

SOCIAL SECURITY BILL

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, in the security bill which is now before the Congress, and which is causing so much stir among my colleagues as to the method of creating an old-age-pension set-up, I wish to go on record now in voicing my positive disapproval of the method of paying an old-age pension such as this bill calls for.

The administration is wedded to the payment of a reasonable pension to our aged citizens because of the President's original promise to bring such a law about, but this bill is a "buck-passing bill" and attempts to offer a small amount to the aged conditioned upon this same amount being matched by the State. Anyone knowing the condition of the States of the Union knows that more than 65 percent of these States are more or less insolvent and can in no wise meet this condition precedent; and this being true, such an old-age-pension plan of alleviating the suffering of those who are walking toward the valley without a sufficient amount of money to make them comfortable is, in reality, nothing but a foolish gesture. I desire to go on record at this juncture of the debate on this bill to say that we ought to pass a reasonable old-age-pension bill free from the ties this bill contains or else pass no old-age-pension bill at all. I do not believe in telling those citizens of our country who happen to live in wealthy States that they will be fortunate enough to get their pension because their State is able to match the Government appropriation of \$15, while those who live in States not so wealthy, and these are by far the majority States, will not be able to get theirs because their State is not able to match the amount offered by the Government.

This bill should be amended so as to definitely assure our people who reach the age of 60 years and are in need that they will be comfortable and will not be compelled to depend upon local politics to give them that which is righteously theirs. The age should be 60 and not 65.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the 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 the 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. TREADWAY. Mr. Chairman, I yield 25 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, what I have to say shall be extemporaneous, and I hope to touch most of the numerous titles of the bill. Practically every Member who has spoken on this bill up to this time has prefaced his remarks with a statement to the effect that this is the most important measure that Congress has considered during his incumbency or has ever considered. I do not know that I want to go that far, but I think I can go this far with safety: I think this is the most far-reaching piece of legislation we have considered in the 10 or 11 years I have been here. I do not know that it is the most important, because that is a relative term; but when I say far-reaching, I mean it is far-reaching in the fact that it is going to be permanent.

We passed not long ago what we have since known to be the famous "N. R. A. or the N. I. R. A." law. This may have been a very important piece of legislation, and no doubt was important; but it is not necessarily permanent. According to Hugh Johnson, sometimes it is from earth to egg and sometimes it is from egg to earth; and according to other dignitaries, it is necessary while others prophesy its early repeal. The same thing is true of the big recovery relief act, which we passed a few days ago. This calls for \$5,000,000,000 to be turned over to the President, and it was very important, inasmuch as no legislation appropriating any such colossal amount has been enacted heretofore, and I hope we will never have a President who will even ask for that much money in the future, much less demand it. However, it is not permanent legislation and we are surely not going to appropriate that much every year.

This legislation when it is once enacted, if it is of any value at all, it is of value by reason of its permanency, or at least its promise of permanency.

We are launching on a program, several titles of which call for the cooperation of the States. If they cooperate this will be permanent. The title with respect to old-age pensions is to be put into effect in cooperation with the States; in fact, every individual title of the 10 or 11 titles of this measure is permanent, it is far-reaching, and is going to be with us in the next year and in the next Congress and in the next generation, unless sooner repealed.

This is why I say we ought to be careful about it. I think it is safe to say that the overwhelming sentiment of this Congress is in favor of doing something by way of economic security.

I think we Republicans, whether we have wanted to come to it or not, and for one I have for many years been willing and anxious to come to it, have been forced to the conclusion that the world moves on, that progress is the watchword and forward do we range. If this is the case I do not think there will be any trouble at all about passing in this session of Congress without any partisanship, a large percent of this legislation. Most of this legislation is just like immigration and various other great problems we have to contend with in the Congress. They are not factional, they are not partisan, neither are they sectional. They take into consideration the welfare of the entire Nation.

Insofar as this bill provides for the furtherance of public-health measures it is neither factional nor political. If we were to consider that phase of it and if we went back to its origin, I do not doubt we would find it was passed by this Congress under Republican administrations. Appropriations for public health is probably more clearly for the general welfare than any of these titles. In the same way, I feel sure, you could go back to the origin of the provision with respect to rehabilitation and I think you would find that the original rehabilitation act was passed under a Republican administration.

I cite these facts only to show you that we ought to approach this great problem in a nonpartisan way as far as possible, because we are going to launch this measure in this session of Congress and after 1936, no doubt, we will have a Republican President in the White House and therefore it means a lot to the Republicans as well as to the Democrats. We have got to legislate for the future and not for today only.

The Republican members of the Ways and Means Committee worked on this bill just as assiduously as did the Democratic members. Their contributions to the bill by way of discussion and suggestion were as beneficial as those of the Democrats. I wish to pay a tribute to the distinguished Chairman of the Ways and Means Committee. I may say that never in my experience in Congress have I seen a more fair-minded or a more courteous or a more gentlemanly chairman than our distinguished chairman. [Applause.] He did not break his rule in the handling of this measure, not in the least. He conducted the affairs of the committee in a most honest, upright, and fair manner; and in the consideration of this measure I want the Republicans especially to know this bill was considered just as assiduously by the Republican members of the committee, and we gave it just as consistent and persistent and religious attention as did anyone else.

Leaving myself out, many contributions were made by the Republican members of the Ways and Means Committee that found their way into the language of this bill. These Republican members, in summing up their ideas of the bill, have prepared a report designated as "minority views." This report does not bind any individual members, neither does it bind the Republicans as a group, but it sets out to you succinctly what the Republican members of the Ways and Means Committee think would be a fair general statement.

I agree with the first part of the report submitted by the Republican membership of the Ways and Means Committee.

I maintain that this bill separates itself into two general categories:

First. Those which spring from the desire of the Federal Government to provide economic assistance to those who need and deserve it.

Second. Those which are based upon the principle of compulsory insurance.

In the first group are—

Title I, granting aid to the States in meeting the cost of old-age pensions;

Title IV, granting aid to the States in caring for dependent children;

Title V, granting aid to the States in providing for maternal and child welfare; and

Title VI, granting aid to the States in providing for public health generally.

Many people in this country deserve assistance of the Government, both State and National, and they are not "charity" people. They deserve it because the iron hand of vicissitude has rested heavily upon them, on many occasions for which they are in no way responsible. There is truth in the statement that the Government, both State and National, owes something to some people. Naturally it does. The Government feels its obligation, and it feels it wants to pay this debt. What is one of them? One of those debts is to pay old-age pensions to those who approach the setting sun of life without sufficient means to provide themselves decently, and another one is to grant aid of the States for the care of dependent children. Let me go into that briefly. I will not discuss old-age pensions at length, because that subject has been discussed here by many Members. I have been in favor of old-age pensions for years. I helped procure for Ohio the law under which that great State now operates. Ohio has probably the most modern old-age-pension law of any of the States, and I have for years advanced State legislation for Ohio that would result in better care for widows whose husbands have been taken away leaving children who must either be separated from the mother or the mother must receive aid. I think every child is entitled to the care of its mother if she is at all worthy. Not many of those who have spoken have said much about title IV, which grants aid to States for the care of dependent children. Several States have laws dealing with this subject. They handle it in different ways—each State has its own plan. We should have some provisions like that in the Federal law. We should incorporate all these beneficent legislative proposals into one plan or group so that the Government could reach out its long arm to help all worthy groups. We are trying to stabilize this business of helping dependent children. We are trying to pass a law here that will be a model for the States, and we are asking for State contribution, we are asking that each State set up its own organization.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. SAMUEL B. HILL. I understood the gentleman to say this is already in the law, that is, Federal participation in caring for dependent children. The gentleman does not mean that.

Mr. JENKINS of Ohio. No; I did not mean quite that, that we have the set-up made; but I mean it relates to the rehabilitation of children, and we have the germ of that on the statute books.

Mr. SAMUEL B. HILL. We have certain child-welfare provisions on the statutes, but they do not cover this particular phase at all.

Mr. JENKINS of Ohio. I did not intend to give the impression that we already have ample and sufficient legislation. I wanted to leave the impression that in this program of rehabilitation and child welfare, all of these correlated together, and the germ has been planted a long time. It has grown to fruition in the shape of legislation for rehabilitation, and in several of the States it has grown, but in no State has this thing developed systematically, it has

never developed as a tree would, well rounded. It has developed under hard circumstances. Take the great State of Ohio, that great commonwealth of which we are all proud. We have a law there that deals with the blind, but it is poorly administered. We have not any provision in this bill with reference to the blind, and I hope when we come to the amending of the bill that some such provision will be put into it, because it also springs from this same inclination to do something for those who need to have something done for them.

The Republican membership on the Ways and Means Committee have by their report favored the enactment of title I, the old-age-pension title, and title IV, the provision for the assistance and care of dependent children.

Title V grants aid for maternal and child welfare. The Republican membership has unqualifiedly endorsed this title and the Republican Party endorses it and we will not yield to anybody, regardless of partisanship, to lay his unhalloved hand on this proposal and claim this legislation is now his own, that it is original with him. It is not legislation that belongs to any party. This is legislation that has sprung up out of a desire of the people of this country to have the Federal Government participate and help out the States in this grand and wonderful work. The same is true of title VI, which deals with public health.

I hope that every provision that I have mentioned, which has been endorsed by the Republican group, finds its way into this legislation.

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

Mr. JENKINS of Ohio. Yes; I yield gladly to the distinguished gentleman from Georgia.

Mr. COX. The gentleman has referred to the minority views on this bill. Personally I was favorably impressed with the statements set forth, but somewhat disappointed to find in the report one phrase, which I will call to the gentleman's attention:

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.

And I now read the sentence, to which I refer:

However, we believe the amount provided in the bill to be inadequate, and favor a substantial increase in the Federal contribution.

Does the gentleman believe, in view of what he knows about the whole question and the condition of the country, that the Government could stand a heavier burden than is imposed by the terms of this bill as drawn?

Mr. JENKINS of Ohio. I should say, in answer to the gentleman, that he realizes the word "substantial" is a far-reaching word. Being a good lawyer, the gentleman knows that the word "substantial", as used in the law, means "reasonable."

Mr. COX. Does the gentleman actually favor an increase of Federal contribution?

Mr. JENKINS of Ohio. If the gentleman desires my position, I can tell him. I think that at this time \$15 is a fair approximation, but there are some States and municipalities which pay much more than that amount. Suppose there is a municipality which wants to pay a maximum of \$30, then it will take the Federal contribution of \$15, which will make a total of \$45. That community pays in the ratio of 2 to 1, as compared to what the Government will pay. Some other community can barely match what the Federal Government contributes. Therefore, that makes an inconsistency and unfairness to some municipalities or States. However, I think the maximum of \$15 is a fair maximum now. After we have tried this law out for a year or two and we find that there are municipalities which would like to pay more, then it can be increased. I am perfectly willing to increase this to \$20, but why not start it within reach of the weaker States?

Mr. COX. Will the gentleman yield further?

Mr. JENKINS of Ohio. I yield.

Mr. COX. The gentleman would not favor a Federal grant to a State whose financial condition was bad, in one

amount, and then give a greater amount to a State that was prosperous, would he?

Mr. JENKINS of Ohio. I do not understand the gentleman.

Mr. COX. In other words, the gentleman favors uniformity in whatever is done on the part of the Federal Government, does he not?

Mr. JENKINS of Ohio. This bill up to the \$15 is only a voluntary maximum. A State can provide for \$5 a month, and the Government would only put up \$5 a month. So that the bill already provides a sliding scale. That is for the benefit of the weaker communities. I think that is a wise thing, because there is no use breaking the back of a weak individual in order to test the strength of a strong one.

Mr. COLDEN. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. COLDEN. With reference to the minority report, in which it is stated that the minority favors a substantial increase in the Federal contribution, is it not possible to find considerable revenue by increasing the inheritance taxes, which might be applied for this purpose?

Mr. JENKINS of Ohio. Oh, I think the gentleman knows the answer to that question without asking me.

Mr. THOM. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. THOM. Was the gentleman's attention called to a letter from an Ohio doctor with reference to the aid granted for crippled children, pointing out that in Ohio the money is distributed through counties, instead of through the State, and that possibly the language of this law, compelling the matching of funds by the State, might exclude relief in the State of Ohio?

Mr. JENKINS of Ohio. No. I do not recall having received such a letter. I may have done so. But I do not know how that would exclude relief in Ohio. As the gentleman knows, we need some changes in our Ohio laws. For instance, in a great State like Ohio we should provide some system whereby the various agencies set up for relief should be coordinated. I do not mean that our agencies are inefficient in their own line of work, but in a great Commonwealth like Ohio, where there are many large municipalities and much revenue, the small county should not be thrown out on its own responsibility. It ought to be taken care of. It ought to get some relief from some of the larger counties. This thing ought to be systematized. If I thought this bill would not help the State of Ohio to round out the assistance to her poor people better than it does today, I would not be for these provisions of the bill. The State of Ohio probably does more today than a great many other States, but it does not do as well as it can do. I hope that these different titles will be of great benefit to that great State.

Mr. THOM. But the question I was interested in was this: Is it a fact that in Ohio the money for the crippled children is provided by the counties instead of the State?

Mr. JENKINS of Ohio. I do not know the full details of how that is carried on. The best work done in Ohio, that I know of, is the rehabilitation done under the Federal rehabilitation law, in cooperation with the local authorities. They took charge of a great many crippled children that I know of, and the counties in that way are encouraged to extend themselves to the limit, as well as the county agencies. It is supervised generally by the organization in Columbus, which I think gets its organization from Washington.

Now, let me proceed. As I stated before, the Republican Membership, has by its reports, indicated how it stands on these different measures. I am not trying to say how any individual Member is going to vote or how I am going to vote, but I think it would have been wiser if this legislation had been divided into two categories. There are many Members, both Republicans and Democrats, who believe as I do on that proposition. If we had provided in one bill the relief that I have heretofore indicated, that would all have been consistent. It would all have been right along one line. But there has been added to this bill many other

matters. This bill really had its origin in nothing but the upwelling charity of the American people as it is demonstrated by the actions of representatives in Congress and by people generally. Everybody is human and reacts to human impulses, regardless of whether he is a Senator, or the President, or what not. So I say to you that all of these various titles except two had their origin from that inclination, and we ought to recognize that. If it had been carried out along those lines, then we would not be overwhelmed with trouble about a lot of questions that will come up with regard to these other titles. There are many Members of Congress, regardless of politics, who feel just exactly as I feel about this. If they had had their own way, if they had not been lashed into line, if they had not been under pressure, they would not have agreed to this. I am not criticizing them. I recognize that when you are part of a political group you have to go along to some extent; you have to be loyal; but there comes a time when that goes too far absolutely. When more than loyalty is demanded then tyranny begins. It is out of line with your common sense. It is going too far now. We should remember that we are legislating for posterity and not for the 1936 elections.

It is out of line with your own judgment; it is out of line with your own reason, and we ought to stop.

