, not to provide any money or relief for the unemployed, but to help those who pay in the taxes, provided they pay them in a number of years and then become 65, or dead, or unemployed. Each worker must work and pay in for at least 5 years. The workers in Kentucky already have a sales tax of at least 3 percent on everything they buy with their wages, and under the railroad workers' compulsory pension law, they now pay 2 percent of their wages. If this measure should become a law, there would be at least 6 percent on every dollar earned by other workers and at least 8 percent on each dollar earned by the railroad workers in Kentucky. Therefore, in view of this fact, I think this motion to recommit is in the interest of those workers of my State and of this country, and it proposes to increase the amount of old-age pensions as fixed in this bill, and I shall vote to recommit the bill and have it amended with these provisions.

MUST LOOK TO THE SENATE FOR RELIEF

On final passage, I shall vote for the bill. A vote against it might be construed that I oppose old-age pensions and relief for needy widows and children and for public health and public welfare. My great objection to these features of this bill are the amounts set up are too small and the people in the poor States, and in my own State of Kentucky, will not get any relief now and, more than likely, will not for at least 2 years, and perhaps not at all. I want these needy groups in Kentucky and all other States to get this relief now. I do not want to put any additional taxes or burdens on the wages of the workers, most of them only getting one-half time, and they have more burdens than they can now bear with their small earnings and the high cost of living.

We are voting to send this bill to the United States Senate. I cannot believe that the Senate will pass this bill in its present form. I am very hopeful and confident that a lot of these salutary amendments that others and myself have been trying to get through will prevail in that body. If they do not God pity the needy old people, the blind, the cripples, and needy widows and orphan children of this country. Must they continue to suffer with hunger and cold?

This is the last opportunity I shall have to address you on this important measure, and permit me again to repeat that you Democrats have the majority and the power to defeat this and other helpful amendments. However, if you do, the responsibility is yours, and not those of us who have tried to bring relief now to these needy people. [Applause.]

Mr. DOUGHTON. Mr. Chairman, my distinguished and handsome friend the gentleman from Kentucky [Mr. ROBSON] roars like a mountain lion against this bill. If I recall, he has been a Member of Congress, a very able and distinguished Member of Congress, for many years, and it seems that just now he has awakened to the dire needs of the class of people for whom he speaks so eloquently.

Mr. ROBSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. ROBSON of Kentucky. Oh, this is not the first time I have done anything of this kind. I helped to pass the bill for vocational rehabilitation, and the public-health and child-welfare legislation.

Mr. DOUGHTON. Did the gentleman appear before our committee with any proposition or suggestion, or offer us any help or assistance in any way when we were sitting

week after week holding hearings? He was silent as the grave, but now when this question is up here in the last hours of debate he comes with an amendment that even the expert draftsman cannot tell what it means, and he expects us to disrupt the entire bill by incorporating in it some half-baked, ill-considered suggestion, just for political purposes back home.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I do not yield.

Mr. ROBSION of Kentucky. It is not for political purposes.

Mr. DOUGHTON. I do not yield to the gentleman. If I understand the gentleman's amendment, it cuts out State participation for 2 years. I do not know whether it does or not, but that is what the legislative draftsmen tell us. It cuts out State participation for 2 years. That would disrupt the organization in every State that now has an old-age pension, and would turn its administration in those States over to Federal control, and necessitate the creation in those States of a Federal organization to carry out this law.

I do not think my good friend from Kentucky, when he sits down and thinks this over deliberately, would be willing to set up Federal commissions in each State in the Union to administer this law. If the Federal Government finances it, of course the Federal Government, as a matter of right, would administer the law.

Mr. ROBSION of Kentucky. Has not this Government for 3 or 4 years, and does it not now propose to turn over billions of dollars to the States?

Mr. DOUGHTON. Yes.

Mr. ROBSION of Kentucky. Why not turn over something now to the aged and needy?

Mr. DOUGHTON. What the gentleman refers to has been done in a temporary measure, but this is permanent legislation, and the gentleman knows that he would not set up temporary organizations in the State to administer this law for 2 years, with all of the expense and the bureaus that would have been established, as well as the expense in the State. The gentleman is bound to know that that would be impractical; and no one in this House would oppose a proposition of that kind more readily or eloquently than the gentleman himself. The truth is that he is bound to find some excuse, and that in his estimation nothing good can come out of the Democratic Party. The gentleman knows the inception and origin of this great humanitarian legislation came from and is now proposed by the greatest President this country has had, at least since the Civil War.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment offered by the gentleman from Kentucky.

The amendment was rejected.

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Chairman, the social-security bill will in time affect everyone of us. It is so comprehensive in its scope and so far-reaching in its possibility of assuring security to the people of this country that we should thoroughly examine it and deliberate upon it before we vote on it.

In the short time allowed to me today I can only say a few words about it, but I expect from time to time to speak about the bill more fully and at length.

#### THE MAIN PROVISIONS OF THE BILL

I shall first review, if only in brief, the chief provisions of this bill.

The bill does not provide direct immediate payments to the aged, to the unemployed, or on behalf of children. The bill does not provide for direct immediate benefit payments of any kind. It does not set up a Federal system of old-age pensions or of unemployment insurance or of child care. I believe the people do not understand this fundamental principle

of the bill and will be bitterly disappointed when they realize it. To my mind, it is a fundamental weakness of the bill. The bill does not set up a Federal system of old-age insurance as distinguished from pensions. The payment of insurance benefits under that system to the aged of this Nation will begin January 1, 1942.

The bill does attempt to induce every State of the Union to create, establish, or improve an old-age-pension system or a system of unemployment insurance, called "unemployment compensation" in the bill. In the case of old-age pensions, the Federal Government undertakes to pay large sums of money to those States who have or will establish old-age-pension systems with certain minimum standards. One-half of all money expended by the States for old-age-pension payments is to be paid by the Federal Government.

In the case of unemployment insurance or unemployment compensation, the method resorted to is altogether different. The Federal Government, under the provisions of this bill, will levy a tax on pay rolls of certain employers, viz, those who employ 10 or more persons, of 1 percent in 1936, of 2 percent in 1937, and of 3 percent in 1938, and in every year thereafter. This tax will be levied upon these employers in every State of the Union, regardless of whether or not the particular State has an unemployment-compensation system, but if the State establishes an unemployment-compensation system with certain minimum standards described in the bill, the employers will not have to pay this tax to the Federal Government. To be more exact, the employers will be permitted to set off the unemployment payments which they make to a State fund against the Federal tax levy up to 90 percent of the tax levy. To put it in a still different way, if the employers make payments to an unemployment fund, equal to the payments required by the Federal Government, they need only pay 10 percent of the Federal tax.

The effect of these provisions is that in the States which have unemployment systems, the tax will be paid for the benefit of the employees in that State; in the States which do not have such systems the tax will be paid, but the employees of such a State will derive no benefit from the tax payments, since they will go into the general funds of the Federal Government.

It is quite certain that this should induce most States to pass some sort of unemployment-compensation laws.

A vital defect in the Federal law is that it does not prescribe definite and adequate minimum standards for the State unemployment-insurance systems. This is one of the serious defects of the bill.

#### PROVISIONS RELATING TO OLD-AGE PENSIONS SHOULD BE LIBERALIZED

As to old-age pensions, this bill requires the States to pay pensions to persons 65 years or over (except that up to the year 1940 a higher age limit is allowed). The Federal Government will make grants to the States of one-half of the money which they pay out for old-age pensions except that the Federal Government will not contribute more than \$15 per aged person.

I urged changes in those provisions before the Committee on Ways and Means during the hearings. The age limit should be reduced from 65 to 60 years, so that every person 60 years of age or over should be eligible to old-age-pension payments. The same change should be made in the Federal system of old-age insurance. Further, the payments should be increased. The States will not be more liberal than the Federal Government, and therefore the maximum for all practical purposes will be \$30 per aged person. This is far too low from every point of view.

#### DESIRABLE CHANGES OF UNEMPLOYMENT-INSURANCE PROVISION

In my testimony before the Committee on Ways and Means I also urged changes in that part of the bill relating to unemployment compensation. Industry in the United States is organized along national and not along State lines. Industrial production knows no State lines. Unemployment insurance should be under a Federal system and it should set up standards far superior to those provided for in this bill. It should raise most of the money, if not all of it, by inheritance

and gift taxes instead of by taxes on pay rolls, and it should make provisions for those that are now unemployed.

I have prepared several amendments for the purpose of liberalizing vital and important parts of the bill. From a survey of the sentiment of the Members of the House it is quite clear that under their present state of mind no amendment could possibly pass, and I therefore do not believe that I shall offer them. I shall wait until the bill has passed and a calmer spirit prevails.

#### THIS BILL IS ONLY A PART OF THE PRESIDENT'S PROGRAM

In justice to the bill, I must emphasize a point that has not been stressed in this debate and which is quite pertinent to what I am now discussing. The bill before us is only a part of the program of the President for social security and for the care of the unemployed. It is only a part; let us remember that.

The President's program contemplates that all those who are now unemployed and who are employable—7,000,000 of them—shall be given jobs; not relief, but jobs under the \$4,000,000,000 public-works bill.

The program therefore is to take care of those who are now unemployed by public works and to care for those who will be unemployed in the future by the creation of State-wide unemployment-compensation systems.

I am somewhat skeptical of the ability of the Federal Government to give jobs to all unemployed employables within a reasonable time or even within a year under the \$4,000,000,000 public-works program.

#### PROVISIONS FOR CHILDREN

Other sections of the bill provide that the Federal Government pay one-third of all the money paid by any of the States for the aid of dependent children, children who have lost their father and breadwinner, and therefore need the assistance of society.

Pennsylvania now has such a law. It is called the "mothers' assistance fund", but Pennsylvania has not appropriated enough money to pay out to these mothers and children what is due them under the State law. The law has been on the statute books in this State, but thousands upon thousands of children and widowed mothers who were entitled to payments did not receive their pension.

Under the Federal bill they will all receive their pension.

We will understand the importance of this part of the bill when we realize that 40 percent of all persons on relief—approximately 9,000,000 individuals—are children under 16 years of age. These 9,000,000 children will be given a fair measure of security with the passage of this bill.

The bill also provides for the expenditure of large sums of money by the Federal Government in aid of the States for maternity and child welfare, for hospitalization of crippled children, for the care of crippled or physically handicapped children after they have been discharged from the hospitals, and for public-health service.

#### THE SOCIAL-SECURITY BILL IS INADEQUATE

I am not satisfied with the social-security bill as it passed the House of Representatives a few days ago. I am not satisfied with the provisions which it makes for the aged, for the jobless, or for our handicapped orphaned children.

I want to emphasize that point strongly. The bill as it passed the House and as it most likely will pass the Senate of the United States and be enacted into a Federal law is not sufficient. It does not go as far as it should go. Indeed, it does not go as far as we could justly expect it to go.

#### THE ADOPTION OF THE PRINCIPLE OF SOCIAL SECURITY IS A GREAT STEP FORWARD

But I also want to emphasize another point just as strongly. That point is this: The principle which this bill establishes, the decent and humane philosophy upon which it is based, is more important than its specific provisions. We have the foundation; we can improve and better from time to time what we put on this foundation.

We have here a beginning and, with all its shortcomings, with all its obvious defects, it is a mighty step forward toward the goal of real social justice. Let us keep in mind

that high-minded men and women have fought this battle for social-security legislation for many years. They believed and they preached that it was the duty of the Government to care for its aged, to assume responsibility for fatherless or handicapped children, and to provide for the jobless through unemployment insurance.

#### THE STRUGGLE FOR SOCIAL SECURITY

It seemed almost impossible to convince the rugged individualists who were governing this great Nation that social insurance was a fundamental task of a liberal and democratic government. In all the years during which that battle was fought, no bill was passed in either House of the Congress of the United States concerning any part of social security until the passage last year of my own resolution H. R. 249, which provided for a study of a national contributory system of old-age insurance such as we are going to have under the social-security bill.

These pioneers for social legislation fought that battle in administration after administration in Washington, and they never gained an inch of ground. They got nowhere, and achieved nothing, until this administration under the leadership of Franklin D. Roosevelt came into office. And I want to pay tribute today to his inspired leadership for giving us this bill, for persuading the Congress to accept the principle that the Government of the United States has a solemn responsibility for the well-being of every one of its citizens.

#### FUTURE SOCIAL LEGISLATION

The mistakes and shortcomings of this bill are quite substantial. But it is a beginning. Let us take new courage and strength from what we have achieved so far. Let us pledge ourselves to continue the fight for social justice. If we fight hard enough, we shall see the enactment of a social-security bill so widened, so enlarged, and so liberalized that there will be real security for everyone in the United States, for dependent mothers and children, for the aged, for the needy, and for the jobless—all of them as important to the progress and security of this country as those more fortunate, and all of them deserving the economic peace and happiness which, I hope, will eventually be theirs.

#### FUTURE PROSPECTS

I visualize for the future a succession of laws that will look after the children from the day they are born, on through school until they are fully grown—a succession of laws that will guarantee to all men and women in the United States the inalienable right to a job that will pay unemployment benefits during period of unemployment; laws that will set up a system of old-age insurance so that when we have grown older and want to retire from the noise and bustle of this life into the quiet peace of our homes we will be assured a sufficient income either by pensions from the State or by old-age-insurance payments.

Every one of us would feel happier if he were assured security in his life, security in his job, or security of income while he is jobless, and security in his old age. Social-security legislation means just that. It means real security which is to accompany the human being from the time that he is born all through his life and until he reaches the end of his days.

Mr. TERRY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TERRY: Page 6, after line 12, add a new section to read as follows:

"Sec. 4. Whenever the President finds that a State is unable to contribute sufficient funds to furnish a reasonable subsistence compatible with decency and health to aged persons without such subsistence, and the President certifies such fact to the Secretary of the Treasury, then the Secretary of the Treasury shall, through the Division of Disbursements, make such quarterly payments as directed by the President to such State for such aged persons, except that such payments shall not exceed \$15 per person per month."

Mr. TERRY. Mr. Chairman, this is a simple amendment. As the bill now reads, the Government will contribute a maximum of \$15 for matching the State. There are, as everyone knows, many States which are unable to provide

an old-age pension or contribute to an old-age pension at this time, due to unusual economic distress, that some portions of the country have been undergoing for the last several years. I am speaking in behalf of those old people who live in those sections of the country which are not able to do their part in contributing to the old-age-pension fund at this time. These States are not trying to dodge this responsibility, and this amendment merely provides that those States which claim that they are unable at this time to match the national contribution may have their finances investigated by the President; and it is left to his discretion and to his good judgment to say whether or not those States are, in good faith, unable to contribute at this time. Although I am in favor of a more adequate pension, for the purpose of this amendment I do not seek to raise the maximum amount that the Committee on Ways and Means, in its good judgment, has fixed as the maximum to be contributed by the Government. The amendment merely provides that when the President finds these States are unable to contribute he will direct the Division of Disbursements to make the quarterly payments to such States, not to exceed \$15 per month per person. We are now taking old-age pensions as a duty national in scope, on account of the economical condition that the country is facing, and we say the old people should in some measure be taken care of by the National Government.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. TERRY. I yield.

Mr. TAYLOR of Tennessee. I am in thorough sympathy with the amendment offered by the gentleman. I think it is not only logical but it is very humane. This will not be any burden or handicap on the other States. It does not take anything from them at all.

Mr. TERRY. I thank the gentleman. This does not take one cent from the other States and does not add one penny to the maximum amount that the Ways and Means Committee has said the Government must contribute.

Mr. Chairman and members of the Committee, I ask you in the name of humanity, in the name of these old unfortunate people who have the misfortune, if you want to call it that, to live in sections of the country that are not able to contribute at this time, to give them the advantage of this amendment. [Applause.]

[Here the gavel fell.]

Mr. MILLER. I offer a substitute amendment to the amendment offered by the gentleman from Arkansas [Mr. TERRY].

The Clerk read as follows:

Amendment offered by Mr. MILLER as a substitute for the amendment offered by Mr. TERRY: On page 6, line 12, after the word "centum", strike out the period, insert a colon and add the following: "Provided, That the States shall not be required to match the funds herein provided prior to January 1, 1938, and the amount provided by this title shall be paid to the respective States to be paid by them to all persons eligible to receive a pension under the provisions of this title."

Mr. MILLER. Mr. Chairman, the reason I am offering my amendment as a substitute is that I believe it will more nearly obtain fair treatment for all and removes the discretion which is permitted under the amendment of my colleague. I am not unmindful of the feeling of this House with reference to amendments, but I have a high regard for the sense of fairness of the American Congress, and it is in that spirit that I want to appeal to you.

Together with my colleague, Mr. Terry, I come from a State that is anxious to discharge its duty as a member of this Union. We want to do all that we can and fully provide our share of the governmental expenses. The State, because of its financial condition, is unable to contribute one single dime to this worthy cause and I do not want my people penalized. The legislature, which has just adjourned, has passed laws in an effort to extract tax money to put ourselves in a position to make a contribution toward the payment of old-age pensions.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. HUDDLESTON. Does the Constitution of the State of Arkansas permit that the legislature shall present a "plan" in order that the gentleman's old people might be benefited by his amendment?

Mr. MILLER. It is very doubtful, and for that reason I think the 2½ years allowed under the substitute amendment is a reasonable time for our States to qualify.

Further, one of the statutes that was recently enacted by the legislature is now in the course of being tested with reference to its constitutionality.

Mr. HUDDLESTON. In my judgment the constitution of the gentleman's State and the constitution of my State as I know, would not permit the legislature to adopt such a plan as required by this bill and therefore with the gentleman's amendment adopted, it would not be possible for his old people to get one penny. Why does not the gentleman provide by amendment which would require the Federal Government to pay the pension direct to those people who are entitled to it?

Mr. MILLER. I do require it. It is required under my substitute amendment.

Mr. HUDDLESTON. The gentleman's substitute amendment does not obviate the "plan."

Mr. MILLER. Yes. It requires the payment of \$15 a month only under the limitations and restrictions in this bill, which contains a limitation of 65 years. This requires the money to be paid to the State, to be disbursed by the State to the people who are entitled to it according to the provisions in this bill and the passage of the substitute amendment will solve the question and will guarantee to those States 2½ years in which to comply with the provisions of the bill and place themselves in a position to make the contribution, and pending this time our eligible people will receive the same from the Federal Government as do the people from other more fortunate States.

I do not want to interfere with the theory for the payment of old-age pensions. I realize that every State ought to make its contribution, but we are facing a condition and not a theory. I am speaking to you about actual conditions. I know that Members from New York, Massachusetts, and the more favored States do not want to see old people, wherever they are situated, deprived of this aid. I do not care whether you call it a bounty and I do not care whether you justify it in the name of relief. I do not care whether you say it is a reward for loyal citizenship, but I do know and believe that the Congress is anxious to see justice done to all alike. The substitute amendment I have offered does not permanently relieve the States of their duty to make contributions. Public sentiment in those States will demand that by January 1, 1938, they shall have put their house in order and be in a position to make the contribution. It will render substantial justice, and that is all. It will render substantial justice to Tennessee, to Alabama, and to other States.

Mr. HEALEY. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. HEALEY. Does the gentleman think it is fair to exclude certain States from bearing their share of the burden of supporting the old people?

Mr. MILLER. No, no; but when I look back over the time the gentleman from Massachusetts and I have been here and see the billions of dollars which this Congress has appropriated upon first one pretext and then another, I think it does not lie within the mouths of any of us to begrudge the pitiful sum of \$15 a month to any American citizen, be he from Massachusetts, Arkansas, or where not. [Applause.] I do believe that justice ought to be done. That is why I am appealing to you to support this substitute amendment. This substitute amendment will give us a chance to provide our share in paying this pension, and I am sure that our State governments want to do this. As you know, I am not connected with our State government except as a citizen, but I am told that it cannot make its contribution now. This being true, my people will not immediately receive this aid unless you adopt this substitute, and in the name and on behalf of our aged men and women, loyal and good citizens,

I ask you to join me in seeing that they receive what the Federal Government gives to others, even though our State government is at present unable to make its contribution or pay its part.

[Here the gavel fell.]

Mr. HUDDLESTON. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I regret very much to reach the conclusion that the amendment offered by the gentleman from Arkansas [Mr. MILLER] will not obviate the necessity that the State should present a plan. Many of the States have no constitutional authority to present such a plan. Therefore they cannot be benefited by the adoption of the amendment offered by the gentleman from Arkansas.

Now, there are some principles involved in this legislation. The first is: Does the Federal Government owe any duty of relief to the old people of the country when they are in need? If the Federal Government owes no such duty, then this bill has no proper place here.

If, on the other hand, the Federal Government does owe that duty, such obligation is in no wise conditioned upon the States making a contribution to the pension fund. And there is ample room for difference of opinion on whether we owe such duty; there is ample ground to question the wisdom and the soundness of the policy of the Federal Government entering into a pension system. But by this bill that principle is waived, that question is answered in the affirmative; then I say that no man who admits such a duty upon the part of the Federal Government can say that the pension should not be paid, forsooth, because a State fails to make its contribution or because a State is too stricken by poverty to do it. [Applause.]

Now, I say, let us have some regard for principle even at this time. I invite the gentleman from North Carolina [Mr. DOUGHTON] and his associates on the committee to have some regard for principle. Why are they here with this bill? It is because they hold that the Federal Government has a duty to perform. Then I ask how can they come here to recognize that duty as to certain citizens of this country and at the same time ignore it as to other citizens who are equally worthy and equally in need?

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. I yield.

Mr. TERRY. I call the gentleman's attention to the fact that my amendment, not the substitute offered by the gentleman from Arkansas [Mr. MILLER], but my amendment, provides that it is in the good and sound judgment of the President to say whether or not these States are in such financial condition that they cannot contribute.

Mr. HUDDLESTON. Yes; it obviates the necessity for a plan; yet the amendment is hinged upon the President's discretion. If we owe the duty we are they who should recognize it. We should not leave it to the President or to anyone else to decide upon. We cannot acquit ourselves here by such subterfuges as this bill involves in certain of its aspects.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. I yield.

Mr. MILLER. The substitute removes that discretion.

Mr. HUDDLESTON. The gentleman and I differ about that.

Mr. MILLER. The substitute removes that discretion and simply provides for a contribution.

Mr. HUDDLESTON. But for only a limited time. The gentleman's amendment does not recognize any responsibility upon the part of the Federal Government to pay the old-age pensions whether the State pays them or not.

Mr. MILLER. Yes; it does.

Mr. HUDDLESTON. I say that if it is our duty to pay them, we should do it irrespective of whether the States do it or not; that is principle.

Mr. MILLER. I agree with that view; but we are taking into consideration the bill that is provided. We have got to get the best we can for these old people.

Mr. HUDDLESTON. I am not trading.

Mr. MILLER. I am not trading either.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to both the amendment and the substitute.

Mr. Chairman, speaking for the committee, the committee hopes both these amendments will be defeated. We have already passed upon similar amendments this afternoon on at least two different occasions. These amendments in substance have as their objective the same objective had by at least two of the other amendments offered this afternoon.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLER. The amendments passed upon were permanent amendments, were they not?

Mr. McCORMACK. No. There was the amendment offered by the gentleman from Nevada [Mr. SCRUGHAM] which was limited to 1937. Other amendments were offered which had the same objective.

Addressing myself now to the argument I urged in opposing the amendment offered by my distinguished friend, the gentleman from Nevada [Mr. SCRUGHAM], I do not want professional social workers of the Federal Government coming into Massachusetts and dictating to the old people of my State who are receiving benefits from a noncontributory pension system. I do not think the people of Nevada, or the people of any Southern State, of any Northern State, or of any Western State want to have professional social workers of the Federal Government dictating to the unfortunate aged of their State. That is one of the questions involved. A lot of other conditions will follow from such supervision. You cannot give the money of the Federal Government directly without the Federal Government controlling completely the administration of it and dictating to the beneficiaries of such legislation.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLER. My amendment does not make any change whatever in the method of administration.

Mr. McCORMACK. Federal money cannot be given without the Federal Government taking control and supervision over its payment and administration.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TERRY. Whether the State contributes or not, the same administration is had under my amendment.

Mr. MILLER. Under both amendments, as a matter of fact, the money is contributed to the States and is administered by the States under the terms of this bill. This being so, where is there Federal interference any more than is provided in the original bill?

Mr. McCORMACK. My friend does not realize the natural and probable consequences of his amendment. A bill has not been passed but what natural and probable consequences flow therefrom. Will the gentleman from Arkansas stand for a Federal old-age pension without State responsibility?

Mr. MILLER. No.

Mr. McCORMACK. Does the gentleman want the Federal Government to go into Arkansas and give the pensions to the people of his State?

Mr. MILLER. I am not asking that.

Mr. McCORMACK. These are the things which actuated the Ways and Means Committee in their consideration of the bill. We are trying to preserve the dual system of government; trying to provide that the law shall be administered by local hands, responsible to local public opinion, by people who will have sympathy with the beneficiaries of this meritorious and progressive legislation.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am always glad to yield when I have time.

Mr. MILLER. I do not want the Federal Government interfering in our internal affairs in Arkansas or in any other State; and if my amendment is adopted they will not be interfering. All I am asking is that the Congress give to Arkansas and the other States this contribution until 1938, and then if we shall not have put our house in order, cut us off.

Mr. McCORMACK. Until 1938 it is money of the Federal Government, is it not?

Until 1938 the Federal Government is going to administer the spending of this money during which time they are contributing the entire amount. I do not yield further because the gentleman and I have an honest difference of opinion as to the operation of his amendment and the operation of the amendment offered by his colleague from Arkansas.

Mr. Chairman, if there is one State in the Union where they take pride in their local responsibility and in their desire to control the operation of this law, it is and should be Arkansas, and I join with Arkansas and the people of any other State in their desire to reserve to the several States as great power as possible in the administration of this law, so that the unfortunate beneficiaries will not be subjected to the administration of this law by the Federal Government.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the substitute amendment offered by the gentleman from Arkansas [Mr. MILLER] for the amendment offered by the gentleman from Arkansas [Mr. TERRY].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. TERRY].

The question was taken; and on a division (demanded by Mr. TERRY) there were—ayes 59, noes 102.

So the amendment was rejected.

Mr. TAYLOR of Tennessee. Mr. Chairman, I ask for tellers.

Tellers were refused.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: At the end of section 2, on page 4, add a new paragraph, as follows:

"(c) No State shall be disqualified to receive its quota of old-age assistance under this act by reason of failure to submit a plan in conformity with this section or any requirement thereof before July 1, 1937, after which date such State shall be disqualified to receive old-age assistance until its plan has been submitted and approved."

Mr. MARTIN of Colorado. Mr. Chairman, whether all the Members agree with this amendment or not, there can be absolutely no dispute about the facts upon which this amendment is based. It is so very brief that I am going to read it to you again:

No State shall be disqualified to receive its quota of old-age assistance under this act by reason of failure to submit a plan in conformity with this section or any requirement thereof before July 1, 1937.

Mr. Chairman, it will be recalled that in the debate last Saturday I made the statement that certain provisions of section 2 of this act, and particularly subparagraph (2) of section 2, on page 4, would disqualify every State in the Union to receive any old-age assistance under this act until they had passed laws which would enable them to submit a plan in conformity with the act. There was some disposition to question the correctness of my statement, even by members of the committee, but all those who were here will remember that when the argument was concluded it was admitted, and it is shown in the CONGRESSIONAL RECORD covering the debates of last Saturday, that the State of Delaware is the only State in the Union which can comply with the requirements of section 2 of this act and be qualified to receive the old-age assistance provided for therein. That is by reason of the fact you only have to live 5 years in the State of Delaware in order to qualify for a State pension, which is the residence requirement of this bill. The other States require from 10 years upward; my State requires 15; therefore, all those States are disqualified to receive pensions under the Federal requirement and cannot submit a plan which will meet with approval. You will find the table of all State old-age residence requirements in my remarks in the RECORD of April 13, at page 5821.

My thought with reference to section 2 has broadened somewhat since the debate of last Saturday. There are 10

requirements in section 2 that must be complied with. I would be willing to bet any Member of the House \$100 that Delaware cannot comply with all these requirements. No fish in the country, however small, can escape the net of this bill. The only thing you can do with it, if you want any of the people of your States to get Federal old-age assistance, is to postpone the operation of this section until July 1, 1937, in order to give them a chance to get their houses in order. Three-fourths of the States are disqualified because they cannot make a contribution. All but one of them are disqualified under the residence clause in section 2 of this bill, and that is admitted, and several of them are disqualified by reason of the fact they will have to amend their constitutions before they can take advantage of this bill.

Mr. MILLER. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from Arkansas.

Mr. MILLER. In the event the amendment offered by the gentleman is adopted, may I ask whether between now and January 1, 1937, the \$15 a month is payable to the people of all States alike?

Mr. MARTIN of Colorado. I am going to be frank about this matter.

Mr. MILLER. In other words, is the \$15 a month payable to all those over 65 years of age?

Mr. MARTIN of Colorado. This amendment does not expressly call for that. I decided to do the simplest thing possible and that is to offer an amendment which, if adopted, would be at least a declaration by the committee that this section 2 of the law will not go into effect against the States until they have had time to make provision to comply with it.

Mr. MILLER. According to the gentleman's amendment, nothing would be payable or might not be payable until July 1, 1937?