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

Mr. JENKINS of Ohio. I yield to my friend and colleague from Ohio.

Mr. MARSHALL. Does not the gentleman also think it would have been wiser to have divided the bill still further and separated the old-age-pension titles from the compulsory insurance titles in this bill?

Mr. JENKINS of Ohio. The gentleman is exactly right in that.

The next paragraph of the report deals with the question of unemployment insurance. I shall proceed to a discussion of that at this time. I am not here to try to force my views on you as the views of the committee. I know there are members of the committee and other Members of the Republican branch of the House—for instance, the gentleman from Ohio [Mr. MARSHALL], who interrogated me a moment ago—who maintain that it would have been better to keep all these insurance matters by themselves. I favor the principle of unemployment insurance and have favored it ever since it has gotten to be a question of vital importance to the people. I do not want to refer to personal experiences too much in my remarks, but in Ohio we have a workmen's compensation law that is looked up to by all the States as a model. It is looked up to by those who administer that law in the United States as a model, and it was selected as a model upon which the Congress of the United States built its workmen's compensation law for the District of Columbia. I had a more or less prominent part in perfecting the Ohio law and in preparing the District of Columbia law. It is a fine thing in principle. Why should not industry carry its load? It should carry its load of injuries that come to its employees; and no State, where they have adopted this type of protection, would abandon it now—I think I am safe in saying that practically every State in the Union has a workmen's compensation law. It has long since passed the stage of experimentation—none of these States would give it up.

There is a relationship between unemployment insurance and workmen's compensation, but there is a very wide difference. Now, this very wide difference, no doubt, will be developed here by some of those who are opposed to this proposition. I am not opposed to it. I do not know whether it is wise to enact it now; I am not so sure about that, but if we are going to enact it, I hope it works itself out, but I think you will find it will not work itself out with quite the harmony with which the old-age-insurance provisions will work themselves out; it will not work itself out with the harmony with which these other titles will work themselves out. But be that as it may, if it is enacted we shall do the best we can by it, cure its mistakes and defects as they arise, and improve its good qualities as we see them

develop. I propose to vote for the bill with that proposition in it; I will accept it, as I said before, in the hope that good will result from it.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. SAMUEL B. HILL. I want to ask the gentleman a question. On last Friday when I addressed the House I said that we appreciated the fine cooperation which the Republican members of the committee gave to the study of this legislation, and especially do I want to mention, in this connection, my friend who is now addressing the House, and as I understand from his discussion here the gentleman from Ohio is not opposed to the principle of any of the titles in this bill. Is that correct?

Mr. JENKINS of Ohio. Oh, yes; I am. I am opposed to the provisions of title II and title VIII, but I have not come to them yet.

Mr. SAMUEL B. HILL. The gentleman is opposed to the principles underlying the provision for old-age benefits?

Mr. JENKINS of Ohio. The gentleman, I think, is making his statement to suit himself. I am just opposed to that principle in this bill. I do not want it qualified.

Mr. SAMUEL B. HILL. Is the gentleman opposing it as a general proposition?

Mr. JENKINS of Ohio. I oppose it generally and specifically, if that will help the gentleman.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 additional minutes to the gentleman from Ohio.

Mr. SAMUEL B. HILL. If the gentleman will yield further I want to pursue my line of thought a little further, and ascertain from the gentleman from Ohio whether he is opposed to the principle underlying title II, which is old-age benefits, and title III, which deals with unemployment compensation.

Mr. JENKINS of Ohio. I cannot answer the gentleman "yes" or "no", because I maintain that title III is not identical with title II.

Mr. SAMUEL B. HILL. No; it is not.

Mr. JENKINS of Ohio. There are principles involved in title III which are not involved in title II.

Mr. SAMUEL B. HILL. I appreciate they are two distinct subjects, but I am asking the gentleman whether he is opposed in principle to either of these titles.

Mr. JENKINS of Ohio. Yes; I have stated definitely that I was opposed to title II and opposed to its accompanying title VIII; but I am not opposed to title III. I doubt, however, whether this is the proper time to enact it. I think it would be better if it were separated and put in a bill by itself away from these other provisions so it would have a fair chance and so it would operate on its own steam, so we could find out its weaknesses if it has any and improve its merits if it develops any.

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

Mr. JENKINS of Ohio. I yield to my genial Democratic friend from the Kentucky mountains.

Mr. MAY. I think the gentleman from Ohio has expressed one thought that is almost universal in the House of Representatives, and that is the proposition that all these various subjects ought to have been separated in this legislation so that if a Member wanted to vote for old-age pensions, although opposed to some other title in the bill, he would have the opportunity to vote for it without having to vote for or against all the other titles in the bill.

Mr. JENKINS of Ohio. The gentleman has the right idea, and I think he has expressed the overwhelming sentiment of the House except that based on partisanship. It is unfortunate that this overwhelming sentiment is not permitted to crystallize into legislation without White House intervention. I congratulate my Kentucky friend for the attitude he is taking.

Mr. MAY. In the consideration of the unusually large appropriation bill we had a double-barreled proposition where we had to vote for both relief and public works. This matter should be presented to us in such a way that

we could vote against one proposition without voting against all of them.

Mr. JENKINS of Ohio. Yes; I agree most heartily with the gentleman.

Mr. MAY. I think that practice ought to stop and the Members should be given a chance to vote for the things that they want to vote for. [Applause.]

Mr. JENKINS of Ohio. I agree with the gentleman, and that has been the practice of this administration from the time of the enactment of the Economy Act down to the present time. I am glad that the Members applaud the statement of my Democratic friend, and I hope that those who applaud will vote that way when we move to separate these titles later. The policy of the administration has been to join unpopular measures with popular measures and to thereby compel the passage of unpopular measures on the strength of a popular measure. When are you on the Democratic side going to rise up and say that you are Democrats? When are you going to rise up and say that you have in your system some blood of John C. Calhoun and those other distinguished Democrats who stood up for State rights? Are you going to continue to allow State lines to be eradicated? Are you going to let the Chief Executive transcend the rights of the legislative branch? When are you, with your majority of 3 or 4 to 1, going to wake up? When are you going to strike off the yoke? I am glad that one Democrat from the mountain section has risen and given a reason for the faith that is within him. It is seldom that any Democrat stands up in this House and eulogizes Andrew Jackson. Democracy today is not what it used to be.

Mr. MAY. The gentleman will remember that I voted against the rule for the consideration of the large appropriation bill because I wanted these things separately considered.

Mr. JENKINS of Ohio. I thank the gentleman for his contribution.

Mr. ARNOLD. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Illinois.

Mr. ARNOLD. Under the rule under which this bill is being considered, have not the Members of the House the right to vote up or down every single proposition in the bill?

Mr. JENKINS of Ohio. Yes; they have.

Mr. ARNOLD. And they have that right with reference to every title separately?

Mr. JENKINS of Ohio. May I say that the gentleman is advancing that as a compliment to his party. The gentleman has no right, and the Democrats as a whole have no right, to claim any compliment for reporting out this bill under an open rule. Why? Because you did not dare report it out any other way. That is the reason. A canvass of your own Members showed that you did not dare vote out a closed rule. You were forced to bring this bill out under an open rule, and that is the kind of rule that should always be brought upon the floor of this House for the consideration of any important measure. If a gag rule had been offered, it would have met the opposition of a united Republican vote and of a large group of Democrats who occasionally venture far enough to yet say their life is their own.

Mr. ARNOLD. I understood the gentleman to say that the Members of this body had to take this bill as a whole with these several titles. I know the gentleman does not mean to make that statement when we have the right to vote out any section or title of this bill and we also have the right to consider and adopt any germane amendment.

Mr. JENKINS of Ohio. I do not think the gentleman heard all of my discussion, because I stated the ultimate result and the ultimate effect was due to partisanship. That is what I say now.

Mr. Chairman, I proceed to the last paragraph of the report, which deals with title II and VIII. I may say that those on the Democratic side will not take advice from me, and I do not want to inflict my advice on the Republican side, but it is my opinion titles II and VIII should come out of this bill. They have no business in there. They are being linked with these other popular titles and will be

forced to passage if possible. It is an encroachment upon a public sentiment that wells up from the finest impulses of the American heart.

It is purely a business transaction loaded upon charity, you may say, and has no real relation to these other bills. You Democrats ought to rise up in your might and strike out these sections, because future generations, if these titles are stricken, will rise up and call you blessed. I am a friend to this legislation, and I have no hesitancy in saying that the legislation would be much improved. When the people find that you have saddled upon old-age pensions and these poor mothers and these weak and crippled children these objectionable titles, they will demand to know the reason why. They will be entitled to know.

There was testimony before the committee to the effect that in one section of the country one-half of the births in that section were unattended by a physician, and who would refuse to continue a work now being done to relieve that situation. I have voted for this principle several times. Now, let us make it a part of our permanent national policy.

Why do you load on this bill an insurance matter? Titles II and VIII are strictly matters of insurance. Under these titles a wage earner is compelled to take this compulsory insurance whether he wants to take it or not. These two titles have been a thorn in the side of the administration, the "brain trust", and the Democratic Members. In the Ways and Means Committee they have done their best to remove their unconstitutional features, but they have failed. Verily a leopard cannot change his spots. Under these titles the Government is put into the insurance business on a tremendous scale. The following table illustrates that under this bill it is estimated that by 1970 the receipts into this insurance fund will reach over two thousand million annually and that the insurance fund will have a reserve of nearly thirty-three thousand million. This figure is so large that the human mind can hardly comprehend it. Why not wait until we can see our way clear before we venture on these untried courses?

TABLE IV.—Estimated appropriation, benefit payments, and reserves under title II
[In millions of dollars]

Fiscal year ending June 30—	Appropriation	Interest on reserve	Benefit payments	Amount carried forward to reserve	Reserve
1937.....	255.5	0.0	1.8	253.6	253.6
1938.....	513.5	7.0	7.2	514.0	767.6
1939.....	518.5	23.0	14.4	526.9	1,294.5
1940.....	662.2	38.8	22.0	679.1	1,973.6
1941.....	897.2	59.2	22.7	934.7	2,910.3
1942.....	814.8	84.4	60.4	839.7	3,649.0
1943.....	970.0	109.5	114.2	965.3	4,614.3
1944.....	1,126.6	138.5	173.1	1,091.9	5,706.2
1945.....	1,137.0	171.2	231.4	1,076.4	6,782.6
1946.....	1,291.0	203.5	302.0	1,192.9	7,975.5
1947.....	1,447.1	239.3	381.2	1,306.2	9,280.7
1948.....	1,460.1	278.5	457.5	1,281.1	10,561.8
1949.....	1,621.0	316.8	535.8	1,402.1	11,963.9
1950.....	1,783.3	358.9	612.6	1,529.6	13,493.5
1955.....	1,861.3	579.3	1,076.0	1,364.5	20,672.6
1960.....	1,939.1	765.6	1,672.7	1,032.0	26,551.9
1965.....	2,016.9	896.0	2,235.1	677.8	30,543.8
1970.....	2,094.8	975.2	2,792.1	277.9	32,782.9

Mr. Chairman, ladies and gentlemen, the report filed by the majority members of the Ways and Means Committee says not a word about the constitutionality of these titles no. II and no. VIII. I presume this omission is a studied omission on their part. They seek thereby to keep from the Membership the fact that this question gave them more worry than all the rest of the bill put together. In many sessions of the committee, arguments were advanced to show that these titles are unconstitutional. Why has nothing been said about that matter on the floor of this House? Why did not the chairman of the committee address himself for a few minutes at least to the constitutionality question? I will tell you why. It is because he knows and the committee knows that when the Supreme Court comes to interpreting this measure, the Supreme Court may look as it generally does to the discussions had in

committee and to the committee reports as to what was said, and to what is said in the debates on the floor of the House. If I do not say anything else on the floor, I want to say that one Republican at least rose up in his weak way, and to the best of his ability, and protested against this procedure and wants the records here to show of these numerous protests as to the unconstitutionality of these titles. I want this to be positive in the Record. Let the Supreme Court know, if it does read the Record of Congress on this proposition, that one individual rose and said that he doubted the constitutionality of this bill, and that the facts are that great fear has been expressed by many members of the committee in this respect.

In support of my position, may I say that this bill first came to the Congress for consideration in the form of the Lewis bill. Later Mr. Douceton, the chairman of the committee, introduced an identical bill. Many changes have been made in the bill since then. When we first commenced hearings on it, the "brain trusters" and the administration spokesmen and even Miss or Mrs. Perkins thought it was in perfect form, but there have been more changes made and more legislative carpentry done upon it than any other bill that has gone through this Congress that I know anything about. They have changed it in many ways. These provisions covered by titles II and VIII that were once all together have been taken out and separated. This was done after weeks of hearings for no other reason than that they were afraid of the test as to its constitutionality.

Mr. Chairman, the constitutionality of these two titles is going to depend on this point: Are they related or are they separate? I would like to have those Members who are not lawyers remember that that is going to be the constitutional test, namely, are titles II and VIII related? If they are not related in any way, then this bill is probably constitutional. If they are related, then the question arises, what about the relationship and how does the relationship interfere with its constitutionality?

How did the committee or the group who wrote this bill interpret this proposition? Let me tell you how they interpreted it. They put the provisions of these two titles together. They put the tax provision and the appropriating provision together, and the Attorney General's Office no doubt passed upon it. They no doubt thought it was constitutional.

If you will look at the report you will find there are 500 or 1,000 names of distinguished people who appear to have collaborated in the preparation of this bill. The list includes dozens of prominent and near prominent persons, and many unheard-of persons. No doubt all were capable and unselfish. In this list were many professors.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. JENKINS of Ohio. As I was about to ask, how did the "brain trust" and the Attorney General interpret this measure? Here is the way they interpreted it. They connected them together and after we had been in session about 7 weeks and when we went to work to draw it up, what happened? We have a man here who works for us in the Congress who is not a Member of the Congress, a man who works as the head of the Legislative Reference Bureau. Do you know what he told us? He told us that a lot of this bill was unconstitutional, and do you know who is entitled to the credit for drawing up this last bill? It is not the Attorney General; it is none other than Mr. Beaman, and I here and now nominate Mr. Beaman for the Attorney Generalship of the United States. He ought to be down there, because he is the man who told them what to do. They have tried the best they could to separate these propositions so that title VIII could pass the test as a taxing title and so that title II could be acceptable as an appropriating title and would be free from constitutional objections.

Mr. Chairman, title II and title VIII are not separate in the new bill, and let me show you why. They may be physically separate but they are one in spirit. Under title II you will find what? You will find that all the exemptions under title

II are just exactly as under title VIII. See pages 14 and 46 of the new bill. And all the taxes levied under title VIII and all the designations and classifications under title II are carried in title VIII, word for word. See pages 46 and 14 of the new bill. There is not a line taken out. They are just exactly alike. Why are the majority Members so careful not to make the slightest reference to the connection between titles II and VIII. The beneficiaries under title II are the identical persons taxed under title VIII.