Mr. MARTIN of Colorado. May I say what my amendment does cover. All of the State old-age pensions plan requirements are outlined in section 2 in order that it may conform to the Federal plan. My amendment simply says that no State shall be disqualified until July 1, 1937, for failure to submit such a plan. There can be no mistaking what my amendment means. If its adoption requires the amendment of section 3 also, which provides the plan of Federal payment to the States, we can take care of that when we get to it. It would not be germane to section 2. If we are unable to do that, this amendment would at least be a peg upon which the other body might hang further needed amendments.

The point raised by the gentleman's question has been suggested to me before and I drew several forms of my amendment containing mandatory provision for Federal old-age assistance to all dependent old people, but I finally decided that the simplest move would be the best and I drafted the amendment as it now reads, which does not change a word in the law, but simply adds that the State shall not be disqualified to receive Federal old-age assistance for a period of 2 years because of its failure to submit an approved plan under section 2. In my judgment it will take 2 years for most of them to comply, and the upshot of it will be that the majority of the States will get nothing from the Government the next year or two.

Mr. Chairman, apparently the bill is going through the House just as it came from the committee. Only 50 or 60 of us have voted for the McGroarty, the Lundeen, and the Greenway amendments, each of them intended to give the people a pension as well as a plan. My vote for those three amendments does not mean that I favored all the provisions in them, but it did mean that I favored the principle and spirit of those plans, any one of which, I believe, could be worked into a practicable plan. I believe if we would provide even a modest pension and start in paying it, it would go a long way toward satisfying the great majority of the people. If we expect them to be reasonable, let us treat them reasonably.

Let me say one more word, and this is the important part of my statement. Every man here knows there will not be a dollar paid out under the unemployment title of this bill

for years. Everyone knows there will not be one dollar paid out under the old-age contribution provisions in this bill for years. The only title under which one dollar can be paid to the old people of this country or to the unemployed people of this country is title I of this bill, and if you pass this act with this section in operation in the language it is now, they will not get a dollar under this bill for several years.

Mr. NICHOLS. Mr. Chairman, I offer a substitute for the amendment of the gentleman from Colorado.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS as a substitute for the amendment offered by Mr. MARTIN of Colorado: On page 7, line 17, after the word "individuals", add a new section, as follows: "Sec. 7. *Provided*, That in the event States do not by January 1, 1936, appropriate funds as herein provided, with which to match funds to be supplied by the Federal Government, the Federal Government shall make payments as provided herein the same as though the State had appropriated money to match Federal funds."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard?

Mr. NICHOLS. Yes; but I am wondering what is the point of order.

Mr. COOPER of Tennessee. The amendment, certainly, is not a substitute for the pending amendment, because it is offered to a different part of the bill.

Mr. NICHOLS. No; it is a new paragraph.

The CHAIRMAN. The point of order is sustained. The proposed amendment is not a substitute for the pending amendment.

Mr. FULLER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado [Mr. MARTIN].

Mr. Chairman, the amendment offered by the gentleman from Colorado, while no point of order was made against it, is not germane to this bill, and its adoption would be a nullity. It does absolutely nothing.

The amendment starts out by saying that no State shall be disqualified until July 1937, but every word and every sentence and the entire spirit of this bill show that they could not possibly be qualified until the States had adopted a uniform plan. So the gentleman takes a negative view of this matter that is not compatible with the language or the theory of the bill. Not only this but if the amendment were adopted 20 States of the Union would be absolutely cut off at the hips, and so I ask that the amendment be voted down.

This is just another attempt to inject something here that has not been considered at all after the committee for 3 months has considered every phase of the subject matter in the bill.

With respect to the amendments that have been offered here by the gentleman from Arkansas, I concurred in them myself for a long time, as a member of the Ways and Means Committee; but we became convinced we could not carry out this social program, we could not provide for a pension that would get by the Executive of this Nation, and we could not have any relief at all if we started to adopt all kind of plans under which various States of the Union would be exempt from contributing.

Mr. Chairman, I ask for a vote on the amendment.

Mr. TRUAX. Mr. Chairman, I offer an amendment to the pending amendment.

Mr. SAMUEL B. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SAMUEL B. HILL. Mr. Chairman, there is an amendment pending, offered by the gentleman from Colorado, on which we are asking for a vote. Has there been any amendment offered to that amendment?

The CHAIRMAN. The gentleman from Ohio [Mr. TRUAX] has been recognized to offer such an amendment.

Mr. KENNEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEY. Mr. Chairman, how many amendments are now pending?

The CHAIRMAN. There is one amendment pending and the gentleman from Ohio is offering an amendment to the pending amendment.

The Clerk will report the amendment of the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. TRUAX to the amendment offered by Mr. MARTIN of Colorado: Page 2, line 17, add a new section, as follows:

"Where State plans have not been submitted or approved by the Social Security Board there shall be paid to all persons, by the United States Government, over 60 years of age, who are citizens of and residing in the United States for a period of 10 years, who are not gainfully employed and who have no income-bearing property in excess of \$5,000, the sum of \$30 a month. Upon attaining the age of 65 years, the amount of monthly payments shall be increased to \$50. Upon attaining the age of 70 years, the amount of monthly payments shall be increased to \$75."

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not an amendment to the pending amendment. The amendment is offered to a different section and a different part of the bill and embraces an entirely different subject matter.

Mr. TRUAX. Mr. Chairman, as I understand the amendment offered by the gentleman from Colorado, it pertains to certain States that may be affected adversely during the next 2 years if this bill as written is enacted into law.

My amendment to his amendment prescribes the manner in which certain States will of necessity have to be handled if old-age pensions are to be made applicable to other States where plans have been submitted, and have been disapproved by the Social Security Board, or in certain States, such as the State of Arkansas, where satisfactory plans cannot be submitted to the Social Security Board because of lack of finances with which to meet the share contributed by the Federal Government. I claim that my amendment is germane to his amendment.

The CHAIRMAN. The Chair is ready to rule. The Chair sustains the point of order because the amendment applies to a different place in the bill. The question is on the amendment offered by the gentleman from Colorado [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. MARTIN of Colorado) there were 29 ayes and 108 noes.

So the amendment was rejected.

Mr. NICHOLS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 7, line 17, after the word "individuals", add a new section:

"Sec. 7. That in the event States do not by January 1, 1936, appropriate funds as herein provided with which to match funds to be supplied by the Federal Government, the Federal Government shall make payments as provided herein, the same as though the State had appropriated money to match Federal funds."

Mr. NICHOLS. Mr. Chairman, ladies and gentlemen of the Committee, in presenting this amendment, I would like if possible to get some common ground upon which we could start. I assume by the very fact that the great Ways and Means Committee of this House has spent so much time in the consideration of this legislation, and by reason of the fact that this House is now spending so much time in consideration of this legislation, that by these actions we admit the Federal Government does have some responsibility to the aged people, indigent dependents of this country.

If that is so, and this Congress passes legislation saying to the old people of this country, "We will pay our obligation, provided thus and so"—I do not care what the proviso is—then we have been derelict in our duty to them.

This bill provides that the people in the States can get no benefit unless the legislature of that State sees fit to make appropriations to match the money of the Federal Government. If the legislature does make up its mind to do this, then they must find the funds in the State with which to match the Federal funds. And if the State does not have and cannot raise the money with which to do this, then the old people of that State are sunk.

I submit to you in all fairness that if the Government of the United States admits that they owe the old people of

this country any amount of money in order to help them in their declining years—and I submit that by our actions now we do admit it—I do not care whether it is 1 cent or \$100 or \$1,000 per month, if the Government admits that they owe that, I say in all fairness it should pay it to them, wherever they are, and not place a penalty on them by reason of their geographical location, where the inhabitants are not able to match the funds of the Federal Government.

My amendment would simply do this. Of course in those States that could appropriate enough money to pay \$15 or any other sum and match the money of the Federal Government, the people of that State would be greatly benefited, but in those States where they could not raise the money, the people would still have some help. If it is a responsibility of the Federal Government to contribute in a State where the State can match the money of the Federal Government, it is also a responsibility of the Federal Government to pay in those States that cannot. Some of the members have said to me, "Do you mean to tell me that you favor the Government paying a pension without the State contributing something?" I have answered "Certainly", and I have asked them why they do not favor it. Their answer is "Don't you know that if you do that, every time you make a campaign in your State to come back to Congress you will have to promise the people that you will raise the ante and raise the ante and raise the ante."

I do not know whether that will apply to some of you gentlemen, but it surely would not apply to me, except to this extent: That if I thought the ante should be raised I would promise to try and raise it; if I did not I would simply say I thought they were getting enough. If this bill is passed and becomes a law, and my amendment is adopted and the Government pays direct to the States, under my amendment the Government would pay it through your machinery, Mr. Chairman. I will answer the argument of the gentleman from Massachusetts when he says it would be necessary to send down social-service workers. There is no one in this House more strongly against importing women from one State to another, and calling them social workers and having them go around telling the women of the country how to raise flowers and children, than I am. My amendment will operate right straight through the State machinery just the same as though they were contributing, and no social service or Federal machinery will be necessary.

Mr. Chairman, my reasons for introducing and insisting upon the passage of this amendment, in addition to those above stated, are, briefly, as follows:

The taxes which are used to defray the expense of the Federal Government are collected from all over the United States, and every section of the United States contributes to the Government's support, and the barriers of State lines are considered; and therefore I say that when the benefits of government are to be given back to the people of the United States, and these benefits can only be derived from the collection of taxes, the benefits should be distributed back to the people by the Federal Government without paying any attention to State lines. And this is exactly what you do when you say that these benefits can only be derived by those old people who are so fortunate as to live in a State whose financial condition, or whose legislature will permit the passage of legislation to meet the requirements of this bill.

Frankly, I am of the opinion that the Constitution of the State of Oklahoma will have to be amended before Oklahoma can possibly bring herself within the pale of the provisions of this act. And I know that the old people of Oklahoma should not be penalized by reason of the fact that they live in Oklahoma.

Frankly, I do not think that this act provides a sufficient amount of money to be paid, even if my amendment were adopted, and I will frankly say to you that if my amendment is adopted, I will immediately offer another amendment to raise the amount which the Government must pay direct to the old people who are entitled to receive the pension.

The steam roller manned by you gentlemen who are members of the Ways and Means Committee is oiled and working

in perfect condition this afternoon, and I want to warn you that if you crowd this bill down the throats of the American people, and it does not operate any better than I think it will operate, then I say that we are playing into the hands of the Republican Party of this Nation and are probably doing more to hurt the cause of democracy in the United States than anything else we have done this entire session.

I probably will vote for the passage of this bill, but if I do, I will not vote for it because I think it is adequate, nor because I think that it fulfills the pledge that I, and the majority of the Members of this House made, when we ran for office last fall, but I will only vote for it because I hope that every State in the Union can, and will, pass legislation which will permit the old people of those States to enjoy the benefits of this legislation—even though those benefits are not adequate, if and when they receive them, purely upon the theory that it is better to take a half loaf than none at all, and for the further reason that I deem it necessary to at this session of Congress put some sort of old-age pension legislation upon the statute books.

I have ever been for unemployment insurance, but I am not at all sure that if the unemployment insurance which we provide for in this bill is adopted, that it will take care of the situation.

As a matter of fact, I signed the Greenway petition, demanding that the Ways and Means Committee report these measures out, separated from each other, so that we could look at them and see their merits by themselves, and not be compelled to consider them in the form of an omnibus bill whose provisions are so interwoven with each other that it is almost impossible to dissect them and know what the net result will be.

This measure will as surely pass this House as I am standing here today, in exactly the same form that it was brought to the floor by the Ways and Means Committee, and I sincerely hope that after we men, who have been flattened out by the wheels of the steam roller which has forced this bill upon us, have shaken ourselves to an awakening and find that the measure is in the hands of the United States Senate for consideration, that that body will have both foresight and intestinal fortitude enough to amend it, as we should have amended it, to bring it somewhere close to the proportions of the law that the old people of this Nation who have worn themselves out through toil and labor that these United States might today enjoy her position at the head of the procession of nations, are expecting.

In closing, I want to say that if I vote for this bill on final passage, I will be in the frame of mind that a man would be in were he to find himself in the middle of a blizzard without clothing, and was forced to put on a thin suit of B. V. D.'s for warmth, by reason of the fact that there were no warmer clothes available.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. TRUAX. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TRUAX. I rise to ask the Chairman if my amendment, just ruled out on a point of order, would be germane to the amendment of the gentleman from Oklahoma?

The CHAIRMAN. The Chair thinks it would not be. It would be germane as an original amendment after this amendment is disposed of.

Mr. McCORMACK. Mr. Chairman, this is the same amendment that has been offered on three different occasions this afternoon. I do not see how any of my distinguished friends who propose such an amendment can argue that the Federal Government contributes all of the money, and at the same time that the Federal Government will, and should not, supervise the spending of that money. One follows the other, no matter what is intended. If the Federal Government is contributing all of the money, I expect the Federal Government to supervise and control the spending of that money. Personally I am opposed to that idea, but if that is to be the policy, then I want the Federal Government to control and supervise the spending of its own money.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. LEE of Oklahoma. Would the gentleman refuse to send Federal funds into a State to help the aged when that State is not able to match the fund?

Mr. McCORMACK. We cannot have two different systems in the United States. We cannot have Federal aid to a State making a State contribution in some States and have total Federal contribution to other States. It is ridiculous, in my opinion, to advocate any such plan; to have some of the States of the Union performing their functions as sovereign States and other States of the Union not performing their functions as sovereign States. I have just as much feeling and sympathy for the infirm and the dependent as has the gentleman or anyone else, and if we could afford a higher amount each month, I know that all would vote for it.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will. I have a very great respect for whatever the gentleman from Alabama says, and when he says anything I consider it very seriously before I disagree with him. I yield to the gentleman.

Mr. HUDDLESTON. Why does not the gentleman or some member of the committee answer my argument on the merits, instead of stating something with reference to the formality of the situation?

Mr. McCORMACK. I believe it is the best policy to have a law which is consistent with our dual system of government, with the Federal Government contributing and the State assuming its responsibility.

Mr. HUDDLESTON. Does the gentleman think that such a measure as this which coerces and bribes the State into a system of Federal aid is conducive to the dual form of government? You are destroying our governmental system.

Mr. DOUGHTON. Oh, I make the point of order, Mr. Chairman, that the gentleman from Alabama is out of order.

Mr. SABATH. This is encouragement to the State.

Mr. HUDDLESTON. What we are doing is to wipe out State lines. We are centralizing all of the powers here in Washington. We are trying to destroy our dual system of government. That is what is the matter with this measure.

Mr. McCORMACK. If we follow the gentleman's idea, we will destroy it. If we are going to take away from the State the State's responsibility, we will destroy our dual system, the State, at the expense of the Federal Government.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield to me?

Mr. McCORMACK. Let me say one more word about the gentleman's amendment. If the gentleman's amendment is adopted, no State intended will get a penny.

Mr. NICHOLS. No, no.

Mr. McCORMACK. Pardon me. What I may say is at least worthy of consideration. The gentleman has asked that the States get Federal contribution up to a certain time.

Mr. NICHOLS. Oh, no. The gentleman did not hear my amendment.

Mr. McCORMACK. The gentleman's amendment provides for Federal contribution as provided in this act?

Mr. NICHOLS. That is correct.

Mr. McCORMACK. What is in this act? Not a penny.

Mr. NICHOLS. Will the gentleman yield right there?

Mr. McCORMACK. Pardon me just a moment. There is nothing in this bill as to what the Federal Government will contribute until the State passes a law. Then the Federal Government says, "We will contribute, dollar for dollar, up to \$15 a month."

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. NICHOLS. Mr. Chairman, I ask unanimous consent that the gentleman have two additional minutes. I would like to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. SAMUEL B. HILL. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. NICHOLS].

The question was taken; and on a division (demanded by Mr. McFARLANE and Mr. MARTIN of Colorado) there were ayes 47 and noes 126.

So the amendment was rejected.

Mr. DUNN of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DUNN of Pennsylvania. I would like to ask if it will be germane to offer an amendment asking for \$50 a month for every person over 60 years of age who is in need?

The CHAIRMAN. Whenever such an amendment is offered the Chair will pass on it.

Mr. SAMUEL B. HILL. Mr. Chairman, I move that all debate on title I and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. McCLELLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLELLAN: Page 2, strike out title I and all of section 1 of title I, and insert in lieu thereof the following:

" TITLE I. OLD-AGE ASSISTANCE  
" APPROPRIATION

" SECTION 1. In order to furnish financial assistance, such as to provide, as far as practical, reasonable subsistence compatible with decency and health to aged individuals without such subsistence, who are American citizens and who have or shall hereafter attain the age of more than 65 years, and who may qualify as eligible to receive such aid under the conditions herein prescribed, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$450,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title."

Mr. McCLELLAN. Mr. Chairman, the purpose of this amendment is to strike at two of the principal faults of title I of this act. The first is that if the Government is going to deal with one of the major problems confronting this Nation, it ought to accept the responsibility for dealing with it to a final conclusion and so as to get satisfactory results.

The subject of title I is Grants to States for Old-Age Assistance. If it was a problem of constructing State improvements or improvements for the Nation, where a State receives some special benefit, where property rights were involved, and where property values were increased, it would be quite appropriate, in my judgment, for the United States Government to say to that State thus affected that the Federal Government will not pay anything for that purpose until and unless the State and its citizens are willing to help raise the revenues for that purpose. But here we are not dealing with property rights. We are not contributing to the material wealth of States as such. We are making a contribution, if we are doing anything, or we ought to be making a contribution, to the individual citizen who desires our aid and whom this legislation proposes to assist.

Under the present bill there is proposed an appropriation of \$49,750,000 for the first year. I want to say to you—and I am talking to those who have given the most study and thought to this measure, the members of the Ways and Means Committee—that you are not deceiving anyone. We all know, and you must admit, that during this time of emergency, during this time of distress, when the Government is appropriating \$4,880,000,000 to try to find work for able-bodied men, we should consider those who have reached that age where they can no longer work. The emergency is just as great or greater for those people. Still you propose for the next year only \$49,000,000 from the Government's Treasury to aid those who are old, infirm, and can no longer earn a livelihood. Of course, you are proceeding on the assumption—and correctly so under the terms of your bill—that States cannot match it, that States will not match it, and State laws will not be effective, and therefore no greater appropriation will be required. That is one of the great injustices this bill inflicts. Do you know what you propose to appropriate—\$49,750,000—will provide? It will only amount

to \$4.17 per month on the basis of 1,000,000 out of 7,500,000 people who are more than 65 years of age. Is that adequate? I say to you that today there are 2,000,000 or more who ought to have this relief. If you put it on that basis you will provide for only \$2.08 for each of these old people each month. That is not adequate to make the contribution to which they are entitled. I realize the temperament of this body, and I know you are going to vote this down. I think this is a problem of such magnitude that partisanship should play no part in it.

I am not interested in warning the Republican Members of their danger, but I say to you, my Democratic colleagues, the responsibility in the passage of this legislation is ours—the one in power today. The President of the United States is our leader and we have a large enough majority in either branch of Congress to pass any bill we desire. The few Republicans here are not in our way. We, as Democrats, must accept full responsibility for this bill and the consequences resulting from its passage. My amendment proposes an appropriation sufficient to pay \$15 per month to 2,500,000 who can and will qualify for these benefits, and should be passed. If you pass this bill in its present form with this meager appropriation you are going to seriously discriminate against a large percentage who are entitled to these benefits. It will be disappointing to everyone and result in consequences you shall soon regret.

I plead for your consideration before it is too late. The old and infirm bring to you and me as their representatives their baskets empty and ask for grain. Are you going to fill them with shucks instead and leave them destitute and hungry? Let us not turn them away. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. McCLELLAN] has expired.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, unusual as the practice is in these times, I wish to make an appeal to reason and to logic. This bill provides for a system of State aid for which there is no warrant in the Constitution and which can be sustained, as the Supreme Court has decided in the Massachusetts case, merely because there is nobody eligible to call it in question. It provides for a system of old-age pensions for which there is no warrant in the Constitution, and upon the soundness of which men of ability and character might well find themselves in radical difference.

As I stand in this Chamber I wonder what those who have gone before us would have said had they stood here today. What would Jefferson have said—what would any of the great Democrats of the past have said—had he been in the House and have seen a committee of his party coming in here with a bill based upon such principles as characterize this bill?

By saying that we should have a system of old-age pensions, through a system of State aid, the gentlemen of the committee have conceded the point that the Federal Government is responding to its proper function. They say that we are come upon a new day, in which the Government shall recognize its obligation to pension the old. Discussion of that point has now passed for them. Now, will the Government meet this responsibility? Will we do what we say the Government ought to do?

If members of the committee will not do it, then give me some reason. I appeal to you to answer this on its merit. No member of the committee has attempted to answer on the merits so far as I know. I have heard no defense. I am tired of evasions; I am tired of assigning reasons of formalism and of technicality when reason is appealed to. I am tired of appeals to sentiment and of plays to prejudice against social workers.

One Member replied that not to require contributions from the States would tend to destroy our system of government. What, I ask him, could have more influence toward the destruction of our duality of government than an offer to the legislatures of the States a bribe of a grant of Federal funds to do a thing that they perhaps otherwise

would not do? [Applause.] What greater force to destroy our form of government can be offered than for the Federal Government to coerce, through a measure such as this, the States into establishing a pension system which they otherwise might not want to do?

What we are doing here may have consequences reaching far beyond the horizon of the lives of those now here. Its tendency is to destroy our form of government. Its tendency is to centralize all the affairs of government in Washington until, following onto its logical end what is being done by this bill, the time may come when our dual system will be destroyed and the Union be dissolved into sections, not through force but in disgust and by unanimous consent.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 4, section 2, line 6, strike out the word "five" and insert in lieu thereof the word "ten"; and on the same page and section, line 7, strike out the word "nine" and insert in lieu thereof the word "fifteen."

Mr. HOFFMAN. Mr. Chairman, the difficulty the gentlemen on the Democratic side find themselves in and the cause of their bitter disagreement grows out of the fact that they have disregarded a statement of our President. Last year, when he came back from that trip across the Pacific, which he so richly deserved, and stopped over in Wisconsin, he told us very plainly that "you should not rob Peter to pay Paul." That was a sound, sane statement of a principle.

Now you have a plan whereby you propose to take a certain amount from one class of citizens and give it to another class, and today we find Members from some States, the poorer States, States which cannot meet the requirements of this bill, opposed to those requirements and arguing with Members of their own party who live in more wealthy States.

The bill itself is merely a modified form of HUSBY LONG'S "share the wealth" proposition, a mild version of the Townsend plan. Unlike those plans, it provides the machinery for the collection of the necessary funds to put it into operation.

It takes from thrifty, saving Peter to pay unfortunate Paul, whether that misfortune be due to his lack of opportunity, lack of thrift, aversion to labor or to misfortune over which he had no control.

To the operation of this scheme, as between individuals, you have no objection, but, when you attempt to apply it and the States are each required to furnish an amount to match that taken from a certain class by the Government, then you of the poorer States object and you Democrats of the wealthier States refuse their plea; you will not give to a poor State or to the inhabitants thereof that which you insist the impoverished individual shall have from his more fortunate neighbor—the height of inconsistency. But that is nothing new in your legislation.

The Chairman of the Committee on Rules, Mr. O'CONNOR, this morning asked a question and he made a statement, neither of which should go unanswered. Referring to the Republicans, he said "They fought every humanitarian piece of legislation." Perhaps he made that statement because, when talking, he was a zealous partisan; perhaps he made it because he has always lived in New York and has never visited "the sticks" and by "the sticks" I mean that country west of the western boundary of Pennsylvania and east of the Rocky Mountains—other than Chicago.

His sincerity is unquestioned, his knowledge unbounded, and it could only have been in a thoughtless moment that he advanced that idea; because in Michigan for many years, under Republican rule, we have had legislation granting mother's pensions, aid to children, and workmen's compensation laws. Did he refer to humanitarian legislation? Surely he has not forgotten the legislation which preceded, that which followed, the emancipation proclamation; that

declaration by the first Republican President and those laws enacted by a Republican Congress, the greatest single enunciation looking toward the freeing of humanity ever made by any one man.

And is he familiar with the history of the legislation looking toward the prevention of child labor and of that which was enacted to better the working conditions, not only of women, but of men, as to hours and places and safety of employment? Michigan's statute books contain enactment after enactment for those very purposes.

The number of children who were benefited by the enactment of the Federal laws against the exploitation of childhood was negligible when compared with those benefited by the laws of Northern States enacted under Republican rule.

The gentleman from New York asked the question: "When did the Republicans think of old-age pensions during all the years they were in power?" That is a fair question. Never was there necessity for old-age pensions until you gentlemen began your raids on the Public Treasury. [Applause.] We never even dreamed it would be necessary as a national proposition.

When did we begin to think of it? I will tell you when. When the people discovered that you, as a party, did not mean what you said; when you repudiated the platform you adopted at Chicago; when you repudiated the promises that you made during the campaign and on which your candidates won their election.

Consideration of old-age pensions and like legislation became necessary after business men learned that you did not intend to balance the Budget, that the promises your President had caused to be printed upon the Government's obligations were not intended to be fulfilled; when the regulations imposed by the last Congress, under the present administration, prevented the natural, normal recovery which has always, unaided, followed a national depression.

Some of us remember the administration of Grover Cleveland, the 50-cent wheat, the work in the factories at \$3 per week, and we recall that, out of that depression, when McKinley was elected in the campaign where the battle-cry was "a full dinner pail for all", "Protection for American industries", how the wheels of industry, after his election, began again to hum and smoke from the factory chimneys once more clouded the skies.

No; never under the long, long years of Republican control and administration, has it been necessary to consider the question of old-age pensions, of unemployment insurance, as a national question. Only when a Wallace and a Tugwell began their efforts to control the operations of nature did such a question arise.

Oh, I know what you will say: That Harding's administration gave us this depression. But remember that, while there were rascals in the Republican Party, while we had a Teapot Dome, a Doherty, and, to our sorrow, others of like mind, that your party has never been free from men of the same stripe and with the same purpose in mind, and the poorest excuse in all the world and the one which you persistently use is that Hoover did this or that or something else. When she caught me with jam on my face and fingers, mother never accepted the excuse that my little sister had taken it from the shelf.

"Playing politics with human misery"—no; neither good Democrats nor good Republicans would intentionally do such a thing, but, unfortunately, we each, and always a successful party has more of them, have within the party organizations a few plunderers. Never before, however, has a great party openly—yes, proudly—used public money for political ends. During the last campaign, you all know, not that some of your party chiefs played politics with human misery, but that they played politics with money, and that not their own, but the money of the taxpayers.

Nor have you kept faith with the people. I hold in my hand Liberty bond no. 1298252, issued by the United States Government of America, dated October 24, 1918, bearing the authorized facsimile signature of Mr. McAdoo, then

Secretary of the Treasury. This bond contains this statement:

The principal and interest hereof are payable in United States gold coin of the present standard of value.

This bond was issued and it was sold during the administration, and presumably with the authority and approval of a great Democratic President.

Last year another Congress and another Democratic President, one who stands for the underprivileged, repudiated this promise. And, for the first time in the history of our country, in the one hundred and fifty-ninth year of our Government, you caused us, as a nation, to violate that promise, to repudiate our obligations.

Honesty the best policy? Why teach the children honesty, if a nation may be dishonest, keeping its promises only as convenience dictates? I shall not say that this repudiation was a lie—that is a harsh word—and it does not apply to the failure to keep a promise which was intended to be kept when made. The repudiation is a breach of good faith.

It is, however, what might be expected from a great national party which adopts a platform, which makes a campaign upon a declaration of principles, upon promises, and then, within a few short months, repudiates the platform, disregards the principles.

No Republican need criticize Democratic policies or legislation. If you wish constructive criticism, turn to the statements of that venerable and patriotic Senator from Virginia, CARTER GLASS; read what Bainbridge Colby, President Wilson's Secretary of State, has said; read and consider what Senator TYDINGS, over in the Senate, had to say just a few days ago about your conduct and what was certain to follow. You will cease to criticize Republicans. You will understand that, however sincere and laudable your purpose may be, the incompetent, arbitrary, and unjustifiable interference with those who produce the wealth of this country by all of these plans, which your President has said were merely experiments and one of which, the triple A, Secretary Wallace is quoted as having said was a "political expediency", give you the real reasons why you are now considering this bill. The quackery practiced by your experts has brought on a disease which you, no doubt, believe can be cured, or at least alleviated, by this remedy. Let us hope and trust you are right. We on this side can do naught else. Let us hope and pray that the results will be no worse than your other so-called "remedies."

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. TRUAX. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TRUAX: On page 2, line 17, add a new section, as follows:

"Where State plans have not been submitted nor approved by the Social Security Board there shall be paid to all persons by the United States Government, over 60 years of age who are citizens of and residing in the United States, for a period of 10 years, who are not gainfully employed and who have no income-bearing property in excess of \$5,000, the sum of \$30 per month. Upon attaining the age of 65 years the amount of monthly payments shall be increased to \$50. Upon attaining the age of 70 years the amount of monthly payments shall be increased to \$75."

Mr. COOPER of Tennessee. Mr. Chairman, I make a point of order against the amendment.

Mr. TRUAX. Will the gentleman withhold his point of order?

Mr. COOPER of Tennessee. I reserve the point of order for the present.