In a brief filed by the Attorney General they cite a lot of decisions, but this brief appears nowhere in the record of the proceedings of the committee; neither do the long speeches, consuming nearly 2 days by representatives from the Attorney General's office. I maintain that titles II and VIII should be stricken from the bill because they do not add the more important provisions of the bill, but are a weight on the bill. I also maintain that these titles are unconstitutional because title VIII is not a tax-levying title but is in reality a part of the plan to put compulsory annuities into effect, and that title II depends absolutely upon title VIII for its premiums. I further maintain that title II invades the rights of the State and that there is no constitutional provision granting Congress the power to legislate in the manner sought in title II.

In the Attorney General's brief he seeks to establish the proposition that the courts in passing upon the validity of a statute which on its face purports to be a tax measure will not consider the question whether the motive of the legislative body was some other than that to raise revenue. He cites as proof of his contention the case of *Veazie Bank v. Fenno* (8 Wall. 533) and *McCray v. United States* (195 U. S. 27, 59).

Neither of these cases is exactly in point, for in both of these cases the statute in question bore every evidence on its face of being a taxing statute. The court in each of these cases held that it was not concerned with the motive of the legislative body provided the statute on its face recited its proposition clearly. In neither of these cases was there any accompanying sections that were dependent upon each other. In this bill that we are now considering, title II is absolutely of no consequence without title VIII. And title VIII is inserted in the bill for no other purpose than to furnish the premiums with which to operate title II. These two titles, taken together, put the Government into the insurance business. That is their purpose. Title VIII is not a revenue-raising section but it is the means by which premiums are forced from the wage earners of the country without their consent.

They cite the case of *United States v. Doremus* (249 U. S. 86) as a case proving the same point. That case is not in point with what is sought to be done in this bill, for in that case the law was attacked on the ground that the regulations seeking to enforce the revenue-collecting feature of the law were unconstitutional. The court held that the law in question was on its face and in fact a revenue-raising measure and that was its principal purpose. It further held that the regulations sought to be declared illegal were legal regulations in that they assisted the taxing authorities to enforce the taxing provisions of the statute.

They also cite the case of *Manano v. Hamilton* (292 U. S. 40). On page 46 the following language, which refutes their contention, appears in the opinion, which is a very short one:

The statute here under review is in form plainly a taxing act, with nothing in its terms to suggest that it was intended to be anything else. It must be construed, and the intent and meaning of the legislature ascertained, from the language of the act, and the words used therein are to be given their ordinary meaning unless the context shows that they are differently used.

In this brief the following language appears:

The conclusion is inescapable that the motive of the Congress in enacting a law which, on its face, purports to be a revenue measure, is immaterial and will not be considered by the courts in passing upon its validity.

This is not a correct proposition of law. There is an abundance of authority to prove that such a proposition is

entirely too narrow and restricted. In fact, it is not a fair conclusion for a partisan even to deduce from the cases cited.

There is an abundance of cases decided by the Supreme Court which holds that the Court is much concerned with the real purpose of any law the constitutionality of which is brought in question before the Court. In the Child Labor case as reported in Two Hundred and Fifty-ninth United States Reports, page 20, Chief Justice Taft, in holding the law unconstitutional, says:

In the light of these features of the act, a court must be blind not to see that the so-called "tax" is imposed to stop the employment of children within the age limits prescribed. Its prohibitory and regulatory effect and purpose are palpable. All others can see and understand this. How can we properly shut our minds to it?

It is the high duty and function of this Court in cases regularly brought to its bar to decline to recognize or enforce seeming laws of Congress, dealing with subjects not intrusted to Congress but left or committed by the supreme law of the land to the control of the States. We cannot avoid the duty even though it require us to refuse to give effect to legislation designed to promote the highest good. The good sought in unconstitutional legislation is an insidious feature because it leads citizens and legislators of good purpose to promote it without thought of the serious breach it will make in the ark of our covenant or the harm which will come from breaking down recognized standards. In the maintenance of local self-government, on the one hand, and the national power on the other, our country has been able to endure and prosper for near a century and a half.

Out of a proper respect for the acts of a coordinate branch of the Government, this Court has gone far to sustain taxing acts as such, even though there has been ground for suspecting from the weight of the tax it was intended to destroy its subject. But, in the act before us, the presumption of validity cannot prevail, because the proof of the contrary is found on the very face of its provisions. Grant the validity of this law, and all the Congress would need to do, hereafter, in seeking to take over to its control any one of the great number of subjects of public interest, jurisdiction of which the States have never parted with, and which are reserved to them by the tenth amendment, would be to enact a detailed measure of complete regulation of the subject and enforce it by a so-called "tax" upon departures from it. To give such magic to the word "tax" would be to break down all constitutional limitation of the powers of Congress and completely wipe out the sovereignty of the States.

Also in the case of *Hill v. Wallace* (259 U. S., 66), the following language appears in the opinion of the Court:

It is impossible to escape the conviction, from a full reading of this law, that it was enacted for the purpose of regulating the conduct of business of boards of trade through supervision of the Secretary of Agriculture and the use of an administrative tribunal consisting of that Secretary, the Secretary of Commerce, and the Attorney General. Indeed the title of the act recites that one of its purposes is the regulation of boards of trade.

The manifest purpose of the tax is to compel boards of trade to comply with regulations, many of which can have no relevancy to the collection of the tax at all.

The act is in essence and on its face a complete regulation of boards of trade, with a penalty of 20 cents a bushel on all "futures" to coerce boards of trade and their members into compliance. When this purpose is declared in the title to the bill, and is so clear from the effect of the provisions of the bill itself, it leaves no ground upon which the provisions we have been considering can be sustained as a valid exercise of the taxing power.

I should like to go further into the discussion of this feature of titles II and VIII of this bill, but I hope I have said enough to impress you with my sincerity and with the fact that this is a very important matter and that you should give it your best attention. I think it is as much the duty of the Attorney General to give both sides of these matters careful consideration as it is our duty to do so. I do not think he is justified in taking a partial position. I am glad that the people of the country yet have a right to look hopefully to the Supreme Court as one branch of the Government that will give consideration to both sides of any case. Title VIII is not a revenue title. This whole bill is not a revenue bill. It is an economic-security bill. Sometimes I think that Mr. CONNERY, of Massachusetts, is absolutely right when he insists that there is some question whether this bill should ever have been considered by the revenue-raising committee and that it might properly have been referred to the Labor Committee to consider it from the standpoint of its being an economic-security bill. I should like to ask the Democratic leaders who are members of the Rules Committee why they found it necessary to bring this

bill up for consideration under a special rule if the bill is rightfully a revenue bill? We all know that a revenue bill properly reported from the Ways and Means Committee is a privileged bill, and it is not necessary for a special rule to be ordered for the consideration of a privileged bill.

My friends, I repeat that title I and title VIII were one and the same in the minds of those who conceived this measure. They were one and the same in the original bill. They have been separated by letter and word, but they are one in spirit. Who is it that has not heard that great sentence, "The letter killeth but the spirit quickeneth and maketh alive"? When the Supreme Court comes to interpret this bill, if it becomes a law, I am thankful for the faith that the American people yet have in that high tribunal that it will give heed to the spirit of legislation as well as to the letter.

Under our theory of government the State is the real nucleus of power and authority. Some people have the mistaken idea that government is built up from the family community and the township to the county and from the county to the State and from the State to the Nation. This is not the case. Originally we had 13 States. These States passed their own laws providing for their lesser subdivisions of counties, townships, and municipalities. These 13 States also gave up a sufficient of their own sovereignty to establish a Federal Government. The States built down to the lowest unit and the States built up to the highest unit. The Congress of the United States can enact only such legislation as is permitted under the Constitution. Why harm and hinder these great programs of economic security, with which we all agree, by attaching to them provisions that load them down with uncertainty as to merit, as to justice, and as to constitutionality? I beseech of you that you give these far-reaching propositions the thought and consideration that true, patriotic citizens should give who have no other purpose in mind than the best interests of the Republic. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULLEN].

Mr. CULLEN. Mr. Chairman and ladies and gentlemen of the Committee, my distinguished friend from Ohio [Mr. JENKINS] has tried to lead the House to believe that this is not a tax bill, that it is not a revenue bill, and therefore the Ways and Means Committee did not have jurisdiction over it. The gentleman knows better than that. He sat with the committee for 8 weeks, and he knows that among the provisions of the bill is an imposition of a 5-percent tax, which brings it within the jurisdiction of the Committee on Ways and Means. His contention is so absurd that I am astonished.

Mr. JENKINS of Ohio. The gentleman does not contend that the spirit of the bill is a revenue bill?

Mr. CULLEN. The spirit of the law or the bill provides for a tax, and therefore the jurisdiction was rightly in the Committee on Ways and Means.

Now, in regard to his statement about the titles, no individual Member is denied the right to vote for any particular title, and therefore that argument falls to the ground. Of course, the bill has been changed. Whenever you have structural legislation, you must make changes to meet conditions. The main principles of the bill are preserved. The gentleman from Ohio participated in all the hearings. He loaned the committee his wisdom, ability, and experience to perfect the bill, and yet he comes here and says that we have to go down the line with our party. The gentleman would have to go down the line with his party if the shoe was on the other foot.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. CULLEN. Yes.

Mr. JENKINS of Ohio. The gentleman knows that there is not a line in it from the two distinguished gentlemen who prepared it; the gentleman knows that that was thrown out, and you had to send out and get another.

Mr. CULLEN. Thanks to the wisdom of the committee, some things were thrown out and it was built up again. The gentleman was one of the minority, and the committee had the benefit of his information, his experience, and his wis-

dom. The gentleman says that this security legislation is a party question. That is the most absurd thing I ever heard of.

Mr. McCORMACK. Will the gentleman yield?

Mr. CULLEN. I yield.

Mr. McCORMACK. There is nothing strange about that, for a committee in executive session to call in advice from those in the Government service.

Mr. CULLEN. Certainly, you are right, Mr. McCORMACK. They sat in and participated and suggested things about the construction of it. The minority said, "We will not vote against it", but they did cast a half a vote against it by voting "present."

Mr. McCORMACK. Has the gentleman found out yet when the minority members of the Ways and Means Committee made up their mind to vote against title II?

Mr. CULLEN. After they had several conferences in which I am led to believe they did not always agree. It would not be surprising if some of the minority would vote for the bill in its entirety, including title II.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. Yes.

Mr. JENKINS of Ohio. I do not want to let the facetious remarks of the gentleman from Massachusetts [Mr. McCORMACK] go unchallenged. There might have been some discord among the Republicans about title II and title VIII, but the gentleman knows that all through the discussion the members of the minority opposed that, and, furthermore, the gentleman knows that there are members on his side who opposed this proposition. The gentleman from Massachusetts was not always in unison with that measure.

Mr. McCORMACK. The views of the gentleman from Massachusetts were substantially incorporated when the so-called "voluntary annuity" was reserved by the committee for further study.

Mr. CULLEN. Mr. Chairman, in the statement that I am about to make in regard to this legislation, I respectfully ask not to be interrupted until the conclusion of the statement.

The economic-security bill which is now before us for final consideration is one of the most important pieces of legislation which have come before the House for many years. Nearly a year ago, on June 8, our great humanitarian President, Franklin Delano Roosevelt, transmitted a message to Congress advocating social-security legislation, and shortly thereafter he created by Executive order a committee whose purpose was to make a comprehensive study of the many complicated factors in industrial life which lead to dependency and destitution, and make proper recommendations for overcoming such causes of insecurity.

While we are now considering old-age and unemployment-insurance legislation it is nevertheless not entirely new to the country because it has been advocated by fraternal organizations, and particularly the Eagles.

Our great President himself advocated it when he was Governor of the State of New York, at which time he was already thinking of the masses of the people of our country.

Insofar as Congress is concerned, this is pioneer legislation of a humanitarian character, and the bill reported to the House by the Committee on Ways and Means is based upon the recommendations of the President in his message to both Houses of Congress on January 17 of this year.

The Ways and Means Committee, to whom the President's recommendations for security and unemployment-insurance legislation were referred, held extensive hearings on the bill and after 8 weeks of intensive work the committee reported a bill to the House which, in my opinion, is as near perfect as possible. The committee gave the most thorough study to every phase of this important subject of social-security and unemployment insurance.

The economic-security bill presents the most substantial evidence to date that our twin objectives of recovery and reform are found in an inseparable unity of purpose and action. While the horror of the depression is still fresh upon our memory, we are taking decisive steps to shake off its lingering aftermath, to prevent its recurrence, and to set

up safeguards for those who may suffer in the future from economic forces beyond the control of the individual.

Old age, unlike unemployment, is a natural consequence that descends upon mankind everywhere with unvarying regularity. Therefore the bill treats this problem primarily on a national basis. It sets up a Federal system of compulsory old-age insurance, which will provide at least the minimum requirements for health and decency to every worker who has reached 65 years of age. At the same time, the measure is careful to make special provisions for workers who are now so near the retirement age that they will have no chance to insure themselves by their own contributions.

Another important feature of this bill is the provision for unemployment insurance. There is no reason why the worker unemployed through no fault of his own should be more neglected than machinery that is idle during the slack season. There is no justification for giving the man who has grown old and tired in the performance of his life's work no consideration for his efforts. The day has passed when the wealthiest nation in the world can remain the most delinquent in its treatment of the most pressing of all social questions.

The proposed legislation is not confined to old-age pensions and unemployment insurance. Federal subsidies are provided to help the States in caring for dependent children, in promoting maternal and child welfare, in aiding the crippled, and in advancing public health. While most of this money is to be allocated among the States on a dollar-for-dollar matching basis, there is enough flexibility to safeguard the poorer localities which are unable to help themselves.

Of course, it must be realized that the bill does not represent the zenith of perfection in social-security legislation. But considering that we are venturing into a region that heretofore has been practically unexplored by the National Government in this country, the bill does embody a step forward that is almost unparalleled in its boldness and scope. We are breaking the ground for a structure in which economic wisdom and humanitarian impulses shall be blended in perfect proportion to protect millions of our citizens from undernourishment during their formative years, from privation in their prime of life, and from destitution in their old age.

The President emphasized his belief that the Economic Security Committee had evolved a program that would appeal to the sound sense of the American people.

It had not attempted the impossible—

He said—

nor has it failed to exercise sound caution and consideration of all the factors concerned; the national credit, the rights and responsibilities of the States, the capacity of industry to assume financial responsibilities, and the fundamental necessity for proceeding in a manner that will merit the enthusiastic support of citizens of all sorts.

Another principle, the President said, was that the actual management of the plan, except possibly in the case of old-age insurance, should be left to the States, subject to standards established by the Federal Government. He held, however, that the financial management of funds and reserves should be retained as a trusteeship by the United States Treasury.

Legislative proposals to carry out these principles were incorporated in the bill, which has been worked out in collaboration with the men and women who compiled the social-security report for the President as well as the Ways and Means Committee.

The President stressed the importance of State legislation, and to this end asked the speediest action by Congress.