Mr. TRUAX. Mr. Chairman, objections to this amendment and other similar amendments have been made by the members of the Ways and Means Committee on the argument that to adopt these amendments would mean a decentralization of the powers invested in the States and in the Federal Government by this bill. May I advise my good

friend the gentleman from Massachusetts [Mr. McCORMACK], that has already been done in the case of Federal relief work in the State of Ohio and some other States.

In the State of Ohio Mr. Harry L. Hopkins a few weeks ago summarily, arrogantly, and unjustly withdrew all cooperative efforts with the State of Ohio in the administration of relief funds. Mr. Hopkins followed with a statement a little later on in which he said that any Members of Congress or other politicians who mixed in relief work in any State would be kicked out, and damn quick.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. May I say to the gentleman from Ohio that there is less power vested in the Federal Government under the administration of title I and the other grants and aids to States than any other similar statutes on the books.

Mr. TRUAX. Mr. Chairman, permit me to say that this Congress has already appropriated from forty to fifty million dollars more for the Army. I understand there will be set aside the sum of \$900,000,000, to be spent by Dr. Rexford Tugwell to buy land and to alleviate the dust menace; yet here we are considering and voting to make available a lousy, measly \$49,000,000 to take care of 1,000,000 aged people in this great country of ours. Think of it—\$49,000,000 as measured against \$900,000,000 for Dr. Tugwell's relief. Is that justice? Is that fair? Is that giving the aged people what they deserve? Mr. Chairman, our very eloquent colleague, the gentleman from Alabama [Mr. HUBLESTON], spoke very feelingly and eulogistically of Thomas Jefferson and George Washington.

In the time of Thomas Jefferson and George Washington there was no need for old-age pensions. Ninety-eight percent of the American people lived on the farms. The farmers were energetic and frugal and the 2 percent who lived in the urban centers of population waxed fat on the toil and production of the farmers. Following the Revolutionary War, Alexander Hamilton, Secretary of the Treasury, found a new-born nation confronted with a seemingly insurmountable debt. The farmers shipped their surplus grains and commodities to Europe. Alexander Hamilton levied a gentle import duty upon the manufactured commodities made in Europe and bought by the American farmers. It was then that Hamilton said that he had "smote the rock from which the golden flow of prosperity gushed forth", when, as a matter of truth, it was the farmers' labor and thrift that did the trick.

The bill we are considering is H. R. 7260, to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes. This bill was introduced in the House of Representatives April 4, 1935.

On April 11 the House adopted the rule making the bill in order and providing for 20 hours of debate.

A careful study of the bill will disclose that in section 1, title I, the sum of \$49,750,000 is authorized to be appropriated for the coming fiscal year and for each fiscal year thereafter, a sum sufficient to carry out the provisions of this title. The sums made available shall be used for making payments to States. In my judgment the sum herein appropriated is entirely too small.

In his annual message to the Congress, President Franklin D. Roosevelt said:

In addressing you on June 8, 1934, I summarized the main objectives of our American program. Among these was, and is, the security of the men, women, and children of the Nation against certain hazards and vicissitudes of life.

At this time I recommend the following types of legislation looking to economic security:

1. Unemployment compensation.
2. Old-age benefits, including compulsory and voluntary annuities.
3. Federal aid to dependent children through grants to States for the support of existing mother's pension systems and for

services for the protection and care of homeless, neglected, dependent, and crippled children.

4. Additional Federal aid to State and local public-health agencies and the strengthening of the Federal Public Health Service. I am not at this time recommending the adoption of so-called "health insurance", although groups representing the medical profession are cooperating with the Federal Government in the further study of the subject, and definite progress is being made.

With respect to unemployment compensation, I have concluded that the most practical proposal is the levy of a uniform Federal pay-roll tax, 90 percent of which should be allowed as an offset to employers contributing under a compulsory State unemployment compensation act. The purpose of this is to afford a requirement of a reasonably uniform character for all States cooperating with the Federal Government.

We pay now for the dreadful consequence of economic insecurity—and dearly. This plan presents a more equitable and infinitely less expensive means of meeting these costs. We cannot afford to neglect the plain duty before us. I strongly recommend action to attain the objectives sought in this report.

Hearings were started on January 21, 1935. The testimony compiled from the hearings before the Committee on Ways and Means on the Economic Security Act totaled 1,141 pages. The recommendations of the committee cover four subjects, namely:

First. Unemployment compensation.

Second. Old-age security.

Third. Security for children.

Fourth. Extension of public-health services.

Yet we authorize only \$49,000,000 for the aged! On unemployment compensation the bill proposes a Federal pay-roll tax upon all employers throughout the country who employ four or more employees. A Social Insurance Board is created to consist of three members appointed by the President functioning within the Department of Labor. The old-age security portion of the bill provides for an old-age pension of \$30 per month, the cost of which is to be borne equally by State and Federal Governments. In the event of States not passing adequate legislation indigent people 65 years of age will be down and out. The bill provides for an old-age annuity system for all employed persons and for a system of voluntary annuities for people of small incomes. That section which deals with security for children seeks to meet the costs of dependent children, oftentimes referred to as "mothers' pensions." Ten million dollars is proposed for the extension of public-health services. Total appropriations authorized in the bill amount to \$98,500,000 in the fiscal year 1936 and \$218,500,000 in subsequent years. Only a beginning. That is all and nothing more. We are only scratching the surface; hence, my amendments to obtain funds from the millionaire class.

The minimum age, both in States wherein old-age-pension laws have been enacted, and in the minds of legislators who have given this subject considerable thought, is 65 years. In my judgment, the limit should be reduced to 60 years. The reason for this suggested reduction is twofold. First, it gives the needy individual 5 additional years in which to enjoy, if he can, the fruits of hard toil and industry during the earlier years of his life. Hence, I choose to call all such measures as the one under discussion "old-age rewards." Second, under the system of government which has permitted ultrarich individuals and wealthy corporations and trusts to accumulate 95 percent of the wealth of this country, under a system which has created a mortgaged and bonded indebtedness, public and private, of approximately \$230,000,000,000, largely controlled by the international Wall Street bankers and their fellow pirates, the mortgage-loan companies and 36-percent loan sharks, under a system which has resulted in massed finance, massed industry, and 11,000,000 idle men, it is impossible for a man 60 years of age to obtain work, even though he be able-bodied and willing to work.

The average longevity of persons reaching the age of 65 is about 11 years for men, 15 years for women. Eleven short years of picking for men and 15 for women what few crumbs of happiness and contentment that may be gleaned from the festal boards of the twentieth century Dives by the modern Lazarus. Surely, every human being reaching 65 is entitled to 11 short years of relaxation and con-

tentment before being struck down by the withering hand of death.

Mr. Chairman, that a comparatively small class are absorbing the wealth of the country as fast as it is produced, leaving to those who create it scarcely a bare subsistence, is apparent to all.

The people I plead for are the struggling masses, the farmers, the wage workers, small business men, and producers who for 45 years have toiled with hand and with brain, toiling away day by day, month by month, and year by year, creating the wealth of the country, paying the taxes of the country, to have that wealth accumulated by the favored few of special privilege and grand larceny.

During the recent winter practically all of the opponents of taxing the rich were happy and comfortable in their own homes. They were warm. Yet thousands and tens of thousands of little children shivered because of the inability of their parents to buy coal or gas. People still are hungry in a land of plenty. People freeze in a country that abounds in coal and oil. People are homeless because there are too many homes. Eleven million men are still unemployed because there are too many men who want to work. Too many millionaires and too many paupers!

What shall be done with these distressed people? Why, give them the reward of a fixed annuity or retirement when they become 60 years of age and let that reward be at least \$50 per month?

You who have a home, who sit by the warmth of your fire in winter, in the coolness of your spacious porch in the summer, who are blessed with an income, it is you who must be your brother's helper in this great crisis. It is easy to be happy and contented when you have a good job or a good income.

It was easy enough to be a good citizen and a consistent patriot when you have plenty. But it is poverty and economic slavery, suffering and distress, sorrow and disappointment, that try men's souls, that proclaim to the world the kind of stuff of which they are made.

Mr. Chairman, we seek to rescue and rehabilitate, with old-age pensions, the human derelicts beached on the sands of misery and despair by the tidal wave of legalized burglary, organized plunder, and bloody racketeering of the Morgans, the Kuhn-Loebs, the Mellons, the Wiggins, the Lamonts, and all the other high priests of the money aristocracy and scavengers of human misery. You cannot do it on \$15 a month.

What about the farmer who lost his farm? What about the unemployed home owner who had his home cast upon the bloody altar of the money lender? What about those of us who have a home and means of livelihood? How many of us can sleep soundly tonight, secure in the knowledge that when we reach the age of 60 we will have a roof for shelter and an income sufficient to provide food and warmth for our bodies?

What about the father who wielded the pick, the shovel, the hammer, the saw, that communities might be built? What of the humble tiller of the soil who blazed the trail and made the desert to blossom as the rose?

What of the men who have gone down into the bowels of the earth to bring forth the natural resources for the enrichment of the coal barons, the copper kings, the oil magnates, the steel monarchs, and the electric-power barons?

What of those who have gone down into the factories and shops to feed the roaring blast furnaces, to operate the turning lathe, the punch press, the trip hammer, to become mere cogs in the mechanistic equipment of the gigantic industrialists, only to be kicked out like yellow dogs when they reach middle age. Oh, the Fords, the Schwabs, and other great industrialists boast of high wages and short hours. Yet, with their mammoth conveyor systems, the strain is so great, the toil so devastating, that men are worn out and crushed at 45 and 50 years of age.

No; you cannot provide old-age rewards with a Federal pension of \$15 per month. The United States Government, by levying a capital tax on all million-dollar fortunes, a

proper tax on all inheritances, gifts, and all incomes, can pay a pension of \$50 per month. They can pay it now, they can pay it in 1936, 1937, and 1938. Instead of empty promises, instead of a meaningless pledge, we can give them action; and we can and should give them humane and just legislation now! [Applause.]

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. All time has expired.

Mr. DEEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DEEN. I have tried several times to offer an amendment.

The CHAIRMAN. If the gentleman has an amendment to offer, the Chair will state that he may offer it and it may be voted on without discussion.

Mr. DEEN. Mr. Chairman, I endeavored several times to get recognition. I ask unanimous consent to proceed for 2 minutes in order to present what I think is a worth-while amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DEEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DEEN: On page 7, after line 17, add a new section reading as follows:

**"EFFECTIVE DATE"**

"Sec. 7. The provisions of this title shall not become effective until at least three-fourths of the States have adopted a State old-age assistance plan meeting the requirements of section 2 of this title."

Mr. DEEN. Mr. Chairman, I offer this amendment in order to protect States, like my own State, which will have to have action by the State legislature in the form of a constitutional amendment before they may participate in the benefits involved in this legislation. I do not think it is right or fair for the taxpayers of the Federal Government to give these benefits to some of the States while nearly half of the States will be denied that privilege for the next 2 or 3 years. I think as a matter of policy my amendment ought to be adopted and the proposition approved by three-fourths of the States before it becomes effective, and I hope, Mr. Chairman, this amendment will be accepted. I am in favor of old-age pensions and I want to vote for this bill, but my amendment will enable all the States to participate. As it stands in this bill, only about half of the States will benefit, while all the people will pay the taxes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DEEN].

The amendment was rejected.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MASSINGALE: Amend section 1, title I, by striking out the figures "\$49,750,000" in line 10 and insert in lieu thereof the figures "500,000,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MASSINGALE].

The amendment was rejected.

Mr. SAUTHOFF. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: On page 2, line 10, after the word "of", strike out "\$49,750,000" and insert in lieu thereof "\$150,000,000", and on page 4, line 19, after the word "assistance", insert "and which until July 1, 1937, shall be equal to two-thirds and thereafter."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 4, line 1, after the word "than", strike out "65" and insert "60."

The question was taken; and on a division (demanded by Mr. MOTT) there were—ayes 13, noes 115.

So the amendment was rejected.

The Clerk read as follows:

#### TITLE II. FEDERAL OLD-AGE BENEFITS

##### OLD-AGE RESERVE ACCOUNT

SECTION 201. (a) There is hereby created an account in the Treasury of the United States to be known as the "Old-Age Reserve Account", hereinafter in this title called the "Account." There is hereby authorized to be appropriated to the Account for each fiscal year, beginning with the fiscal year ending June 30, 1937, an amount sufficient as an annual premium to provide for the payments required under this title, such amount to be determined on a reserve basis in accordance with accepted actuarial principles, and based upon such tables of mortality as the Secretary of the Treasury shall from time to time adopt, and upon an interest rate of 3 percent per annum compounded annually. The Secretary of the Treasury shall submit annually to the Bureau of the Budget an estimate of the appropriations to be made to the Account.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the Account as is not, in his judgment, required to meet current payments. Such investment shall be made in any interest-bearing obligations of the United States or in any obligations guaranteed as to both principal and interest by the United States. The Secretary of the Treasury may at any time sell any such obligations. The interest on, and the proceeds from the sale of, any such obligations shall be credited to the Account.

(c) All amounts credited to the Account shall be available for making payments required under this title.

(d) The Secretary of the Treasury shall include in his annual report the actuarial status of the Account.

##### OLD-AGE BENEFIT PAYMENTS

SEC. 202. (a) Every qualified individual (as defined in section 210) shall be entitled to receive, with respect to the period beginning on the date he attains the age of 65, or on January 1, 1942, whichever is the later, and ending on the date of his death, an old-age benefit (payable as nearly as practicable in equal monthly installments) as follows:

(1) If the total wages (as defined in section 210) determined by the board to have been paid to him, with respect to employment (as defined in section 210) after December 31, 1936, and before he attained the age of 65, were not more than \$3,000, the old-age benefit shall be at a monthly rate of one-half of 1 percent of such total wages;

(2) If such total wages were more than \$3,000, the old-age benefit shall be at a monthly rate equal to the sum of the following:

(A) One-half of 1 percent of \$3,000; plus

(B) One-twelfth of 1 percent of the amount by which such total wages exceeded \$3,000 and did not exceed \$45,000; plus

(C) One twenty-fourth of 1 percent of the amount by which such total wages exceeded \$45,000.

(b) In no case shall the monthly rate computed under subsection (a) exceed \$85.

(c) If the Board finds at any time that more or less than the correct amount has theretofore been paid to any individual under this section, then, under regulations made by the board, proper adjustments shall be made in connection with subsequent payments under this section to the same individual.

##### PAYMENTS UPON DEATH

SEC. 203. (a) If any individual dies before attaining the age of 65, there shall be paid to his estate an amount equal to 3½ percent of the total wages determined by the board to have been paid to him, with respect to employment after December 31, 1936.

(b) If the board finds that the correct amount of the old-age benefit payable to a qualified individual during his life under section 202 was less than 3½ percent of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which such 3½ percent exceeds the amount (whether more or less than the correct amount) paid to him during his life as old-age benefit.

(c) If the board finds that the total amount paid to a qualified individual under an old-age benefit during his life was less than the correct amount to which he was entitled under section 202, and that the correct amount of such old-age benefit was 3½ percent or more of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which the correct amount of the old-age benefit exceeds the amount which was so paid to him during his life.

##### PAYMENTS TO AGED INDIVIDUALS NOT QUALIFIED FOR BENEFITS

SEC. 204. (a) There shall be paid in a lump sum to any individual who, upon attaining the age of 65, is not a qualified individual, an amount equal to 3½ percent of the total wages determined by the board to have been paid to him, with respect to employment, after December 31, 1936, and before he attained the age of 65.

(b) After any individual becomes entitled to any payment under subsection (a), no other payment shall be made under this title

in any manner measured by wages paid to him, except that any part of any payment under subsection (a) which is not paid to him before his death shall be paid to his estate.

##### AMOUNTS OF \$500 OR LESS PAYABLE TO ESTATE

SEC. 205. If any amount payable to an estate under section 203 or 204 is \$500 or less, such amount may, under regulations prescribed by the board, be paid to the persons found by the board to be entitled thereto under the law of the State in which the deceased was domiciled, without the necessity of compliance with the requirements of law with respect to the administration of such estate.

##### OVERPAYMENTS DURING LIFE

SEC. 206. If the board finds that the total amount paid to a qualified individual under an old-age benefit during his life was more than the correct amount to which he was entitled under section 202, and was 3½ percent or more of the total wages by which such old-age benefit was measurable, then upon his death there shall be repaid to the United States by his estate the amount, if any, by which such total amount paid to him during his life exceeds whichever of the following is the greater: (1) Such 3½ percent, or (2) the correct amount to which he was entitled under section 202.

##### METHOD OF MAKING PAYMENTS

SEC. 207. The board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive a payment under this title, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with the certification by the board.

##### ASSIGNMENT

SEC. 208. The right of any person to any future payment under this title shall not be transferable or assignable at law or in equity, and none of the moneys paid or payable or rights existing under this title shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

##### PENALTIES

SEC. 209. Whoever in any application for any payment under this title makes any false statement as to any material fact, knowing such statement to be false, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

##### DEFINITIONS

SEC. 210. When used in this title—

(a) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include that part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer with respect to employment during such calendar year.

(b) The term "employment" means any service, of whatever nature, performed within the United States by an employee for his employer, except—

(1) Agricultural labor;

(2) Domestic service in a private home;

(3) Casual labor not in the course of the employer's trade or business;

(4) Service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country;

(5) Service performed in the employ of the United States Government or of an instrumentality of the United States;

(6) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;

(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(c) The term "qualified individual" means any individual with respect to whom it appears to the satisfaction of the board that—

(1) He is at least 65 years of age; and

(2) The total amount of wages paid to him, with respect to employment after December 31, 1936, and before he attained the age of 65, was not less than \$2,000; and

(3) Wages were paid to him, with respect to employment on some 5 days after December 31, 1936, and before he attained the age of 65, each day being in a different calendar year.

Mr. VINSON of Kentucky. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment: Page 8, strike out lines 11 to 24, both inclusive, and insert:

"(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the account as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose

such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the account. Such special obligations shall bear interest at the rate of 3 percent per annum. Obligations other than such special obligations may be acquired for the account only on such terms as to provide an investment yield of not less than 3 percent per annum.

"(c) Any obligations acquired by the account (except special obligations issued exclusively to the account) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

"(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the account shall be credited to and form a part of the account.

"(e) All amounts credited to the account shall be available for making payments required under this title.

"(f) The Secretary of the Treasury shall include in his annual report the actuarial status of the account."

Mr. VINSON of Kentucky. Mr. Chairman, this is a committee amendment to which no objection in committee was interposed.

Under title II there are certain annual appropriations that are placed in the old-age reserve account. There is an obligation in this bill upon the part of the Federal Government that such appropriations will earn 3 percent compounded annually, in order to build up the reserve. The committee amendment, as offered, makes it mandatory on the Secretary of the Treasury that the special obligations which may be issued hereunder must yield at least 3-percent interest annually.

This provision is desired in order that there may be no deficit in the old-age reserve account, so that at the time the aged will be entitled to receive the benefits, sufficient money will be in the account.

Mr. KENNEY. Mr. Chairman, I rise in opposition to the committee amendment.

Why should we change the language of this bill at this particular point? And if we are to change it at all, why do we not make an addition to the amendment so that we may be assured of a reserve fund to take care of any contingency that may arise?

We have had heated debate this afternoon, and there arose gentlemen from various States who felt there was a direct obligation on the part of the Federal Government to pay the old-age pensions directly to our people. They reiterated and realleged that under the plan of this bill it would be impossible for their aged to reap any benefit for at least years to come because their States had not the means to match the Federal contribution provided for the States, and I heard the gentleman from Alabama [Mr. HUDLESTON] ask what would men of character, ability, and understanding do in the circumstances, referring to our great men of the past. The gentleman knows his history, and he must be aware that when this country was faced with financial crises our forefathers, the founders of the Republic, were quick to meet them, and did so by raising large sums of money which were not available from ordinary sources. The time has come, certainly, in view of what has transpired during the debate on this social-security bill, when we should follow in the footsteps of our revered leaders of old, whose judgment we have upheld down through the years, and without quibbling and delay provide for a national lottery. The question was asked emphatically what Thomas Jefferson would do in the case before us, where we are undertaking to assist the States in caring for their aged, but under such conditions that many of the States claim that our legislation will be in vain because of complete lack of funds or on account of some State constitutional limitation. A complete answer to that is that Thomas Jefferson, he who gave his all to his people and grew white and infirm in the service of his country, would do as he was done by in his declining years when he was the recipient of a pension or competence from funds raised for him by lottery. [Applause.]

Either the committee which has jurisdiction should now make provision for the raising of this revenue, or the gentlemen from the States who complain that their treasuries are

depleted and exhausted should join the great movement for a national lottery and at once. Once we establish a federally operated lottery the National Government will have ample funds for the payment of the entire amount of \$30 a month to men and women over 65 years of age. The lottery money collected by the Federal Government might well be allotted to the various States for use in making payments of their part of the pension or for the discharge of any other obligation.

Instead of trying to get the pension money in its entirety from the Federal Government, which means obtaining it from certain States which will be compelled to bear the whole burden, my colleagues from the hard-pressed States should immediately enlist in the cause for a national lottery. My State of New Jersey is now paying over \$96,000,000 a year to the Federal Government and getting back something like \$52,000,000, including allotments for relief. In other words the State of New Jersey is contributing \$44,000,000 to the Federal Government and part of this money is going out through the Federal Government to the States of the very gentlemen who are here today asking that we pay more.

We cannot pay more without great hardship. Many of our municipalities have defaulted on their bonds and we have our limitations. The time has come when we must lighten the load of our taxpayers. We cannot be held back by unwarranted scruples. Such scruples must be thrown aside. We must be sensible and practical. So stated a gentleman of the Committee on Ways and Means this afternoon. And so we must be—sensible and practical. To be so, all of us, and especially the gentlemen who are seeking the whole pension from the Federal Government, should give impetus to the great movement and establish our own national lottery. We would then have hundreds of millions of dollars available every year for old-age pensions and other worthy purposes. We would have them from our citizens in willing contributions that are now being sent abroad for participation in foreign lotteries. Scruples which are not well founded must not stand in the way. It is our duty to garner this money for revenue and allocate it whenever necessary to the States. Then the States now in dire distress will have money in their coffers and be able to insure the comfort of their people by meeting their share of the required contribution to old-age pensions which are indisputably worthy and desirable. [Applause.]

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word, for the purpose of asking the gentleman from Kentucky a question. There is only one copy of this amendment. I purloined this copy from the Clerk's desk.

Mr. COOPER of Tennessee. Every member of the Ways and Means Committee on both sides had a copy of that amendment.

Mr. WADSWORTH. But those of us who are not on the Ways and Means Committee have no copy. I want to ask the gentleman from Kentucky a question. I find this in the amendment:

The purposes for which obligations of the United States may be used under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the account.

Mr. VINSON of Kentucky. I may say that such authority is in existing law, and I know the gentleman will realize that bringing this quoted language into this bill adds nothing and detracts nothing.

The same principle and policy embodied in the language that the gentleman reads has been operating in the Treasury for several years in previous administrations. There is no new authority embraced in the bill except the one point to which I adverted a moment ago, and that was to require the interest rate on special obligations to yield at least 3 percent. This is desired because of the obligation of the Federal Government to make appropriations yield at least 3 percent compounded annually so that the reserve account would be on hand to pay the benefits under title II.

Mr. WADSWORTH. It is a requirement necessary in the event that the manager of the fund cannot secure or purchase in the market United States bonds or other equivalent

to yield a net of 3 percent; then the Treasury may issue some special bonds.

Mr. VINSON of Kentucky. That is correct with this proviso, that if they cannot get Government securities, or securities the principal and interest of which is guaranteed by the Government to yield annually 3 percent or more, then the special obligations may issue and be sold. If the Federal Government can buy Federal bonds or securities, the principal and interest of which is guaranteed by the Federal Government that will yield an excess of 3 percent, then they can buy them.

Mr. WADSWORTH. In order to keep the fund intact, in the event the Government bonds do not net 3 percent, the Government will issue bonds; in other words, borrow money which will net 3 percent?

Mr. VINSON of Kentucky. That is correct; because they have the obligation set out in this bill that the appropriations will yield 3 percent annually, compounded, the actuarial figures are based upon 3 percent interest, compounded annually.

Mr. WADSWORTH. Then, am I far wrong in stating—I cannot help remembering what the gentleman from New York [Mr. REED] said yesterday—that the Treasury under this will be put in the position of borrowing money from the fund?

Mr. VINSON of Kentucky. No. The thing they will do is to get the money from the fund. The Federal Government borrows the money from the fund and replaces it with governmental obligations.

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the pro forma amendment. The gentleman from New York [Mr. WADSWORTH] brings up the very question that I brought up during the consideration of this paragraph in the committee. I was very much surprised to find there was such a large amount of authority vested in the Secretary of the Treasury in relation to the manner in which the funds were to be handled. The amendment that the committee has just offered has new matter in it, as I understand it, bearing on the interest rate only, and perhaps for the sake of the record I should ask to have placed in the RECORD a memorandum that Mr. Bell, the Acting Director of the Budget, sent me in answer to a question asking for information similar to that the gentleman from New York wanted. I ask unanimous consent to have that inserted in the RECORD at this point.

The CHAIRMAN. Is there objection?

There was no objection.

(The communication referred to is as follows:)

TREASURY DEPARTMENT,  
Washington.

HON. ALLEN T. TREADWAY,  
House of Representatives.

DEAR SIR: This is submitted in compliance with your request for a statement of the provisions which confer authority on the Secretary of the Treasury to issue special interest-bearing obligations of the United States to the old-age-reserve account created under section 201 (a) of the social-security bill. You are advised that such authority has been granted by the Second Liberty Bond Act, as amended, the pertinent provisions of which are set forth in the attached memorandum.

I trust that the above information sufficiently answers your inquiry.

Very truly yours,

D. W. BELL,  
By I. E. ERB,  
Acting Director of the Budget.

[NOTE: If the amendment to section 201, which was approved this morning by the subcommittee, is adopted, this memorandum becomes moot, as the amendment contains express authority to issue obligations to the old-age reserve account and specifies the interest rate. I. E. ERB.]

AUTHORITY OF THE SECRETARY OF THE TREASURY TO HANDLE PUBLIC-DEBT TRANSACTIONS PURSUANT TO AUTHORITY CONTAINED IN THE SECOND LIBERTY BOND ACT, AS AMENDED

Section 1 of the Second Liberty Bond Act, as amended, approved September 24, 1917, reads in part as follows:

"That the Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this act, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law . . . .

"The bonds herein authorized shall be in such form or forms and denomination or denominations and subject to such terms

and conditions of issue, conversion, redemption, maturities, payment, and rate or rates of interest, not exceeding 4¼ percent per annum, and time or times of payment of interest, as the Secretary of the Treasury from time to time at or before the issue thereof may prescribe . . . .

"The bonds herein authorized shall from time to time first be offered at not less than par as a popular loan, under such regulations, prescribed by the Secretary of the Treasury from time to time, as will, in his opinion, give the people of the United States as nearly as may be an equal opportunity to participate therein, but he may make allotment in full upon applications for smaller amounts of bonds in advance of any date which he may set for the closing of subscriptions and may reject or reduce allotments upon later applications and applications for larger amounts, and may reject or reduce allotments upon applications from incorporated banks and trust companies for their own account and make allotment in full or larger allotments to others, and may establish a graduated scale of allotments, and may from time to time adopt any or all of said methods, should any such action be deemed by him to be in the public interest: *Provided*, That such reduction or increase of allotments of such bonds shall be made under general rules to be prescribed by said Secretary and shall apply to all subscribers similarly situated. And any portion of the bonds so offered and not taken may be otherwise disposed of by the Secretary of the Treasury in such manner and at such price or prices, not less than par, as he may determine . . . .

The first paragraph above quoted was amended by the act of February 4, 1935, to read as follows:

"The Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this act to provide for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor bonds of the United States: *Provided*, That the face amount of bonds issued under this section and section 22 of this act shall not exceed in the aggregate \$25,000,000,000 outstanding at any one time."

The Gold Reserve Act approved January 30, 1934, amended section 1 of the Second Liberty Bond Act by adding a new paragraph, as follows:

"Notwithstanding the provisions of the foregoing paragraph the Secretary of the Treasury may from time to time, when he deems it to be in the public interest, offer such bonds otherwise than as a popular loan; he may make allotments in full or reject or reduce allotments on any obligations whether or not the offering was made as a popular loan."

Section 5 of the Second Liberty Bond Act, as amended, provides for the issuance of Treasury certificates of indebtedness as follows:

"In addition to the bonds and notes authorized by sections 1 and 18 and 22 of this act, as amended, the Secretary of the Treasury is authorized, subject to the limitation imposed by section 21 of this act, to borrow from time to time, on the credit of the United States, for the purposes of this act, to provide for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness or Treasury bills of the United States, and to meet public expenditures authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor (1) certificates of indebtedness of the United States at not less than par (except as provided in section 20 of this act, as amended) and at such rate or rates of interest, payable at such time or times as he may prescribe; or (2) Treasury bills on a discount basis and payable at maturity without interest. Treasury bills to be issued hereunder shall be offered for sale on a competitive basis, under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe, and the decisions of the Secretary in respect of any issue shall be final. Certificates of indebtedness and Treasury bills issued hereunder shall be in such form or forms and subject to such terms and conditions, shall be payable at such time not exceeding 1 year from the date of issue, and may be redeemable before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe."