In that connection I might say that Governor Lehman, of New York, which is also my State, advocated the adoption of social-security and unemployment legislation modeled on the bill now pending in Congress. I am happy to state that both the Assembly and Senate of the New York Legislature has approved such a measure, and it is now before the Governor for signature.

In view of New York's record as to the adoption of all social legislation, it is not surprising that this should be the fourth State in the Nation to adopt unemployment insurance. I believe that only Utah, Wisconsin, and Washington preceded New York.

There are other proposals pending in the Congress on this subject, yet in my opinion it is wise for us to proceed cautiously and carefully in this initial legislation. Therefore, I believe that the bill before us is a step forward in the direction of economic-security and unemployment insurance and the careful study that it has received in the hands of the Ways and Means Committee, led by that rugged and sincere personality, Chairman DOUGHTON, who guided us through this complex problem, I sincerely hope and trust when the debate is closed on this bill and when we proceed to the 5-minute rule, that the House in its wisdom will keep it intact in every particular and pass it just as it has come from the Ways and Means Committee and uphold the hands of our great President in the adoption of this humane legislation. [Applause.]

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

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

Mr. CULLEN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The gentleman is correct in saying that this legislation is not new in America, and he should also include foreign countries which adopted it and where it is working successfully.

Mr. CULLEN. Yes. I yield back the remainder of my time.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. LEWIS].

[From a speech by Charles W. Elliot, president of Harvard, Faneuil Hall, July 4, 1911]

A declaration of independence, if it were written now, would among other things set forth that every citizen in a free State has an inalienable right to that amount of employment which will yield for him and his family a decent living; that every worker has a right to be insured against the personal losses due to acute sickness, chronic invalidism, injuries through accident, and the inevitable disabilities of old age.

Mr. LEWIS of Maryland. Mr. Chairman, I enter this discussion with a full appreciation of the lack of time to explore fully the values of this bill, and that it is only possible to touch upon some of its ruling considerations. I ask my colleagues under such circumstances to excuse me from answering particular questions, which might be better deferred, I think, until we come to a minute consideration of the bill.

It was my privilege for the first time to visit the lands of our ancestors in 1931. The depression was already upon us. When I returned, friends were always asking, "Lewis, how did you find things in Europe?" My answer was that in Holland, Belgium, France, and Switzerland at that time conditions seemed to be about their normal, but that in Germany and Great Britain, notably, their conditions of unemployment resembled those within the United States, with this important difference: The agony was taken out of it for the working men of Germany and Great Britain by their social-insurance systems. Over there I found the Prime Minister did the worrying, and why should he not? Who, more than the Prime Minister, the government of a country, was responsible for the unemployment which prevailed?

Has it not been a matter of state policy for a century throughout western civilization for governments to encourage the scientists, encourage inventors by granting exclusive patent monopolies, and here in our own land even to organize large corporations, resembling a state in their characteristics rather than the individual, for the purpose of mass production? And all to what end? We all know—to advance the common welfare, as they saw it, by reducing the labor costs which govern the prices of products to the American people. And their policy has succeeded. Even in 1929, 2,000,000 persons willing and able to work were vainly crying for the privilege. Yes; these governmental policies have succeeded, and this success means that 8 men now can

do the work for which 10 men were required half a generation ago.

Now we have to thank the scientist, the inventor, and the engineer for their great achievements, and we do thank them. In the long run, doubtless, it is desirable that the work of the world should be accomplished with a minimum of labor. But allow me to affirm, with all the earnestness of my nature, it is only desirable provided certain fundamental conditions are not violated. One of those conditions is the right of a human being to earn his living in the sweat of his face. [Applause.] The world does not owe a man a living, I grant you, but as surely as a God rules the heavens, it does owe him a chance to make a living! [Applause.]

And when by adopting such policies the Government has deprived him of that chance, and when the Government's help is asked to save him from starvation—is that help to be regarded as compensation or sneeringly referred to as a dole? Do we take property from our people without compensation? Yet these rights of the worker have been taken away, and this measure is only a partial recognition of the right of the disemployed to compensation and equality before the law.

EQUALITY BEFORE THE LAW

What do we mean by equality before the law? We are very proud of the principle in this country. The fathers in one of your home towns find it necessary, we will say, to cut a new street across from one avenue to another, but the owner of the property objects. His father died there, he says, he was born there, he wishes to die there too.

However, the city fathers answer that the welfare and convenience of that community must prevail over his individual sentiment, and they evict him from the premises and tear the building down. But mark you, they do not evict him until they have given him just compensation for the rights of property taken away.

Ladies and gentlemen, other countries have long preceded us in granting these disemployed workers some compensation in the moment of their needs and their suffering. Shall we deny them here, in the country of Washington, like equality fore the law?

UNEMPLOYMENT CHRONIC

I fear the unemployment to which I have referred represents a chronic condition. I know it is more pleasant to think of it the other way.

There are two kinds of inventions, one that reduces the amount of employment and another which increases it. Unhappily, the emphasis is being placed on inventions and methods reducing employment. Let me give two concrete examples that will suffice. You have, for example, in the work-increasing field, the automobile, with the great road-building activities accompanying it. In the other field I refer to there is the ditch-digging machine that is said with two men to displace as many employees, perhaps, as a hundred. Now, if those inventions fell like rainfall, if they came equally, they would compensate each other. If, like the sexes, there was some power to say, "One little boy, one little girl; one little girl, one little boy", then in the throw of nature an equilibrium would result, and we perhaps might not be so seriously minded about our great problem.

But unhappily the emphasis, I say, is placed on the work-reducing inventions. In the shops and great factories of our country you will find a suggestion box where the worker, however humble, is invited to contribute his suggestion about plant improvement, reducing expenses here, simplifying processes there, all of them working to reduce the gross employment necessary. To what has it led? We had 2,000,000 unemployed when the depression came on in 1929. Later augmented by the break-down of business confidence, it reached the terrible proportion of 12,000,000. It is said now to be at 6,000,000. I say I regard this condition of unemployment as chronic. I fear if the laissez-faire policy is still to obtain, we will come out of the depression with at least 4,000,000 of willing, competent persons unable to secure an opportunity to earn their living by their own labors.

Indeed, ladies and gentlemen, we are developing a new class in the United States. It consists of the men and

women who, at 45 years of age, have reached the age limit of employability. I christen them "America's untouchables." Such is the competition between labor for an opportunity to labor, that gladiatorial qualifications now are required for the candidate who is seeking a job. But the American workshop is not a gladiatorial arena, even if it often does require as great courage and personal sacrifice equally tragic.

THE EMPLOYMENT ASSET

Have we not as thinkers and lawmakers come to the point in our path when we must look upon the employment asset as the most important asset in our lives, and as a great social responsibility? Of course, I know that the employer may not always regard it that way.

His thought has not been sufficiently directed to it. He is naturally disposed to look upon the employment attribute of his factory as he looks upon the physical property itself—like his own house—and as if he owned it wholly. But he does not own it wholly. The employment attribute belongs as well to the human beings who must exercise it in order to live. Our industrial order, like the industrial orders which have preceded, must accept its obligation to meet the primary needs of the human race dependent upon it. Previous systems have not denied such duties. Under the feudal system a place was found for the humblest villein. Even under slavery, the owner did not deny his obligation to feed and clothe and doctor the slaves, no matter what might happen to crops or to markets.

LEGAL SANCTIONS AND THE RIGHT TO WORK

Ladies and gentlemen of the House, there is an absent chapter in our treatment here today. The bill does not err by excess of provisions—it errs by a serious omission. Before we have done full justice in this subject and have acted in full wisdom toward it, legal sanctions must be provided for a man's right to work. The industrial order must give him his fair share of the employment available. It must abnegate the privilege of turning thumbs down on the father at 46. Each worker must be given his day in court with full legal remedies provided to effectuate this right to work, just as they are provided for all the forms of property. [Applause.]

How does it happen that this right to work that nobody has ever disputed in the history of the world—a moral right as fixed as the foundations of society—will not secure a single wageworker a loaf of bread tomorrow or save his family from eviction? How does it come that all kinds of property, property in cats, dogs, cows, or anything imaginable, is provided protection through the processes of the courts and nothing in the way of legal defense is provided this worker for his inalienable right to work?

I do not charge any conscious class discrimination against the lawmaker for the discrimination between property rights and this personal right to work. But I do fear the worker has been the victim of an unconscious class bias.

THE GENERAL WELFARE

I only have about 10 minutes remaining, and I shall go to the Constitution and our general welfare.

The general welfare—the aged grandma, and the aged grandpa long turned away from the mills, the disemployed workmen, now do they relate to this general welfare? My answer is that the causes of their deprivation, as well as unemployment, are general in character. They are not local or personal causes.

By "general welfare", I mean what the makers of the Constitution meant—interstate welfare. I mean that portion of the public welfare over which the State can exercise no competent legislative power. Wherever the causes and their effects are not both circumscribed within a single State so as to be reached by the processes of its courts or by the mandate of its lawmakers, they are interstate in character. Our unemployment conditions are certainly interstate and can be said to be often international in character. So I say to you that we have a general or interstate welfare problem before us in our subject today.

Now, how about the Constitution on the subject of such general welfare? I do not need to say to you, I am sure, that the general welfare is one of the trilogy of great

objectives mentioned in its preamble as the purpose of the Constitution. But it also received much more specific attention. I am glad to see Virginia faces here today, for I have now to refer to names and incidents that ought to arouse a feeling of pride in the Virginia breast.

When the Virginia delegation reached Philadelphia, somewhat ahead of the delegations from other States, they prepared a plan for a Constitution. General Washington headed that delegation. Governor Randolph, Mr. Madison, and, I think, also Mr. Mason were members. What did they propose with regard to this subject? I read now from the preamble of the Virginia plan:

Resolved, That the articles of confederation ought to be so corrected and enlarged as to accomplish the objects proposed by their institution; namely, common defense, security of liberty, and general welfare.

But how attain this general welfare? Well, the plan provided "that the Congress should enjoy the power to legislate in all cases to which the separate States are incompetent."

In other words, Mr. Chairman, when the subject matter transcended the powers of the State because of its geographical inability to reach both cause and effect, they recognized a general or interstate subject. In such cases the Federal Government should enjoy legislative power to act. Obviously these great makers of the Constitution, Mr. Chairman, were far from intending to leave a vacuum in the Constitution as to the field of legislative subject matter on which the State was geographically incompetent to act. They left no such vacuum in the judicial power to act where plaintiff and defendant reside in different States. The intention of the Convention was completely manifest: That the sum total of the powers of the State legislature plus the power of the National Legislature should equal the sum total of the powers of the colonial legislature and the House of Commons before their separation. Why not? The Virginia plan in this respect was voted on favorably a number of times in the Convention.

The CHAIRMAN. The Chair reminds the gentleman from Maryland that he has 5 minutes remaining.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maryland.

THE GENERAL WELFARE CLAUSE

Mr. LEWIS of Maryland. I thank the gentleman from Washington [Mr. HILL]. What did the Convention do? The Washington, or Virginia, plan with regard to this matter became the general welfare clause in the Constitution. And now, Mr. Chairman, I have to call your attention to a most important accident in the history of the Constitution. As you read the Washington Convention copy of the Constitution of September 12, just 3 days before final signature, you will find that the welfare clause was preceded by a semicolon at the end of the clause on taxation. That is, the taxation and welfare clauses were separated by a semicolon. I read:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises—

Semicolon after excises—

to pay the debts, provide for the common defense and general welfare of the United States.

I am reading from the printed intra-Convention copy of George Washington, who was President of the Convention. The copy was turned over to a copyist to write out in hand on parchment for engrossment, and then a mistake occurred. A comma was substituted for the separating semicolon. I want to affirm here that the journal evidence indicates that members of the Convention signing the final Constitution 3 days after were entirely unadvised of the displacement of the semicolon by a comma.

There was no Convention print of the copy they signed. The engrossed written document was read to them like documents are read to us here from the desk. Of the semicolon they were conscious. Printed copies were before the Members carrying the semicolon. They had no copies of the Constitution they signed.

And now, Mr. Chairman, may I continue the exposition by quoting from a dialog with Senator NORRIS and the late Senator Walsh in the Judiciary Committee of the Senate:

Senator WALSH of Montana. If I understand the question of the chairman right, the idea in his mind is that it is equally as well when you put a comma there, it is equally as well set apart from what goes before as though there was a semicolon there, and if the clause "to provide for the payment of debts and general welfare" is a modification of what precedes, you should not have either a comma or a semicolon.

Mr. LEWIS. Exactly so. The erroneous comma is meaningless as a modifier unless you interpolate some phrase like "in order." Of course, no interpolation whatever would have been admissible had the semicolon remained. If the comma be read to mean "and", as the history of the subject requires, then a distinct legislative power is carried.

The CHAIRMAN. The contention is this, as I understand it, that where you have a comma there it is the same as though it read like this:

"Congress shall have power to lay and collect taxes, duties, imposts and excises 'in order' to pay the debts."

Mr. LEWIS. Yes. That is the contention that is made by the contractionist.

The CHAIRMAN. "And provide for the common defense and general welfare."

If that were true, then the authority to pay debts, provide for the common defense and general welfare of the United States would be limited to the powers given in the first part of the sentence, to wit, to lay and collect taxes, duties, imposts and excises. Is that the contention?

Mr. LEWIS. That is the contention and the purpose of the interpolation of the contractionists who would destroy this clause as a power.

Senator WALSH of Montana. As I understand you, Mr. LEWIS, you contend it should be construed as though Congress had power to lay and collect taxes, imposts and excises; that Congress shall have the power to pay the debts of the United States; that Congress shall have the power to provide for the common defense and the general welfare of the United States?

The other contention is that Congress shall have the power to lay and collect taxes, imposts and excises "in order" to pay the debts and provide for—

The CHAIRMAN. It seems to me to get the last construction you would have to take the comma out. What is the use of the comma?

A NECESSARY POWER

Mr. Chairman, I think it is clear that with comma or semicolon the clause was intended as a power, and that Congress may "provide for the general welfare" not merely through the levying of a tax but by other logical and legitimate methods; for example, the prescription of justiceable rights and duties generally. It is true that such a power is applicable to but a limited part of the total field of legislative subject matter. But when applicable it possesses characteristics and properties like the postal clause, enabling the lawmaker to fully control the subject matter. The break-down of the principle of competition in farming and coal mining which calls for a limitation of the production of such products, the equal right of competent men to work and to a share of the Nation's employment, all subjects which the separate State is organically unable to encompass for geographical reasons are examples of interstate subjects, the evils of which may run into catastrophes if an equal interstate power to treat them be denied.

Ladies and gentlemen of the House, we are at the crossroads of history. The State is incompetent to act. Either the people have power to act through their general government or we fall in our generation. Once before we were at these crossroads. It was on the subject of slavery. The statesmen of that day found an adjustment in the Missouri Compromise Act. But the act was declared void; there was no authority under the flag, it was said, to deal with that problem, and a sword was placed in every man's hand. Ladies and gentlemen, if authority is now denied us, if it is declared that on our problems of the general welfare there is a like vacuum in the legislative authority, down into the vacuous chasm may fall the proud structure of our dual form of government, to arise—if arise we can—not as a Federal Republic but as some soviet or fascist power with all our honored State lines effaced forever.