The Gold Reserve Act of January 30, 1934, further adds a new section (20) to the Second Liberty Bond Act which modifies the authority contained in section 5, quoted above. Section 20 reads as follows:

"Sec. 20. The Secretary of the Treasury may issue any obligations authorized by this act and maturing not more than 1 year from the date of their issue on a discount basis and payable at maturity without interest. Any such obligations may also be offered for sale on a competitive basis under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe, and the decisions of the Secretary in respect of any issue shall be final."

Section 18 (a) of the Second Liberty Bond Act, as amended, provides for the issuance of notes as follows:

"That in addition to the bonds and certificates of indebtedness and war-savings certificates authorized by this act and amendments thereto, the Secretary of the Treasury, with the approval of the President, is authorized to borrow from time to time on the credit of the United States for the purposes of this act, and to meet public expenditures authorized by law . . . . and to issue therefor notes of the United States at not less than par in such form or forms and denomination or denominations contain-

ing such terms and conditions and at such rate or rates of interest as the Secretary of the Treasury may prescribe, and each series of notes so issued shall be payable at such time not less than 1 year nor more than 5 years from the date of its issue as he may prescribe, and may be redeemable before maturity (at the option of the United States), in whole or in part, upon not more than 1 year's nor less than 4 months' notice, and under such rules and regulations and during such period as he may prescribe."

The Gold Reserve Act of January 30, 1934, further amended the Second Liberty Bond Act by adding thereto a new section as follows:

"Sec. 19. Notwithstanding any other provisions of law, any obligations authorized by this act may be issued for the purchase, redemption, or refunding at or before maturity of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or to obtain funds for such purchase, redemption, or refunding under such rules, regulations, terms, and conditions as the Secretary of the Treasury may prescribe."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Kentucky [Mr. VINSON].

The committee amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TREADWAY: Page 7, beginning with line 8, strike out all of title II down to and including line 9 on page 15.

Mr. TREADWAY. Mr. Chairman, I think this is the worst title in the bill. It sets up a form of payment that is evidently provided for in an unconstitutional manner. It has been very difficult for even the lawyers of the Department favorable to the legislation to find any excuse for including this special tax. It will be a particularly burdensome tax upon industry, running to 6 percent on pay rolls, and eventually will be a tax on industry of \$1,877,000,000. Evidently the majority party has very little consideration for industry. The Secretary of Agriculture, Mr. Wallace, yesterday made one of the worst exhibitions of himself that I think has ever been made, in a trip he made to Maine. He insulted the citizenship of New England in an outrageous manner. It is said that he laughed at the idea of Japanese competition as a threat to the cotton industry in New England, and suggested that the manufacturers in New England seek new lines of endeavor. Why should he tell the manufacturers of New England that they must seek new methods of industry? That is a great idea. Then he is reported to have said:

It gets my goat to see manufacturers trying to pull this sort of stuff. Where is the rugged individualism I have heard so much about?

And then went on to speak of this flabbiness of the third and fourth generations. Those third and fourth generations are just as good in New England today as the people of the day to which he refers in his remark about rugged individualism. He then said that some day we will recognize this as "the worst kind of bad manners, and immorality of the worst kind." What immorality of the worst kind did he find going from Boston to Portland, making dollar signs on the edge of his newspaper? What immorality did he find among the citizens of New England? He is quoted as saying:

It is time for New England to seek new fields of endeavor. I am astonished at all of this whining from New England.

Has not New England the right of livelihood? Evidently he wants to take it away from us, but we will not yield supinely to his orders or to his insults to our section of the country. But it is an indication of the spirit of certain people against New England's industry.

Mr. PARSONS. Mr. Chairman, I make the point of order that the gentleman is not speaking to his amendment.

The CHAIRMAN. The gentleman from Illinois makes the point of order that the gentleman from Massachusetts is not confining himself to his amendment.

Mr. TREADWAY. I am confining myself to references to the effort being made to destroy industry in New England which is backed up by this bill, and we are not going to stand for it.

The CHAIRMAN. The gentleman will please confine himself to the amendment.

Mr. TREADWAY. I thank the Chairman. There is plenty to talk about in connection with the motion which I just

made. I do not need to refer to the attitude of the Secretary of Agriculture to get a subject to talk about, because the whole purpose of this title in the bill is to tax industry, and we are overburdened, overtaxed, and overinsulted.

Mr. PARSONS. Mr. Chairman, I renew my point of order that the gentleman is not confining himself to the motion.

Mr. TREADWAY. Does the gentleman want me to read any figures on taxation under this scheme? I will tell him what it is. The Secretary of Agriculture vouches for it, too. He is one of the proponents of this very bill.

Mr. PARSONS. Mr. Chairman, I renew my point of order that the gentleman is not confining himself to the motion.

Mr. TREADWAY. I submit I am speaking in order, and I decline to be interrupted by the gentleman.

The CHAIRMAN. Up to the present time the gentleman has been confining himself to the motion. The gentleman knows the rules of the House and will please confine himself to the motion.

Mr. TREADWAY. Title II is the most offensive title in this measure; and that is saying a whole lot. The majority has tried its best to find a way in which to defend and support the title. They are begging the question here. They cannot stand here in dignity and honor and debate this title II and the tax paid under title VIII. The two go together.

Now, what about this business tax? I said at page 5531, when we had this measure up for general discussion:

Business and industry are already operating under very heavy burdens. Many businesses at the present time are barely able to keep their heads above the water.

That is not only true but, further, if they do not keep their heads above water they have to pay that 6 percent, because that is included in title VIII just the same, whether business is operating at a loss or not.

I hope my motion will prevail.

[Here the gavel fell.]

Mr. LEWIS of Maryland. Mr. Chairman, I do not rise to make any prepared address with reference to title II of the bill. You know, of course, that it is the provision applying the benefits arising under title VIII, namely, the title which imposes certain taxes upon the pay rolls of the country, one-half to be deducted from the employees' wages.

I need not say to you that thrift has been one of the great factors in the progress of the human race. This title is designed to provide a system of organized thrift in the interest of the workers of the country. Organized thrift, ladies and gentlemen, as designed in this bill, receives a most striking illustration in the industrial finances of the country.

I hold in my hand a statement showing the dividends paid by corporations in the United States during 4 years of the depression. Altogether, for the years 1930 to 1933, inclusive, \$21,214,925,000 have been paid. Of this sum, \$17,267,920,000 have been paid by those companies out of their reserves built up from the profits of previous years. Compare this seventeen billions with the total sums paid in relief, including R. F. C. and Public Works, and the comparative numbers of people involved.

I do not think this fact should be taken as a matter of reproach to the employers of the country. It was good financing; it was high prudence on their part to have set aside some \$17,000,000,000 in the years of their good fortune and prosperity, to protect their stockholders and dividend funds when the day of failure and misfortune should come. But when the charge is made on the floor that no member of the Ways and Means Committee will so expose his honor as to defend this section establishing a like organized fund to protect the worker, I want to accept the challenge and say that while it was perhaps natural enough, as things go for these financiers, when setting aside \$17,000,000,000 of reserves to protect their stockholders, to overlook the millions of human beings in their employ, we in this House of Representatives cannot overlook such a paramount duty.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MICHENER. Will the gentleman yield?

Mr. LEWIS of Maryland. No. I have given the facts. If \$17,000,000,000 are justified in reserves for the stockholders of the country, and I do not deny that they were, then certainly proportionate reserves should be set aside for the laborer and employees who help them make it, for days of similar need and distress. [Applause.]

Mr. MICHENER. Will the gentleman yield?

Mr. LEWIS of Maryland. I yield.

Mr. MICHENER. By reason of the prudence—

Mr. LEWIS of Maryland. Oh, the gentleman is arguing.

Mr. MICHENER. No. I am asking the gentleman a question.

Mr. LEWIS of Maryland. Well, ask the question.

Mr. MICHENER. If, by reason of the prudence and care of those industries of which the gentleman has spoken, the stockholder has been able to receive dividends and the working man has been able to continue his job in many instances throughout the depression, does the gentleman not think they exercised pretty good judgment in the flush days?

Mr. LEWIS of Maryland. I have already commended their judgment as sound. The infirmity in the \$17,000,000,000 fund was that it did not include their workers—it all went to the stockholders, it did not save the jobs of the workers. The practical circumstance is this, that with respect to the owners of our industrial system, boards of directors had control of the funds at their source, and were able to establish a system of enforced thrift for the stockholders. They did not put the question to a vote of the stockholders. They simply set the funds aside, from abundant profits, in the form of reserves.

Now the workers were not in a position to control such funds at their source and say, "So much of this excess shall be set aside for our day of tribulation—for the day when they think our arms are not as swift as others to turn the great wheels of competitive industry." That is our work this day. This chapter in the bill only provides the institution necessary for that purpose as is done in other countries. [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Maryland. Mr. Chairman, I ask unanimous consent to include at this point the table to which I have referred.

The CHAIRMAN. Is there objection?

There was no objection.

The table referred to is as follows:

DEPARTMENT OF COMMERCE,  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,  
Washington, April 13, 1935.

To: R. B. HARRIS,  
Committee on Economic Security.  
From: H. GORDON HAYES,  
Chief Division of Economic Research.  
Subject: Data for Congressman Lewis re corporate income and dividends.

Profits, cash dividends, and surpluses of all corporations  
[Statistics of Income, Bureau of Internal Revenue, Treasury Department]

	Compiled net profit less income tax	Cash dividends paid	Balance after cash dividends paid
1933 <sup>1</sup> .....	\$493,000,000	\$2,976,000,000	\$3,445,000,000
1932.....	4,115,377,000	3,885,601,000	8,000,977,000
1931.....	1,175,595,000	6,151,053,000	7,326,678,000
1930.....	3,947,035,000	8,202,241,000	4,255,236,000
1929.....	10,678,071,000	8,355,662,000	2,320,409,000
1928.....	9,552,604,000	7,073,723,000	2,478,881,000
1927.....	7,538,372,000	6,423,176,000	1,115,196,000
1926.....	8,280,642,000	5,945,293,000	2,335,349,000
1925.....	8,146,052,000	5,189,475,000	2,956,577,000
1924.....	5,913,602,000	4,338,823,000	1,574,779,000
1923.....	6,697,157,000	4,163,118,000	2,534,039,000
1922.....	6,183,000,000	3,437,000,000	1,746,000,000

<sup>1</sup> Estimates for columns 2 and 3 for 1933 derived by applying to the Treasury data herein for 1932 the estimated percentage changes of "net dividends paid" and of "corporate losses" from 1932 to 1933 as computed in the national income study by the Division of Economic Research, Bureau of Foreign and Domestic Commerce, and for column 1 by subtracting the derived figure for column 2 from column 3.

<sup>2</sup> Deficit.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know the hour is late, I know the Members are getting impatient to get away, and it is not perhaps the proper time to try to discuss this subject, but I earnestly beseech the Members to give me at least a minute or two of their time.

Not a man on the floor of this House is authorized to stand here and cast his vote on any piece of legislation until he has taken an oath to support the Constitution of the United States, to defend it against all enemies, foreign and domestic, without any mental reservation whatsoever and without any purpose of evasion.

The best legal talent the administration has been able to engage from the departments and elsewhere has endeavored to so frame title II, change its title, distort it, and put the tax features in title VIII, to mislead and deceive, if possible, the Supreme Court of the United States. I stated yesterday, and I state again today, that the members of the committee in their conscience know that title II and title VIII are unconstitutional. They know they are trying to set up as a Federal activity a police power that is reserved to the States.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. No; I cannot just now; I have only 5 minutes. Members of the committees know that the President of the United States, who is now urging that these two titles be enacted into law, when he was Governor of the State of New York in 1930, in a radio address broadcast to the country called attention to the fact that the Federal Government was invading the rights of the States, and he specifically mentioned the very type of legislation we have before us today. He said that this invasion on the part of the Federal Government must stop. Now, my colleagues, you know that what you are attempting to do is unconstitutional, and you know that for that reason title II and title VIII ought to be eliminated from the bill. They are not relief provisions, and they are not going to bring any relief to the destitute or needy now nor for years to come. It is more of your compulsory, arbitrary program. You are saying to a specified class of wage earners, not all—for, as I have said, you are not giving these benefits to the needy at all—but you are saying to the wage earner, "We are going to force you to pay a tax to buy an annuity from the Government." You propose to whip and lash the wage earner into paying this tax, but you are not treating everybody alike. Millions who labor are exempted from benefits. People who work on farms grow old; people who work as domestic servants grow old; they have the problems of old age, but they can starve in their old age so far as getting aid from this bill. Gentlemen, why talk about the difficulty of administering the act as an excuse for omitting them? You found no difficulty in providing for the administration of title I of the act, which reaches every person who is in need; but when it comes to certain classes, then you discriminate. This title ought to be removed from the bill.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I hardly think the argument—

Mr. MICHENER. Mr. Chairman, will the gentleman yield for an inquiry before he starts his statement?

Mr. McCORMACK. Certainly.

Mr. MICHENER. Mr. Chairman, how long is it contemplated that we are to work on the bill tonight?

Mr. McCORMACK. I am just an ordinary Member of the House; I am sorry I cannot answer the gentleman's question.

Mr. MICHENER. Mr. Chairman, may I ask the chairman of the committee how long he expects to keep the committee in session this evening?

Mr. DOUGHTON. I cannot say right now; it depends on what progress we make.

Mr. MICHENER. It is now 5:10, and we are at page 15. We have 59 pages yet to consider. We have been adjourn-

ing at 4 o'clock every day. I, for one, object to running through until we conclude consideration of the bill, and I shall make the point of no quorum. You can get a quorum, probably; you have the votes to go ahead, but the gentleman stated he would handle the matter reasonably.

Mr. COCHRAN. Mr. Chairman, I make the point of order that the gentleman from Michigan cannot take the gentleman from Massachusetts off his feet by a point of no quorum.

Mr. MICHENER. I do not have to ask the gentleman to yield in order to make a point of no quorum.

Mr. McCORMACK. Mr. Chairman, I did not yield to the gentleman to make a point of no quorum.

Mr. TAYLOR of Colorado rose.

Mr. SNELL. Mr. Chairman, I suggest the gentleman from Massachusetts yield to the gentleman from Colorado to make a statement.

Mr. McCORMACK. Mr. Chairman, I gladly yield to the gentleman from Colorado.

Mr. MICHENER. Mr. Chairman, I withdraw my point of no quorum until the gentleman from Massachusetts shall have concluded. Then I shall renew it.

Mr. TAYLOR of Colorado. Mr. Chairman, we hope to finish the consideration of the bill tomorrow. If we can do so, I hope, personally at least, that we may adjourn over Saturday. It does not make much difference how far we go tonight if we can get through tomorrow.