Mr. Chairman, there are a half dozen industrial countries of the world like Germany, England, and the United States that are facing now—I shall not say the most ominous, but I will say the most difficult problem the human family has ever had to face. Shall this our American House of Commons enjoy the same privilege of dealing with those subjects enjoyed by the other parliaments of the world, or shall we, in a contractionist spirit toward our beloved Constitution, deny its healing hand to suffering humanity? Yes, indeed; we

face the cross roads. Do not give trust to a policy of drift and fortune. It may lead us further down into the swamps of human suffering and despair. We have examples of how neglect to act has brought indescribable misery to the human race. Look into the Empire of India with its submerged millions. Behold it as the possible future of your own children. And so warned, let us, my colleagues, take the path that leads forward to the uplands of justice and social security. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield one-half minute to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I do not desire this time to ask the gentleman from Maryland a question, because I, as well as all other Members of the House, have listened with interest to the masterful manner in which the gentleman has presented this subject. I simply wish to say to the membership that my able colleague [Mr. Lewis] went into the mines at the age of 9 years and knows the problems of the worker. He understands what it means to earn a livelihood by the sweat of his brow. I believe the Members of the House should know the fact. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I want to preface my remarks with the statement that, in my judgment, the amended Doughton bill, H. R. 7260, will pass the House of Representatives by a large number of votes. I say "amended" because I believe there will be worth-while amendments offered and adopted. I have amendments that I desire to offer and other Members have amendments which they desire to offer. I am sure that the Ways and Means Committee, which has given so freely of its time and used so much of its efforts and energies to report a bill to the House that might be practicable and workable, will view these meritorious amendments in the same spirit which they are offered.

Mr. Chairman, I unhesitatingly state that I am in somewhat hearty accord with the purposes of the 10 titles of this bill, under which its various provisions are fully covered. I think we are all in accord with the main objectives of the bill, namely, no. 1, old-age pensions; no. 2, compensation for the unemployed; no. 3, governmental aid to mothers and their dependent children; and no. 4, governmental aid and financial assistance for the protection, conservation, and maintenance of the public health. I think it is generally admitted by the sponsors of the bill that it is by no means perfect.

Mr. Chairman, I think that they generally admit, as we all do, that this bill does not in any manner or means adequately or satisfactorily solve the problems which we seek to solve. However, we all admit that this is a beginning. We admit that unless more effective provisions, such as increasing the amount of old-age pensions, finding additional sources of revenue, and increasing in the end unemployment compensation, this legislation will eventually fall by its own weight. But, having made a start and having struck the goal which we seek, I am sure that the Congress and those to follow in its path will think of progress and that they will go forward instead of backward. I think that we Democrats may say that the enactment of this legislation is not only a redemption of the pledges of our great President, Franklin D. Roosevelt, but that it is also a redemption of the pledges of the Democratic Party, and, further, we are giving a favorable answer to millions of distressed farmers, distressed wage workers, small business men, independent producers, and war veterans, all of whom will be benefited directly and indirectly by the passage of this humanitarian legislation.

I think that we all admit that the cost of this legislation will rapidly increase year by year, not only because of the natural and rapid increase in the number of persons 65 years of age and over, but because of the very fact that thousands and hundreds of thousands of individual incomes

have vanished and have been wiped out by this recent and prolonged depression, and by the further fact that the enormous concentration of wealth and money in this country has made it impossible for the sons and daughters to longer support their parents as was the custom in the past.

At this point, Mr. Chairman, I ask unanimous consent to introduce a table giving the figures on the number of aged people over 65 years.

Mr. KNUTSON. Mr. Chairman, reserving the right to object, will the gentleman yield to me for a brief time?

Mr. TRUAX. I will yield for a question.

Mr. KNUTSON. I withdraw the objection, Mr. Chairman. The CHAIRMAN (Mr. BURCH). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KNUTSON. The gentleman stated a moment ago that this legislation is a fulfillment of a pledge in the Democratic platform.

Mr. TRUAX. Yes.

Mr. KNUTSON. It reads as follows:

We advocate unemployment and old-age insurance under State laws.

Mr. TRUAX. That is what we are doing. We are cooperating with the States and furnishing half of the money.

Mr. KNUTSON. You are detouring in doing it, though.

Mr. TRUAX. Well, we are bridging the gap that was created by the failure of the Republican Party to do anything at all. [Laughter.]

Mr. KNUTSON. May I suggest that we did not need any pensions when we were in power, because everybody had jobs.

Mr. TRUAX. I cannot yield further, Mr. Chairman, I am sorry.

Now, Mr. Chairman, there are other plans for old-age pensions that have received Nation-wide publicity and have been somewhat freely discussed by Members of this House. One of the plans which is nationally known, is the so-called "Townsend plan."

Under the old Townsend-plan bill, which was introduced, some twenty to twenty-four billion dollars per year was required to finance it. This bill was to be financed by a sales tax.

I have always been unalterably opposed to the imposition of any sales tax whatsoever, because all sales taxes are successful attempts to shift the tax burden from the rich to the backs of the poor.

George White, Governor of Ohio, 1931-35, was commonly known as "Sales Tax George." He was adamant and unyielding in his chosen role of special anointer to and for the rich. He called the Ohio State Legislature back repeatedly, browbeat them, wore their resistance down until in the end he obtained a 3-percent sales tax. Voters of Ohio exhibited their resentment and enmity by defeating Governor White for United States Senator in the August 1934 primaries. Former Gov. Vic Donahey, known as "Honest Vic", and a lifelong opponent of sales taxes, defeated Sales Tax George to the tune of 2 to 1.

Certain features of the Townsend plan are highly meritorious and worth the support of any Member of this Congress. The plan to retire men at the age of 60, remove them from active participation in industry, thus making room for unemployed men of younger ages is most commendable. The age limit of 65 fixed in the Doughton bill is undesirable and not entitled to favorable consideration by the real friends and supporters of equitable old-age pension legislation. I heartily favor reducing the age limit in the Doughton bill to 60 years.

The provisions in the Townsend plan which provide for an immediate spending of all pensions received within 30 days is admirable and one designed to place money immediately in circulation with its corresponding increase in the Nation's buying power. The pensions received by recipients under the Townsend plan would mean a considerable amelioration of the hardships and tragedies of unemployment. Idle men in the crafts, the carpenter, the painter, the steel

worker, common laborer, could be gainfully employed in useful work. The butcher, the baker, the hardware man, the garage proprietor, the automobile salesman, all would be benefited by payment of old accounts, new purchases, and services. The whole idea involved here is quite the antithesis of the practices and purposes of the greedy and selfish and idle rich whose sole aim, whose sole ambition in life is to amass more and more and more of filthy lucre.

We are now informed that under the provisions of the new bill which has been substituted by Representative McGROARTY for the original Townsend plan that the amount will be reduced to \$50 per month instead of \$200. In the event of enacting this plan into law the system would be pay as you go. No debts, or tax-exempt bonds would be needed. Recipients of pensions would receive the money only as it was collected from the taxing sources. This plan of financing certainly has much to commend, and in the event of failure to tax wealth and to tax incomes the way they should be taxed might well be considered. Certain it is that such a plan would restore a vigorous purchasing power among the very classes with whom purchasing power is nonexistent. The revolving-fund idea is not only new, it is unique. Instead of hoarding money it undertakes a real redistribution of money.

As a member of the Committee on Labor, I may say that I was one of seven who voted to report favorably the so-called "Lundeen workers' bill."

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield for a question?

Mr. TRUAX. For a question; yes.

Mr. SAMUEL B. HILL. What would that cost per year in taxes?

Mr. TRUAX. I have no idea, I may say to the gentleman from Washington, probably \$3,000,000,000 per year. [Laughter.]

I will state to the gentleman, however, that the best feature of the Lundeen bill is the provision to tax wealth and all incomes in excess of \$5,000 per year. Any gentleman who has an income of \$5,000 per year and who is unwilling to contribute his share to keep the unemployed and the old people who have no income or no property, is unworthy of the respect of clear-thinking men and women, and I am sure the gentleman from Washington does not belong to that class. [Applause.]

Mr. KENNEY. Mr. Chairman, will the gentleman yield for a question?

Mr. TRUAX. Not just now. Let me first complete my statement.

SOCIAL SECURITY

I repeat and summarize certain statements made earlier in my remarks:

The enactment into law of old-age pensions, unemployment compensation, protection for mothers and dependent children, and the preservation of public health will mark another milestone in the battle for human rights waged by President Franklin D. Roosevelt and the Seventy-fourth Congress.

It is admitted by the sponsors of the bill that it does not adequately meet the situation or solve the problem. It is a beginning, however. I would amend the bill so that recipients would receive \$30 to \$50 per month at the age of 60, \$75 at the age of 65, and \$100 at the age of 70, rather than the \$15 proposed. I would reduce the age limit from 65 to 60 years. Applicants for pensions should not be subjected to a property test or be blackjacked into signing a pauper's oath. Instead of taxing the public or issuing additional tax-exempt bonds to raise the extra funds as advocated here, they would be obtained by a capital tax levy on the millionaires, proper taxes on inheritances, gifts, and excessive incomes.

Unemployment is due not only to the depression but to tremendous concentration of wealth in the hands of a few, massed industry, and the mechanistic age. I heartily approve of unemployment compensation. The cost should be borne, however, by the large industrialists who profit by the

sweat and toil of wage workers. The exemption of agricultural workers in this bill is unjustifiable and indefensible. Farm workers are entitled to the same consideration as given industrial workers.

Certain features of the Townsend plan are highly meritorious and worth the support of all. The plan to retire men at the age of 60, removing them from active participation in industry, is most commendable. The revolving plan for spending all pensions within 30 days is admirable and one designed to place money immediately in circulation. Instead of hoarding money it undertakes a real redistribution of money. The whole idea involved here is quite the antithesis of the practices and purposes of the greedy and selfish idle rich; namely, the hoarding of more money and wealth.

As a member of the Committee on Labor I voted to report favorably the Lundeen unemployment, old-age, and social-insurance bill. Unemployment compensation provided for in this bill is \$10 per week for the head of a family and \$3 per week for each dependent child, certainly not an excessive nor extravagant amount. The Lundeen bill is self-financing in that it provides for the levying of sufficient taxes on all gifts, inheritances, and incomes over \$5,000 per year.

The contents of the bill are covered in 10 titles. In title I the Federal Government proposes to match an amount equal to that contributed by the States for old-age pensions. The annuity system, commonly known as "old-age benefits", is provided for in title II, becoming effective to people who have reached the age of 65, benefits beginning in 1942. The amount of the benefits is to be determined by the amount of wages formerly received by the annuitant, and does not take into consideration the actual need of the recipient. In title III we cover the administrative costs of State unemployment-compensation systems by grants in aid to the various States.

It is a well-known fact that dependent children are one of the big factors in forcing unemployed fathers to the bread lines and relief lists. In title IV we provide Federal assistance to the States so that they may properly give direct aid to these dependent children. The Federal Government furnishes one-third of the total amount used in the State for this humanitarian purpose.

In my State of Ohio we know something about so-called "mothers' pensions", which is really a misnomer. In title V we are making grants to States for assistance in the vocational rehabilitation of crippled and disabled children. The funds to be used are upon a 50-50 basis between the State and Federal Government. Serving as a member of the Ohio State Board for Vocational Rehabilitation for a period of 6 years, I am happy to endorse this feature of the social-security program in the highest possible terms. In title VI we provide for grants in aid to the States for developing their public-health services. In Ohio the department of health is under the personal direction of the Governor. The director of public health is a member of the Governor's cabinet. The Federal Government proposes to continue its Public Health Service, and particularly in its investigatory work, with every effort at its command.

The social-security board created under title VII is to be an independent agency within the Department of Labor. There is much difference of opinion here as to the merits of this plan or the advisability of having a wholly separate and independent agency in charge of the administration of this broad and far-reaching program.

Under title VIII we levy an income tax determined by a certain percentage of wages, starting with 1 percent in 1937 and increasing to 3 percent by 1949. Unfortunately and unwisely, in my judgment, the bill exempts domestic servants and agricultural laborers. I can find no justifiable reason for these exemptions, particularly as relating to farm workers. Certainly the farmer and the farm hand are entitled to every consideration and every protection that may be given to workers in manufacturing industry. Agriculture is the mast wheel of the world. Accelerate the motion of it

but the slightest and the smaller wheels will double their velocity.

By the provisions of title IX we levy an excise tax on employers of 10 or more individuals with the same exceptions as noted in title VIII; the amount of the tax to be levied will be determined by 1 percent of the wages payable for 1936 and increasing to 3 percent by 1938. The operative date of this levy will be January 1, 1936, and is payable 1 year later. For those employers who have already contributed to State unemployment funds under State unemployment compensation laws, credits against the tax will be allotted up to 90 percent of the amount contributed.

Title X merely outlines the general definitions of the bill and the various and sundry provisions applying thereto.

OBJECT OF THE BILL

The bill has four main objectives:

First. Old-age security, or "old-age rewards", as I choose to call them.

Second. Unemployment compensation.

Third. Protection for mothers and welfare of their dependent children.

Fourth. The protection, preservation, and betterment of public health.

I repeat, this country has approximately 7,500,000 men and women aged 65 and over. Of this number, practically 1,000,000 are dependent upon relatives, the public, or the Government for support and maintenance. The large majority of these unfortunates are on Government relief. The number of aged persons over 65 will increase in the future not only because of the rapid natural increase of persons of this age but also because of the fact that thousands of older workers now gainfully employed will never be steadily employed again the wiping out of the life savings of thousands of worthy persons nearing old age and astonishing inability of sons and daughters to no longer support their parents. At this point I introduce a table from the United States censuses giving startling figures with respect to old-age dependency:

TABLE I.—Actual and estimated number of persons aged 65 and over compared to total population, 1860 to 2000

Year	Total population	Number aged 65 and over	Percent aged 65 and over
1860.....	31,443,000	849,000	2.7
1870.....	38,559,000	1,154,000	3.0
1880.....	50,156,000	1,723,000	3.4
1890.....	62,622,000	2,424,000	3.9
1900.....	75,995,000	3,089,000	4.1
1910.....	91,972,000	3,958,000	4.3
1920.....	105,711,000	4,940,000	4.7
1930.....	122,775,000	6,314,000	5.4
1940.....	132,000,000	8,311,000	6.3
1950.....	141,000,000	10,863,000	7.7
1960.....	148,000,000	13,590,000	9.3
1970.....	149,000,000	15,066,000	10.1
1980.....	150,000,000	17,001,000	11.3
1990.....	151,000,000	19,102,000	12.6
2000.....	151,000,000	19,338,000	12.7

Source: Data for years 1860 to 1930 from the United States censuses.

Twenty-six States have already adopted old-age-pension laws. The plan outlined in this bill is one not to tear down nor destroy these State plans already in existence but to grant them aid and assistance by matching the amount of compensation that has already been provided for in these States.

It is admitted by the sponsors and framers of this bill that the legislation contained in the bill does not in any manner or means adequately or satisfactorily solve the problem. It is nothing more than a beginning, and unless other and more effective provisions, such as increasing the amount of compensation monthly and seeking additional sources of revenue, the legislation may fall of its own weight. Certain it is that the cost of old-age pensions will increase by leaps and bounds and that the only source of new revenue is the tapping of predatory wealth, the taxing of swollen fortunes, and proper limitations on huge individual incomes. Let the rich of the country, the plutocrats of the Nation, the millionaires,

and the billionaires finance the cost of this vital and necessary legislation. If the plan proposed in this bill is enacted into law, by 1960 it would cost the State and Federal Governments \$2,000,000,000 a year. I introduce a table listing the States which have old-age-pension laws, together with statistics relating to same.

TABLE II.—Operation of old-age-pensions law of the United States, 1934

State	Type of law	Number of pensioners	Number of eligible age, 1930	Percentage of pensioners to number of eligible age	Average pension	Yearly cost
Alaska.....	Mandatory	446	3,437	11.1	\$20.82	\$95,705
Arizona.....	do	1,974	9,118	21.6	9.01	200,927
California.....	do	19,390	210,379	9.2	21.16	3,802,000
Colorado.....	do	8,705	61,787	14.1	8.69	172,481
Delaware.....	do	1,610	16,678	9.7	9.79	188,740
Hawaii.....	Optional	(1)	(1)	(1)	(1)	(1)
Idaho.....	Mandatory	1,275	22,310	5.7	8.85	114,521
Indiana.....	do	23,418	138,426	16.9	6.13	1,254,169
Iowa.....	do	3,000	184,239	1.6	13.50	475,590
Kentucky.....	Optional	(2)	(2)	(2)	(2)	(2)
Maine.....	Mandatory	(2)	(2)	(2)	(2)	(2)
Maryland.....	Optional	141	92,972	.2	29.00	50,217
Massachusetts.....	Mandatory	20,623	156,590	12.8	24.35	5,411,728
Michigan.....	do	2,660	148,853	1.8	9.59	306,093
Minnesota.....	Optional	2,655	94,401	2.8	13.20	420,835
Montana.....	do	1,781	14,377	12.4	7.28	155,529
Nebraska.....	Mandatory	(3)	(3)	(3)	(3)	(3)
Nevada.....	Optional	23	4,814	.5	15.00	3,321
New Hampshire.....	Mandatory	1,423	25,714	5.5	19.06	298,722
New Jersey.....	do	10,569	112,594	9.4	12.72	1,378,693
New York.....	do	51,228	373,878	13.7	22.16	13,692,090
North Dakota.....	do	(4)	(4)	(4)	(4)	(4)
Ohio.....	do	24,000	414,836	5.8	13.09	3,000,000
Oregon.....	do	(5)	(5)	(5)	(5)	(5)
Utah.....	do	(5)	(5)	(5)	(5)	(5)
Pennsylvania.....	do	(5)	(5)	(5)	(5)	(5)
Utah.....	do	830	22,665	4.1	8.56	95,599
Washington.....	do	2,239	101,503	2.2	(1)	(1)
West Virginia.....	Optional	(6)	(6)	(6)	(6)	(6)
Wisconsin.....	do	1,959	112,112	1.8	16.75	395,707
Wyoming.....	Mandatory	643	7,707	7.4	10.79	83,231
Total.....		180,003	2,330,390		10.48	31,192,492

- 1 No information available or not computed.
- 2 Not in operation.
- 3 Not yet in effect.
- 4 Not much being done due to lack of funds.
- 5 No pensions being paid now.
- 6 Administered by counties; no information available for State.
- 7 Law just being put into effect.

Source: Data collected by the Committee on Economic Security.

So that the cost of old-age security may not become too burdensome in the years to come, and so that the aged may look upon this endowment as a human right, and not as a governmental gratuity, we establish through the mechanics of this bill a system of old-age benefits or annuities. These annuities are to be paid out of the Federal Treasury, and all administrative details will be handled by the Federal Government. The benefits provided are in proportion to the wages earned. Adjustments are available which tend to favor the lower-paid employees and those approaching old age. Benefit payments start at \$10 and reach a maximum of \$85 per month. It will act as an automatic equalizer on the old-age-pension funds and in future years it is believed that the funds provided for old-age pensions by State and Federal Governments will be reduced by \$1,000,000,000 annually.

UNEMPLOYMENT COMPENSATION

During the World War there were practically no unemployed workers. From 1922 to 1929, 8 percent of industrial workers were unemployed. In 1930 to 1933 more than 25 percent of industrial workers were unemployed. Eighty percent of all the families now on Government relief are there because of unemployment. Unemployment is due to not only depressions and panics but also to the tremendous concentration of wealth, capital, and money, massed industry, and the mechanistic age. The steam shovel, the tractor, the road grader, the huge concrete mixer, the cigarette robot displace permanently thousands of workers. Here, unquestionably, shorter hours, less days per week, and at the same weekly wage level as was formerly received for the longer-hour day and week, must prevail in the end. To bridge the

gap now between wholesale and ruinous unemployment, workers' compensation must be established.

If unemployment compensation had been established 15 years ago at the cessation of the World War with a 3-percent rate on industry, probably \$3,000,000,000 would have been available for payment of benefits starting with the depression year 1929, when, on October 25 of that year, \$30,000,000,000 zoomed out of Wall Street.

Unemployment compensation is a tried and proven fixture in the older European countries. No doubt the impelling reason for its adoption years ago in these countries is the fact that those older European countries then reached the period through which we now pass—namely, that period which marked a centralization of wealth in the hands of the few. In other countries where compensation for the unemployed has been tried, it is always retained. I would recommend that the entire cost of this movement for human rights be borne by the large industrialists who profit by the sweat and toil of wage workers. At this point I submit unemployment statistics for recent years. Estimates on unemployed workers furnished by the American Federation of Labor.

Persons unemployed during years 1920-34, inclusive

1920.....	1,401,000
1921.....	4,270,000
1922.....	3,441,000
1923.....	1,532,000
1924.....	2,315,000
1925.....	1,775,000
1926.....	1,669,000
1927.....	2,055,000
1928.....	2,200,000
1929.....	1,800,000
1930.....	3,947,000
1931.....	7,431,000
1932.....	11,489,000
1933.....	11,904,000
1934.....	10,894,000

SECURITY FOR CHILDREN

Helpless and dependent children are the real casualties of hard times. The whole Nation was shocked quite recently by the tragic happening when the lives of 14 high-school youths were snuffed out. Yet daily 9,000,000 boys and girls in this country must depend on Government doles for bread and meat to eat, clothing to wear, and fuel to keep their bodies warm. The Federal work-relief program will not solve this problem in its entirety. Jobs will not be possible for all. Seven hundred thousand children under the age of 16 have no fathers to win bread for them. The most humane provision that Government can provide for in these sad cases is public aid in their own homes; hence the wisdom and justification for the third major step of this social security bill.

MATERNAL AND CHILD WELFARE

Everyone believes in the old truism, "The hand that rocks the cradle rules the world." This section of the bill takes into consideration the welfare of 300,000 dependent and neglected children, 200,000 distressed children who are classed by the juvenile courts as delinquents, and 70,000 illegitimate children born annually.

PUBLIC HEALTH SERVICE

We boast of our high standards of living, our excellent sanitation, the successful battles in many instances that we have waged on disease and pestilence, yet only 528 of 3,000 counties in the United States have full-time health officers. Health is wealth. Good health cannot be bought by the millionaires' gold or the plutocrats' wealth. This enlightened Nation owes to its citizenship every opportunity to enjoy good health.

LUNDEEN WORKERS' UNEMPLOYMENT, OLD-AGE, AND SOCIAL-INSURANCE BILL (H. R. 2827)

The vote by which the bill was reported favorably was 7 for and 6 against. So, to my constituents who are interested in this meritorious bill I am happy to state that my vote was the deciding factor that reported the bill favorably. The Lundeen bill provides for the payment of insurance for unemployment, old age, part-time unemployment, sickness, accident, and maternity in amounts equal to average local

wages, the average local wage to be determined by the Department of Labor at Washington. In the case of part-time employment, the difference between the part-time employed worker's earnings and the average local wage would be paid. The cost for this insurance is to be paid for by the United States Government; and if further taxation is necessary, such taxation shall be levied on gifts, inheritances, and incomes over \$5,000 per year. The insurance is to be administered by workers' and farmers' organizations under rules to be set up by the Secretary of Labor. It is specifically provided that insurance shall be paid to all workers and farmers unemployed through no fault of their own, including agricultural, domestic, professional, and office workers, as well as industrial laborers, who have reached the age of 18 years.

In unemployment compensation the Lundeen workers' bill provides for \$10 per week for the head of a family and \$3 per week for each dependent child; certainly not an excessive, exorbitant, or extravagant amount. With living costs soaring, and especially in the industrial centers where millions of wage workers live, the amount herein asked is not too much. This bill includes all workers, including unemployed farmers, domestic, professional, and office workers.

The failure of the administration bill to provide for these latter groups of toilers who form the basic structure of our Nation is regrettable and indefensible. Another highly commendable feature of the Lundeen bill is that it is self-financing in that it provides for the levying of sufficient taxes on all gifts, inheritances, and incomes over \$5,000 per year. Can it be that any individual fortunate enough to have an income of \$5,000 per year will be unwilling to help support his less fortunate brethren? If so, then he does not deserve the respect nor support of respecting men and women. My contention is that the finances to make it possible to place the bill in operation we are now considering, H. R. 7260, should be obtained from the superrich and from the swollen fortunes and huge incomes.

MY OWN POSITION

From 1910 to 1923 I was the proprietor of one of the larger purebred stock farms in the United States. During that period I made 26 public sales on my farm besides selling hundreds by mail and shipping my stock to every State in the Union and to Canada, South America, Australia, and Japan. As editor of the *Swine World*, published in Chicago, and field representative I attended dozens of sales for other breeders in many States of the Union.

For 6 years, 1923-29, I served as director of agriculture for the State of Ohio. In 1932 I was elected Congressman at large for the State of Ohio by the largest vote ever given a congressional candidate in my State. In 1934 I was re-elected by a vote of 1,061,857, being high man in the number of votes received in 82 of 88 counties. My constituents, I am pleased to classify as being composed largely of farmers, wage earners, salaried and professional workers, small business men, and independent producers and manufacturers. I am a pioneer in old-age-pension legislation in Ohio. In the fall of 1933 I cheerfully gave my time and my best efforts and spent my own money in making speeches in nearly every county of my State in that historic campaign for the adoption of old-age pensions by the people. The people responded and adopted this legislation by an overwhelming majority. I shall continue my efforts and keep the faith. [Applause.]

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MITCHELL].

Mr. MITCHELL of Illinois. Mr. Chairman, ladies and gentlemen of the Committee, I am glad, indeed, to have an opportunity to speak my word of approval for this great piece of humane legislation. I have sat here in the House for several days and listened with the greatest interest to the debate on this bill. I have heard the objections raised to it, and I have been wondering what can we say against this legislation that has any weight. I have been wondering if we can conscientiously object to an old-age pension such as is provided in this bill. Can we object to trying to insure the

wages of these men without jobs? Can we have any objection to providing for the welfare of children and mothers? Who objects to better health conditions?

It seems that there is a great deal of alarm here among the Members of that side of the House because of the tremendous burden that this humane legislation will place on industry. I do not share that alarm. It so happens that I come from a group of people who are used to bearing burdens. They have been bearing the burdens of this country since they were brought here almost four centuries ago. I am happy to represent such a group. I am glad to be one of those who have borne the burdens and helped to build up this country.

May I not remind you that at this very moment when we are expressing alarm at the burden this legislation will place upon industry, we have in our vaults in this city nearly half the gold of the world. We boast that our country has the greatest natural resources of any country in the world. What are we to do except to use this gold and these resources for the citizens of this country who are now handicapped because of age, or because of disease, or because of the fact they are unable to secure work? Is it not the custom of those representing our industry to cry aloud when industry is about to be called upon to do its part in carrying the burdens of the Government?

We complain of this bill's being written by experts of the administration. It is such a change from what we have been used to with another party in control of the Government. Then bills were written by people on Wall Street.

Only a few years ago this Government, under a former administration, turned over to a citizen of my city \$85,000,000 with which to try and keep a bank alive that was at the time insolvent.

In contrast to this, the present administration, in keeping with the customs and platform of the Democratic Party, went to the rescue of Sylvester Harris, a poor Negro farmer in the heart of Mississippi's Delta when he called the President, and informed him that he was about to lose his farm because he could not pay the mortgage and wanted the Government to come to his rescue.

It was a new day in politics when this Government went to the rescue of this poor Mississippi Negro farmer. It has long since been the custom of our Government, under another party, to go to the rescue of railroads, great industrial corporations, insurance companies, and so forth, where the benefits went direct to the privileged rich. It is a new day in politics when citizens of this Nation at the bottom of the ladder can call upon their Government and receive immediate relief. That was a new idea, and the President said to the man at the bottom of the ladder, "It is the purpose of this Government not only to help the rich but to help those who are overburdened and poor." [Applause.]

The only objection I could have to the bill is this: It seems to me that instead of helping these poor States that have no money, you are trying to forget them at least for the present, as the bill is drawn, and help those who in some measure can help themselves. I believe the bill ought to be so amended that there would not be a State in the Union, poor as it might be, whose citizens could not share immediately in the benefits of the bill. [Applause.] I do not think it means much for us to pass a law that will help Illinois, my State, because it might have resources to meet the requirements of the bill; and Massachusetts, that has already met them, and a number of other States, while the State of Alabama and the State of Mississippi and the State of Minnesota, and other poor States could not meet the requirements.

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

Mr. SAMUEL B. HILL. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. MITCHELL of Illinois. Mr. Chairman, the people in these poor States are suffering just as much as the old people in these other States, and must they starve and continue to be a burden on their relatives who cannot administer to their wants, while others from more favored States benefit under this bill? I believe the bill ought to be so amended that the Federal Government would take the burden on itself to see

to it that there is not an old person in the country above the age of 65 who would be left in want.

I know the purpose of those who framed this legislation in this way. You are afraid that you will encourage some States to remain indifferent on that particular point, but I believe an amendment could be drawn so that you could give these States a certain length of time to qualify, and all the time that they are qualifying these old people in these poor States would be taken care of as in the other States. I believe the time has come when we ought to think of all the suffering people in the country. The President's message which was delivered to us on the 17th of January admitted that there were a great many States unable to carry this burden, but after all, are not those the people we should help? How will we feel in our hearts if we make it possible for those of the more fortunate States to enjoy the benefits of this legislation while those that are suffering most in these other States which are not able to take care of that burden must continue to suffer. It is like saying to a sick person, "You are sick and you need some help, but you cannot get medicine until you are able to walk to the drug store and get it."