Mr. SNELL. Mr. Chairman, may I address a question to the majority leader?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. SNELL. I think we might have a reasonable understanding about adjourning this evening. As far as delaying the bill for passage tomorrow is concerned, there is no desire to delay the bill in any way. I think when we get by the pending question the major part of the bill that is of a controversial nature will be over. However, it does seem to me we ought to have an understanding that we adjourn at a reasonable time tonight, then we will cooperate with you on the other side with reference to finishing the bill tomorrow. I think we might as well have an agreement now as later in the evening.

Mr. McCORMACK. I think that probably Members on that side would like to get away tomorrow, and probably we can complete the bill tonight. I realize the gentleman may make a point of no quorum, but if it is possible to get through with the bill tonight it might be advisable to do that.

Mr. SNELL. Well, some Members have left the Chamber. There was no suggestion until within the last half hour that it was intended to finish this bill tonight.

Mr. COOPER of Tennessee. I may say to the minority leader that in a brief conference with the ranking minority member of the Ways and Means Committee awhile ago he indicated that after the gentleman from New York spoke there was no one else to speak on this question. I think probably with 5 minutes more we could conclude it on this side and dispose of this section before we adjourn. This would give us ample opportunity to dispose of the rest of the bill tomorrow.

Mr. SNELL. After a speech of 5 minutes on that side and a speech by the gentleman from Ohio [Mr. JENKINS] on this side it will be agreeable to adjourn?

Mr. COOPER of Tennessee. Of course, it is not within my power to say.

Mr. VINSON of Kentucky. A speech by the gentleman from Massachusetts [Mr. McCORMACK] and one other speech on this side.

Mr. MICHENER. Then we will adjourn after two more speeches?

Mr. SABATH. No.

Mr. SNELL. A vote is desired on the pending amendment tonight?

Mr. DOUGHTON. Yes.

Mr. McCORMACK. Mr. Chairman, I hardly think that the closing argument of my distinguished friend the gentleman from New York, with reference to the fact that farmers

and domestic servants are not included in title II, and that there is less administrative difficulty, or no more at least, than there is with reference to title I where they are included, presents a fair picture as to the reasons why the farm laborers or the domestic servants are included in title I and are excluded from title II.

Title I is a noncontributory law. Title II is a contributory law. Title I, being noncontributory, every person in need who meets the requirements imposed by a State and who is over the age limit and meets the requirements imposed by this particular bill in the State plan, without regard to their previous employment, should receive the amount set out, provided and intended by this bill.

When we come to the contributory provision, there is an entirely different situation. The administrative cost enters into the picture. Furthermore, whether or not farm laborers and domestic servants receive a salary so that when they reach the age of retirement they will receive an earned annuity above \$10 a month is also a matter of consideration. We have also excluded those employed in educational and religious activities and in all kinds of charitable activities. The committee has tried to draft a contributory annuity provision which will not only meet the purposes desired but do so in a manner that can be administered without any great difficulty.

Mr. WADSWORTH. Will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the gentleman from New York.

Mr. WADSWORTH. I am seeking information. Is it not a fact that it is hoped title II will grow and expand if soundly managed to such a point at which title I will cease to be an important obligation to the Government?

Mr. McCORMACK. That is the purpose as I understand it.

Mr. WADSWORTH. All right. Will the gentleman tell the House, if that is the case, why domestic servants are exempt from carrying their part of that burden, which is eventually to relieve the Federal Government of a major part of the straight-out old-age pensions?

Mr. VINSON of Kentucky. Will the gentleman yield to me to answer that question?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. The tax levy in title VIII is upon wages. Taking as a basis the total wage of the domestic servants, then 1 percent of that, and 1½, finally a maximum of 3, then if you multiplied it by 40 you would not have money in the account sufficient to purchase a substantial annuity. You would have a nuisance feature, such as a person being paid \$1 wage and taking out 1 penny and having at the end of the road a small sum that would purchase a very small annuity. The same thing applies to agriculture, and the same thing applies to other occupations.

Mr. WADSWORTH. On the ground that the wages are low?

Mr. VINSON of Kentucky. On the ground the total wages over a period of years taxed would be inconsiderable.

Mr. WADSWORTH. That is not true in the field of domestic servants.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MAY. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. MAY. I understood the gentleman from Massachusetts to say that the question of whether a man could comply would depend on regulations as fixed by the State?

Mr. McCORMACK. No; as to title II, the gentleman is in error.

Mr. MAY. I understand that this bill fixes the regulation.

Mr. McCORMACK. No; not title II.

Mr. Chairman, may I address myself now to the gentleman from New York [Mr. WADSWORTH], and I know of no more

distinguished Member of the House. I respect him greatly, even when we disagree.

My viewpoint of this, and this is just my picture for whatever it may be worth, and I approached it very slowly; I weighed the evidence and I considered the experiences of mankind in the past and the probable experiences we shall encounter in the future before I reached this conclusion. If we have a million persons 65 years of age and over, mounting as the years go by, constantly receiving a noncontributory old-age pension, based upon need, there is bound to be a loss of self-respect, and with such a large body throughout the United States growing in number year in and year out, this is bound to have a demoralizing effect upon the spirit of our citizenry in general.

You cannot have 1,000,000 or more people going into the Treasury and taking money out over a period of years without its having a degenerating influence from the viewpoint of good citizenship; and what I wanted was to try to meet one of the causes of dependency in old age, and the main cause is that during the years of productivity they did not or could not put money apart to assure some degree of security. Why they did not do it today is immaterial, so far as the immediate problem is concerned. It is, however, so far as the future is concerned.

Today we are confronted with a condition which requires title I, but we should try to remove as far as possible this condition, so that in the years to come such persons will receive an annuity in their own right.

You may disagree about the pay-roll tax, and I respect you in disagreement, but, frankly, where else could and should we impose it? If we put it upon society in general, it will be a dole. If we raise it through general taxation, we could not identify each one's particular account so we could determine what his annuity would be 30 years or more hence. Some people may ask, why they should be concerned about what may happen 30 years from now? They may say, "I may not be living." But as thinking legislators we should realize that we owe a duty to the future, and title II, in my opinion, meets the main cause of dependency in old age and undertakes to meet it. It is one of the most progressive and constructive of modern legislative history. [Applause.]

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in title I of this bill we recognize a responsibility of the Government, both State and National, to those who have come to the sunset of life and who are not able financially to carry their burdens. In this title we provide for the payment of a small gratuity that we call an old-age pension. I favor this. I made a speech this afternoon favoring a motion to increase the Government's share to be paid from \$15 to \$20 per month. I am a friend to this legislation, but I fail to understand why the administration is so determined to tie up with meritorious legislation unfair and unnecessary legislation.

In title II we say in effect that by 1970 we are going to forget all about charity. We are by that time going to forget all about our obligations to the old people. We are by title II saying to every young man that if he does not save, if he does not provide for himself and pay for an annuity there will be no old-age pension for him and that charity will have vanished from America. In other words, you enact title I and you boast that you are charitable, and in title II what do you do? You seek to compel every wage earner to pay for an insurance policy even though he cannot afford it. You should not mistake this for a voluntary annuity. They took out the voluntary annuity title, but they retained the compulsory title. You do not say to these people, "If you want to do so we will provide a system whereby you may save." You say, "You have got to save." Thrift is as far from compulsion as freedom is from slavery. Every young man who goes out in life, after this bill is passed and has a job, must pay 3 percent of his money whether he wants to or not, and every employer has got to pay 3 percent also. To whom? To the Secretary of the Treasury, who in this administration is in effect Franklin D.

Roosevelt himself. What for? To provide himself with a little annuity insurance policy which the Government will pay him when he is 65 years old. If he works for 10 years and then becomes the owner of the establishment or goes into business that premium that he has paid in has bought him a little annuity that he cannot sell or assign. He must keep it until he dies or until he arrives at the age of 65. This is a regular insurance business that the Government is going into. Why, bless your life, you are going to build up a fund that by 1970 will have a surplus of \$33,000,000,000.

This is thirty-three thousand million dollars which will be in the hands of the Secretary of the Treasury and is more money than there is in the world. And you are going to raise this by compulsion. Regardless of its unconstitutionality, you are going to wring it out of the very sweat and the labor of the people; and is there any justice in this or any need of it now? This is only the mill out of which you continue to force from the people who cannot pay their taxes, the millions and the billions that is necessary to satiate the inordinate financial appetite of the greatest money spender that every lived.

Why talk about wanting to relieve the depression, why talk about charity, why talk about all these other things when you are placing a financial lash upon the backs of the people whose backs are breaking under a load of debts and taxes?

This is compulsion of the rankest kind. Do not be misled by the title. The title says "Old-Age Benefits." Shame on you for putting such a misleading and unfair label on such a nefarious bill. Old-age benefits? Think of it! Oh, what a travesty! Yes, if you work and sweat and scheme and drive yourself for a generation or for all your life, this title says that the Government will then pay you a little annuity when you are 65 years of age. Who knows who is going to become 65 years of age? Who knows about the uncertainties of life? All there is that is certain about this is that the Government will have accumulated \$33,000,000,000 by 1970. The Government, by virtue of the passage of this act, will have wrung out of the poor people of this coming generation the greatest surplus ever contemplated by the brain of any business man.

Mr. Chairman, what is the hurry? Nobody is going to get a dime out of this until 1942. This will not put anybody to work. This will not buy bread for anybody now. What is the hurry about crowding an unconstitutional proposition like this through the House today? I cannot see it. I repeat, I cannot see it. And I do not believe that Franklin D. Roosevelt himself ever put his stamp of approval on this proposition. Let me tell you why I believe that he did not do so.

If he did, he has gone contrary to the Democratic platform. Of course, that does not hurt him, for he has done that frequently. I do not think he is in favor of this provision, for he permitted the Democratic members of the Ways and Means Committee to strike out title III, which was the title providing for voluntary annuities. They do nothing on the committee unless it is approved by the "brain trust." Title III did have a recommendation that title II does not have, in that title III was optional and a worker could take it or leave it; not so with title II, for it is compulsory. There was a would-be Democratic leader on the Ways and Means Committee who flung defiant lances at the cohorts of the "brain trusters." He promised most vehemently that title II would be stricken from the bill. He claimed that he had 7 votes, who would risk their political lives, if necessary, before they would permit title II to remain in the bill. These 7 votes, with the 7 votes on the Republican side, would have accomplished what he promised to do. Where is that would-be valiant fighter? Where is his valiant army of seven? Alas, he is among the missing. Jim Farley must have blown his withering breath toward them, and they are no more. What cowards politics makes of good men! They traded title III for title II, and the Tammany chief has seven more scalps dangling from his belt. If they had stood as they should have stood, and joined with the Republican vote on the committee, we would not have such an outrageous plan up for consideration today. Ladies and

gentlemen, you cannot with one hand place the crown of charity upon the head of one group and say, "We do this because of the vicissitudes of the depression", and at the same time lay the lash of compulsion upon the bending backs of another group and say to them, "Pay! Pay! Pay regardless of the depression."

Mr. Chairman, it is a shame that we are going to be rushed into a program that puts Uncle Sam into an insurance business that will collect thirty-three thousand million into his Treasury out of the sweat and the blood of the working people of this country when they can scarcely make both ends meet. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I rise in opposition to the pro forma amendment. It is to be regretted that in this discussion we hear politics injected into the debate. Think of it. He regrets that the workingman may secure any money benefits under this title when he arrives at the age of 65. He says shame on us for giving the workers an opportunity to provide subsistence for themselves and families in their old age.

Why, my friends, the railroad workers of this country sought for 10 years and more to procure congressional authority to pay money into a fund in order to get retirement pay. They are today fighting in the Supreme Court to uphold their legislation passed in the last Congress.

The distinguished minority leader of the Ways and Means Committee always shoots at big game. He shoots at the mark. He makes no idle shots. In this instance, when he is attempting to strike out title II from the bill, he is aiming at the very heart and soul of the President's social-security program. I have been asked to say whether or not the President of the United States has advocated title II. I accept the challenge and say that the President of the United States advocates that principle. It is a most important part of his social-security program.

Benefits under this title will bring to the wage earner from \$15 to \$85 a month after 65 years of age. What will that do? Instead of being a tax burden on the country it will reduce the tax burden. I can only think of one witness who, representing industry, protested its passage. Leading industrial leaders and labor leaders, including William Green, president of the American Federation of Labor, advocated this title.

In 1980 it is estimated that you will have upward of \$4,000,000,000 a year to benefit the working man and woman. This in itself will be a great stabilizer of economic conditions of this country.

And, my friends, many of you have advocated for years the elimination of the tax-exempt securities. If you are sincere, let me tell you that if this is written into law the tax-exempt securities can be withdrawn from the open market under the power vested in the Secretary of the Treasury.

I want to repeat that this title is the heart and soul of the President's social-security program. Let no one deceive himself about that.

When you vote I know you will vote to keep in this title and then send this measure down to this great humanitarian, the first President of this country who ever brought to Congress a well-rounded social-security program, looking toward the benefit of the unfortunate men, women, and children of our land.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. JENKINS) there were—ayes 41, noes 131.

Mr. TREADWAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. TREADWAY and Mr. DOUGHTON to act as tellers.

The Committee again divided; and the tellers reported—ayes 49, noes 125.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read title III.

Mr. SNELL. Mr. Chairman, I understood that an agreement was made with the majority leader and the chair-

man of this committee that we would rise after voting on title II. That was the agreement as I understood it.

Mr. COCHRAN. After voting on the amendment. There might be other amendments.

Mr. SNELL. I ask the majority leader and the chairman of this committee if that was not the understanding?

Mr. DOUGHTON. The gentleman from Massachusetts [Mr. TREADWAY] and I talked about that a few moments ago. We made no agreement. I said that would be satisfactory to me, but we made no agreement.

Mr. COOPER of Tennessee. The gentleman from New York asked me if I would agree, and I said I had no authority to enter into any such agreement.

Mr. SNELL. I understood the majority leader to say that it would be all right to rise after this.

Mr. DOUGHTON. Nobody wants to have a misunderstanding or fool anyone. We want to keep faith. There may have been a misunderstanding.

Mr. SNELL. I certainly understood that was the agreement.

Mr. O'CONNOR. Would the gentleman be satisfied to start the reading of title III?

Mr. SNELL. We have already started the reading of title III.

Mr. REED of New York. Mr. Chairman, I have an amendment which I desire to offer to title II.

The CHAIRMAN. But title II has been disposed of. The Clerk will continue the reading of title III.

Mr. REED of New York. I had this amendment here while title II was under discussion.

The CHAIRMAN. The Chair regrets the fact, but we have disposed of title II.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to return to title II for the purpose of offering an amendment.

The CHAIRMAN. The Clerk had already commenced the reading of title III. The gentleman from New York asks unanimous consent to revert to title II for the purpose of offering an amendment. Is there objection?

Mr. DOUGHTON. Mr. Chairman, I object.

Mr. COOPER of Tennessee. Mr. Chairman, I object.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7260 and had come to no resolution thereon.