Mr. Chairman, I am new in this body and I do not want to take the responsibility of coming forth with an amendment so important as that, but I do hope some of those who are versed in that sort of thing will see to it that that amendment is offered so that I shall have an opportunity to vote for what I consider a most perfect and humane bill. [Applause.]

Mr. KNUTSON. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies and gentlemen of the Committee, it was most interesting to me to note the gracious reception and generous applause accorded our colored Democratic colleague from Chicago by our good Democratic friends from the South. He made a splendid speech and is the Representative of one of the great American districts. It seems that the attitude of our Democratic friends from the South has changed tremendously since the time a colored man sat on the Republican side of the House.

I am happy to have an opportunity to address you today on the so-called "social-security bill" which purports to give relief to aged needy people and dependent children and provide for maternal, child, and public health. I am not a recent convert. I have been advocating Federal old-age pensions, pensions for poor widows and for minor children, the needy blind, and the needy cripples for many years. I stood on the floor of this House about 15 years ago and defended the constitutionality of and urged the passage of a measure to provide Federal aid to the States in the rehabilitation of persons crippled in industry. The chief opponent of that legislation was one of the finest and ablest men who ever served in this House. I refer to our distinguished former colleague and Jeffersonian Democrat, Mr. Tucker, of Virginia. He really believed that the legislation then being proposed by the Republicans was unconstitutional and violated States' rights.

During my service in Congress I helped to pass many measures looking to child welfare and the public health; so this social-security program did not have its birth with President Roosevelt or the Democratic Party.

The bill before us now is known as "President Roosevelt's bill", but if the provisions in this bill for the needy old people, dependent minor children, and crippled children is to be a true test of the President's interest in these humanitarian policies, we can well say that all the humanity in this country does not rest in the bosom of President Roosevelt or within the hearts of the Democrats, or that there is no interest in social security or humanity among Republicans or the Republican Party. I do not know of a Member on the Republican side of this House that is not heartily in favor of adequate relief in the way of Federal grants or pensions to the aged needy, to dependent and crippled children, and public health, and nearly all that I have heard express themselves have expressed opposition to the very meager

and inadequate provisions in this bill for these needy groups.

I have no purpose to criticize the Ways and Means Committee or its personnel. It is made up of a group of wonderful men, both Democrats and Republicans. There is no more splendid man in this House than the chairman, Mr. DOUGHRON, of North Carolina, and knowing other Democratic members on that committee, I feel sure that this bill does not express what they really desired to be done; but it is the President's bill, as I understand, prepared for him by one of the lesser lights of the "brain trust", and the President is forcing many of our Democratic friends to jump through the hoop on this bill as he has on other measures. I wonder if the time will come when these able, experienced, outstanding Democrats will cease to be mere rubber stamps for the President and the "brain trusters." No member of the Ways and Means Committee of this House wrote this bill.

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

Mr. ROBSION of Kentucky. I have only a limited time.

Mr. FLETCHER. Just to ask the gentleman a question.

Mr. ROBSION of Kentucky. I cannot yield, much as I should desire, because I have but a short time to cover the subjects I have in mind.

Mr. FLETCHER. Did not Mr. BANKHEAD support that bill?

Mr. ROBSION of Kentucky. Some of the Democrats supported the vocational education and rehabilitation bill.

Yes; I am very deeply and earnestly interested in old-age pensions and for aid for dependent and needy crippled children. I am in favor of the public health, welfare, and health provisions for poor mothers and needy children, and I am in favor of aiding the workers of this country to lay by something for their old age; but let me say to my Democratic friends, you will wake up before many months roll around and find out that this is the most disappointing legislation ever offered in Congress, provided you pass the President's bill which we are now considering.

INADEQUATE AND DISAPPOINTING

Many people are under the impression that if we pass this bill that the aged needy people over 65 years of age will receive a pension of \$30 per month. Nothing could be further from the truth. It is also believed that the Federal Government under this measure is putting up \$15 for each needy person over 65 years of age. This is not true.

In the first place, no one, however needy or however old, even a hundred years old, can secure one dollar in pension until the several States pass laws prescribing the conditions under which a pension can be paid and levy and collect taxes and match the Government's money, dollar for dollar.

This bill provides that the States can fix the minimum age anywhere between 65 and 70 years, until 1940. After that, the minimum age must not be more than 65. Any State can define what is dependency, and can and must fix the amount that it will contribute per needy person.

About 27 States of the Union have some form of old-age pension. Kentucky is one of these States, but its old-age pension law means less than nothing. It is a mere delusion. It merely gives the fiscal court of each county the right to levy and collect a tax to provide old-age pensions. So far as I know, no county in Kentucky has ever put into operation that provision of the Kentucky law. Only a few of the rich States have anything like substantial old-age pension laws. Twenty-one have no old-age-pension laws of any kind.

Under this law, every State in the Union, with the possible exception of Delaware, will have to change their old-age pension laws, and those States which have none will have to pass an old-age-pension law. It is contended that Kentucky and some other States will have to change their constitutions, requiring a vote of the people.

The appropriation of \$49,750,000 is to be the Government's part for the year beginning July 1, 1935, and ending June 30, 1936. Perhaps in a few of the rich States they will be able to change their laws and provide means to match the Government's money and their old and needy will get some pensions, but I feel that I am perfectly safe in saying if

this bill is passed in its present form there will be no old-age pensions paid to anyone in Kentucky, however old or however needy, within the next year or 18 months, and perhaps not at all. Kentucky is deeply in debt, with a sales tax and other burdens on the back of the people of Kentucky, and the State is going deeper in debt every day. Kentucky may not be able to match the Government's money. We may have to change our constitution.

There never has been a time when the old and needy required help as they do now. The Democrats running for the House and Senate last year urged the people to send them to the House and Senate instead of Republicans, as the President and they were pledged to provide old-age pensions. They have led millions of old and needy people to think that this relief would come, and come now—not a year, 2 years, or 5 years hence.

Therefore, I am against the provisions in the President's bill allowing the States to fix the age at 65 to 70 years. It should not be more than 60 years. I am against the provisions of the President's bill that makes it impossible for any old needy person to get a pension until and unless the State matches the Federal money. I think the limit of \$15 of Federal aid is not adequate. Under this measure, it will make it possible for the rich States to get more money and the poor States not to get any money. In other words, those who need aid most will receive the least, or none at all. The United States should treat all of its old and needy citizens alike. I shall favor an amendment to fix the age at not more than 60 and for the Federal Government to contribute at least \$20 or \$25 and this to be paid to all those who come within the provisions of the bill, without regard to the State contribution, and then in due course of time let the States make such additional contribution as they desire and are able to make.

These old people need help and they need it now. I want them to get this help and get it now.

SIXTEEN DOLLARS AND SIXTY CENTS A YEAR—FOUR AND A HALF CENTS A DAY

This bill provides only \$49,750,000 for old-age pensions for the year beginning July 1, 1935. In the committee's report filed with this bill it is declared there are over 7,500,000 people in the United States that are over 65 years of age. At least 6,000,000 of these are needy and dependent. Mr. DOUGHTON, the chairman of the committee, says there are about 4,000,000, but he is very much in error.

Let us bear in mind that the Government does not put up \$15 for each needy person. It only matches the State's contribution. If the State law fixes the State's contribution at \$2 a month, then the Government would only put up \$2 per month, making \$4 per month in all. If the State puts up \$5 per month for old and needy persons, the Government would put up only \$5, making \$10 per month in all. But let us suppose the State puts up \$15 per month for each needy old person. Then, in that event, the Government would put up \$15, making \$30 per month in all.

Now, as we have already said, the Government in this bill puts up \$49,750,000 for the year beginning July 1, 1935. Suppose all the States should come in and should match the Government's money with \$49,750,000 more. Then we would have for old-age pension \$99,500,000 for that year; but in order to get this sum all the States would have to come in and match the Government's money.

If we divide \$99,500,000 among 6,000,000 persons, it would give each person the magnificent sum of \$16.60 a year, about \$1.40 a month, or about 4½ cents a day.

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

Mr. ROBSION of Kentucky. I have not the time. I cannot yield.

Mr. KNUTSON. I will grant the gentleman more time.

Mr. ROBSION of Kentucky. I yield under those circumstances.

Mr. KNUTSON. If we keep on importing from Japan and destroying our textile and other industries under the Roosevelt policies, we will be able to live on \$16 per year.

Mr. ROBSION of Kentucky. We may be able to starve on policies and conditions like those, but we cannot live.

But now suppose we cut down the number to 3,000,000 and then what will each pensioner get under this bill, provided the States all come through? Thirty-three dollars and twenty cents a year, or about 9 cents a day. Suppose only 1,000,000 applied and were allowed pensions. That would be \$99.50, or eight and a fraction dollars a month, provided, of course, the State should come through with its part.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. ROBSION of Kentucky. Sorry; I have only a few minutes.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. ROBSION of Kentucky. I only have a few minutes.

Mr. COOPER of Tennessee. Will the gentleman yield if I give him an extra minute?

Mr. ROBSION of Kentucky. I will yield if I get more time.

Mr. COOPER of Tennessee. I yield the gentleman 1 additional minute. I should like to ask the gentleman where he got the figure that there are 6,000,000 people in this country today over 65 years of age who are in need?

Mr. ROBSION of Kentucky. That is a general and accepted report of fact. You can get that anywhere.

Mr. COOPER of Tennessee. Well, where? It was not presented to the Ways and Means Committee in more than a thousand pages of testimony.

Mr. ROBSION of Kentucky. I know, but all the knowledge does not reside with the very splendid and able members of the Ways and Means Committee.

Mr. COOPER of Tennessee. And it does not all reside with the gentleman when he does not know what he is talking about either.

Mr. ROBSION of Kentucky. No; I do not claim that I have all knowledge. If you pass this, the President's old-age pension law, inside of 12 months you will find out where the 6,000,000 are. The life-insurance companies and the United States Government's actuaries show, and these figures have been accepted by the United States Government for many years, that of all the persons in the United States on an average who reach the age of 65, only one of them is well off. Four are able to support themselves with reasonable comfort. Five are able to support themselves only partially. Fifty-four are totally dependent upon public or private charity or relatives. There you have it. Out of 64 persons who reach the age of 65 years, only five are able to support themselves. Another five are only able to support themselves partially. Fifty-four are wholly dependent. In other words, more than four-fifths of the people who reach the age of 65 are wholly dependent and would come under the provisions of any reasonable old-age-pension law. The Ways and Means Committee report says there are now 7,500,000 people in the United States who are over the age of 65 years. Less than one-tenth of these are able to support themselves. Another group of less than one-tenth are able to support themselves only partially, leaving more than four-fifths that are wholly dependent and cannot support themselves in any way or at all. This gives you more than 6,000,000 needy and dependent people over the age of 65.

Mr. COOPER of Tennessee. The proof showed they were 1,000,000 instead of 6,000,000. The gentleman missed it just 5,000,000.

Mr. ROBSION of Kentucky. The report of the Ways and Means Committee shows there were substantially a million people in the United States over 65 that were either on relief or were the objects of public charity. It omitted the other 5,000,000 who are either being cared for by relatives who are unable to do so or are dragging through life hungry and cold. The committee's report shows that the number reaching the age of 65 years is growing. It is estimated that the number over the age of 65 by 1940 would be 8,311,000, by 1980 it would be 17,001,000.

But I said if you only counted 1,000,000, this set-up for the year beginning July 1, 1935, would pay only \$8 per month—\$4 by the Government and \$4 by the State, provided, of course, the State came in. Many States will not be able for many years to match the Government's money, and I am afraid that is going to be the situation in Kentucky; and

for these and other good reasons, I shall strongly support and favor an amendment providing that the Federal Government shall pay a reasonable sum as an old-age pension to the old and needy of this country, without regard to State contributions, and do it now. They need it now. Under this bill, millions of them will die during the delay without getting anything.

Mr. FLETCHER. Will the gentleman yield?

Mr. ROBSION of Kentucky. I only have a short time remaining.

Mr. FLETCHER. Does Kentucky have an old-age-pension law?

Mr. ROBSION of Kentucky. Yes; it has one and it fools them not quite as badly as this one will fool them if you pass it in its present form.

ABOUT \$2.75 PER YEAR OR ABOUT THREE-FOURTHS CENT PER DAY

Our Democratic friends boast of the aid this will give to the dependent children of America. The Ways and Means report shows, and this was emphasized by the distinguished chairman, Mr. DOUGHTON, that there are 9,000,000 children in the United States under the age of 16 and now on Government relief. This bill appropriates \$24,750,000 for relief for these dependent, needy children for the year beginning July 1, 1935, and ending June 30, 1936. This is about \$2.75 per child per year, or about three-fourths of 1 cent per child per day, and no State can receive any of these pensions until such State shall pass such laws and provide funds to match the Federal Government's fund of \$1 to be put up by the Government and to be matched by \$2 to be put up by the State. In other words, the State must put up 2 to 1.

And for all of these matters—old-age pensions, aid to dependent children, maternal and child health, crippled children, child welfare, vocational rehabilitation, and public health—there is provided in this bill the sum of \$91,491,000. Of course, none of this is available to any State unless such State matches the Federal funds.

Yes; this small sum is to meet the problem of giving old-age pensions for an entire year to 6,000,000 or more needy people over the age of 65, more than 9,000,000 needy, dependent children, and no one knows how many crippled children or how many needy mothers will need aid in childbirth, or how many children will need health service and child-welfare care, or the hundreds of thousands of men and women who need vocational rehabilitation, or to cover the entire public-health service of the United States. It is grossly inadequate, and what a great disappointment it will be to the millions of needy old people, and to the millions of needy children; and even with this small sum, there is a string tied to it—the States must change their laws and constitutions where necessary and levy and collect the money before one dollar will be given by the Federal Government to these needy groups.

I am sorely disappointed with the inadequacy of the President's bill and when the bill is read for amendments I shall not lose an opportunity to help amend it so it will give adequate relief and give it when this bill is passed and becomes a law.

THE BLIND AND CRIPPLES

I never doubted but what the President's social-security bill would not only take care of in an adequate and substantial way the groups that are provided for in this measure but I most certainly thought it would include needy blind people and needy crippled people. Are there any groups in this country that need relief more than the poor blind and the poor permanently disabled cripples of whatever age they may be?

There is nothing in this bill for the blind and the cripples unless they live to be 65 or 70 years of age. I shall vote and work to have this bill amended to include the needy blind and the needy cripples and to give to them the same rate of pension as the needy old people.

LITTLE RELIEF FOR NEEDY AND VETERANS

This measure is grossly inadequate. Our Democratic friends last year urged support of the Democratic candidates for the House and Senate on the plea they were going to help the needy, unemployed, and pay the veterans cash on

their adjusted-service certificates. The administration now tries to avoid payment of the bonus and to give adequate relief to the needy on the ground that we do not have the money. I pointed out in my speech when the \$4,800,000,000 bill was up that a lot of our Democratic friends were voting for that bill and they would be unable to redeem their promises to the veterans and the needy people. My prediction is coming true. Under that measure the President proposes to increase the C. C. C. so that it will cost at least \$600,000,000 for the next year. Congress has passed measures providing more than a billion dollars for the Army and Navy. This is by far the largest amount appropriated for these in peace time. The other day the House passed a measure providing nearly \$170,000,000 for so-called "river and harbor improvement and the construction of canals" that, more than likely, will never be used much. We are spending hundreds of millions of dollars to burn pigs, to plow up cotton, and to pay people not to raise hogs, not to produce cotton, wheat, or corn. We are expending ten or more millions of dollars to maintain "hobo hotels." These encourage young men to leave home and spend their time in idleness. I could enumerate many other items running into the millions of dollars. Yes; we have plenty of money for all these, but nothing, or very little, for the defenders of our country and their dependents, or for the old and needy, for the blind and cripples, and for needy widows and their orphan children.

UNEMPLOYMENT INSURANCE A MISNOMER

I yield to no person my deep interest and sincere desire to help work out a plan to build up a fund that will help to take care of them after they may retire or be unable to follow gainful employment or unable to get work.

In the President's bill this is called "unemployment insurance." This is a misnomer. It has been improperly and incorrectly named. This bill does not provide anyone who is without work with a job. It does not provide one dollar of relief to the millions of unemployed in America unless they would be able to get in under the old-age pensions, but this so-called "unemployment insurance" deals solely and only with those who have jobs or may get jobs. It gives no relief whatever to the unemployed, either in jobs or in money.

Many of the outstanding leaders of labor groups tell us there are more than 11,000,000 workers unemployed in this country. I have heard a number of my Democratic colleagues on the floor of this House during the course of the debate on this bill say there are 15,000,000 unemployed. I am quite sure, if we would count the tenant and sharecroppers and the farm hands throughout the United States who were thrown out of work and taken off the farms because of the Cotton Control Act, the A. A. A., and other new-deal policies, we would find more than 20,000,000 people in this country unemployed. Secretary Ickes of the Interior Department, in a speech at Philadelphia on yesterday, declared that the expenditure of the nearly \$5,000,000,000 so-called "works bill" was justified, as there were somewhere between 20,000,000 and 30,000,000 people in distress in this country.

From all that the President and others have said we were led to believe that the President was going to bring forth some measure that would give some relief to the unemployed, and when this measure was talked of as being one providing for unemployment insurance, many people believed it would benefit in some way the unemployed of this country.

This measure does not and will not put a single man back to work. It does not give any unemployment insurance or unemployment money to any one of these unemployed. What this bill means by unemployment insurance is that a man or woman who has a job and who continues to work for 5 years, and during all of which period of time he or she will have their wages taxed a certain percentage and the employer will be required also to pay a certain percentage of tax on these wages, these taxes paid by the worker and the employer will create a fund so that after this has been done for 5 years and the worker quits work or dies or reaches the age of 65 such worker then will get an

annuity—not on anything that the Government is giving to the worker, but on what the worker and his employer have paid in taxes into this annuity fund.

The ordinary workman under this plan would get a very small monthly annuity if he quit work or died after 5 years. If he died or had to quit work before he had worked and paid into this fund for 5 years, then he would receive 3½ percent of the wages he had earned up to that time. In other words, the worker would be taxed 3 percent, and if he quit paying before the 5 years were up he would get back 3½ percent. He would get one-half of 1 percent interest on what he paid in; but we must not forget that the Government does not pay anything into this fund to provide this annuity or pension.

And this only applies to persons employed by individuals or concerns that employ 10 or more persons. If a worker is employed by any person or concern that employs less than 10 men, he would have no opportunity to participate in this so-called "unemployment insurance."

Furthermore, farmers, farm laborers, and servants could not participate in this. This so-called "unemployment section" of this bill does not mean anything to farmers, farm hands, domestic servants, or to those who work for persons or concerns employing less than 10 people.

Now, let us see what sort of pension a worker would get. I present a statement set out in the report of the Ways and Means Committee on this bill.

TABLE III.—Illustrative monthly Federal old-age benefits under title II

Average monthly salary	Years of employment									
	5	10	15	20	25	30	35	40	45	
\$25	(1)	\$15.00	\$16.25	\$17.50	\$18.75	\$20.00	\$21.25	\$22.50	\$23.75	
\$50	\$15.00	17.50	20.00	22.50	25.00	27.50	30.00	32.50	35.00	
\$75	18.25	20.00	23.75	27.50	31.25	35.00	38.75	42.50	46.25	
\$100	17.50	22.50	27.50	32.50	37.50	42.50	47.50	51.25	53.75	
\$125	18.75	25.00	31.25	37.50	43.75	50.00	53.13	56.25	59.38	
\$150	20.00	27.50	35.00	42.50	50.00	53.75	57.50	61.25	65.00	
\$175	21.25	30.00	38.75	47.50	53.13	57.50	61.88	66.25	70.63	
\$200	22.50	32.50	42.50	51.25	56.25	61.25	66.25	71.25	76.25	
\$225	23.75	35.00	46.25	53.75	59.38	65.00	70.63	76.25	81.88	
\$250	25.00	37.50	50.00	56.25	62.50	68.75	75.00	81.25	83.00	

¹ Lump-sum payment of \$52.50.

For instance, if your wages average \$50 per month and you paid into this fund for 5 years and reached the age of 65 or were unable to go on further, you would draw an annuity of \$15 per month; and if you worked for 45 years, averaging \$50 per month and paid into the fund, and retired or were unable to continue work, you would draw \$35 per month for the balance of your life. We must bear in mind that a worker's expectancy of life is not very great after he has worked continuously for 45 years. He will not live much longer.

You will also observe that if he earned \$250 per month and paid 3 percent tax into the fund for a period of 5 years and then reached the age of 65 or was unable to continue work, he would draw \$25 per month, and if he continued to work for 45 years and made a salary of at least \$250 per month, at the end of 45 years he would only receive \$85 per month for the balance of his life.

The great bulk of Americans now and for some time to come will not receive wages which, under the terms of this bill, would give them a very big annuity after they had worked 30 years or 45 years.

In naming this "unemployment insurance" and getting the impression over the country that something was being done in some way to help the unemployed, this measure will be a great disappointment. Let me repeat, this provision concerns itself solely and only with those who now have jobs or who may get jobs and who pay a part of their wages into the fund and the employer pays a part, for a period of 5 years or longer. In that event, and only in that event, will they receive an annuity.

LABOR AND INDUSTRY OPPOSED

So far as I have been able to learn from the workers living in my own district and the representatives of organ-

ized labor, they are opposed to the so-called "unemployment insurance provisions" of this bill. Labor thinks it is unfair to them to levy this tax on their wages; and while industry is also required to pay a tax on the amount of each worker's wages and the taxes from both go into this so-called "unemployment insurance fund", the workers believe that they would not only be required to pay their part of the tax on their wages but that the tax paid by industry on their wages would reflect itself in reducing the wages of the workers; and, so far as I have been able to learn, the workers and the representatives of organized labor are opposed to this bill of the President because it is wholly inadequate. The amount provided for old-age pensions and other relief is entirely too small.

Congress last year passed a compulsory unemployment insurance or pension bill for all of the railroad workers of the country. This act is now before the Supreme Court of the United States. Under that bill the railroad workers are taxed 2 percent of their wages, and a like tax is paid by the railroads. There is no provision in this bill to repeal that law. If this bill is passed in its present form, there will be a double tax on the workers.

Many other industries and their workers carry group insurance, and so on. This bill makes no exception or provision for conditions like that.

I think this so-called "unemployment provision" of the President's bill should go out and it should go back to the committee and a more comprehensive and equitable measure should be brought out.

As I have heretofore pointed out, this deals solely and only with people who have jobs or who get jobs, because in order to create a fund of this kind, the workers must have a job and their wages must be taxed.

My deep concern is now to work out a plan, and I think this might be done with a more comprehensive bill, to give relief to the millions who are out of work and who appear to have very little chance to get work.

I cannot understand why this so-called "unemployment insurance proposition" is thrust into this bill. Labor is against it and industry is against it, and I am advised that many of the lawyers on the Ways and Means Committee and other lawyers are inclined to think it is unconstitutional as it is now before us. Of course, if there is doubt as to its constitutionality, somebody will hold up this measure until it can be tested out in the Supreme Court, and this would cause further delay in bringing relief to the needy old people, to the needy and crippled children, and to the other groups we are attempting to provide for in this measure; and therefore, if given an opportunity, I shall vote to strike this provision from the bill and have it re-referred to the proper committee for further study and preparation, so that we may have a better bill before us.

THE FORGOTTEN MEN AND WOMEN

We are told that there are more than 50,000,000 workers in America. Twenty-seven percent of these are more than 45 and less than 65 years of age—in other words, about 13,000,000 workers in America are over 45 and under 65, and nearly all of this great army of people are out of work and cannot get work. Under this bill they are not considered, because they are under 65 years of age and are unable to get a dollar of this old-age pension money however needy they may be. They cannot come under the unemployment-insurance provisions of this bill because they are unemployed. We have pointed out that persons to get any benefits from this unemployment insurance must have a job because the fund out of which this insurance or annuity is paid is raised by a tax levy on his wages and another tax levy on his wages paid by his employer and he and his employer must continue to pay taxes in for at least 5 years.

So you can readily see that these workers, out of work, and who cannot get work, are not benefited by any of the provisions of this act; yet millions of them have been led to believe that because we speak of "unemployment insurance" and they are unemployed, this measure would help them. What an awakening and what a bitter disappointment this bill will be to them. They are forgotten in this bill, but

more tragic, they are the forgotten men and women of this country.

I know of no big coal mine in this country that does not require a coal miner when he enters their employ to sign a statement that he is not over 45 years of age. This is true of nearly all of the great factories, mills, and shops, and this is true, as I understand it, with the railroads. I have also observed that the United States Government, in prescribing its requirements to take civil-service examinations for jobs under the Federal Government, most of them fix the age limit at 45 or less, and I know of no civil-service examination that permits persons to qualify who are over 50 years of age unless it is for professional or scientific work. This same feeling exists in boards and commissions which employ those in so-called "white-collar" professions or occupations. Nearly all, including our Uncle Sam, are discriminating against the men and women who are over 45.

Ladies and gentlemen of this House, I ask you what is to become of this great army of 13,000,000 workers of the United States who are more than 45 and less than 65? This bill gives them no hope of relief until they reach the age of 65, and unless this bill is greatly amended, it offers very little hope to many of them then.

I have been putting this question to statesmen, lawyers, doctors, teachers, farmers, merchants, welfare workers, and industrialists for a long time. Most of them say, as my friend of whom I inquired on the floor of the House, they do not know. I inquired of my good friend, who is on the Ways and Means Committee, what there was in this bill to help this group, and he said, "Nothing." He ventured, however, to say we had passed the so-called "works bill" of \$4,000,000,000. The most optimistic administration leaders do not expect the \$4,000,000,000 works bill to give work to more than 3,500,000 people. There still remains, according to some estimates, from eight to twelve million people unemployed. There are millions of young, vigorous men and women under 45 who are out of work, and I am quite sure they will get a large part of these so-called "Federal works jobs."

It is claimed by the administration that this four billion works' job money will be spent by July 1, 1936. If this is the only hope for these workers over 45, there is not much encouragement for them. What will become of them after July 1, 1936?

Of course, I do not believe that the administration will put 3,500,000 unemployed people to work. I do believe, however, they are going to give jobs to tens of thousands of Democrats.

Can this great group of people be put back to work? Most men at the age of 45 have a wife and children. Their financial needs then, as a general rule, are as great or greater than at any other time in their lives. They have more to feed and clothe, provide educational opportunities for, and so forth. I consider this the most serious and pressing problem before the American people.

CAN THE NATION FURNISH THE JOBS?

All of us who have made a study of this matter agree that a great transformation has taken place in our country in the last few years. Under the present set-up is there any way to put back to work any material number of these persons over 45 and under 65? I do not think there is. There are millions of young, stout, able-bodied men and women under 45 years of age who are out of work, and most employers will give preference in the future, as in the past, to these younger men and women, just the same as the Federal Government does when it employs workers in its various departments and activities.

Why can we not put these people back to work? Machinery and efficiency have greatly increased production, yet consumption along many lines has decreased.

I cannot go into all of them, but, for example, it has not been many years ago that the average coal miner in America produced 1½ tons of coal per man per day. With modern machinery and equipment and efficiency, the average coal miner in America today is producing 5 tons of coal per man per day, and in many mines this has reached the

high level of nearly 8 tons, yet last year America consumed over 100,000,000 tons of coal less than it did a few years ago in a single year. They now grind the coal and blow it into the furnaces, and every little particle of coal gives up its energy. The use of oil and gas has been increased. I doubt if anyone would predict that for many years to come we are going to use as much coal per year as we did 10 years ago. Is it little wonder we have tens of thousands of coal miners out of work?

Take the railroads. I can remember years ago a railroad train would come along with 25 or 30 coal cars in a train, and most of them had 20 tons to the car, and it was considered a very big car if it carried 30 tons. There were many exclamations about "that long train." Now, in the coal regions of my district I sometimes see as many as 150 loaded cars in a single train and each car with 50 tons or more to the car, and it is not an uncommon thing to see trains with 85 to 100 loaded cars. The freight trains of these days are also going much faster—nearly twice as fast as the other train of years ago. Our present long, heavy train has one man less in the crew than the first train I mentioned. The trains now can and do carry from 6 to 10 times as much coal, and are making nearly twice as much speed, with one less man to the crew. This unit of transportation is one of the units of production. One man is doing as much as several men did 25 years ago. We find, also, automatic switches and automatic couplers. We again are not surprised that there are less than half the railroad men employed today than there were some years ago. These railroad men are out of work. How are we going to put them back to work?

In one of the great steel mills of my State I am advised by those who know about those things that a few years ago to do a certain unit of work required 121 men. With improved machinery and equipment 3 men now do what 121 men did.

I see great steam shovels making large excavations in a city block or on highways, with hundreds of idle men standing by watching the steamshovels.

I am informed that some years back it required one or more men to operate one loom in the textile mills. Now one person operates all the way from 40 to 170 looms. The big question in the textile strike last year was to do something about this stretch-out system.

We have the stretch-out system in the automobile factories, in the mills, shops, on the railroads, in the mines—yes, on the farm. When I was a lad on the farm we would put perhaps a thousand pounds of tobacco, corn, or wheat on a wagon and with a steady plodding old team it would require us about a day to go to town and deliver our load and return to our home. In the past year in Kentucky I observed some trucks with as much as 12,000 pounds of tobacco on a single truck, and this truck was going along at the rate of 45 or 50 miles per hour. This farmer could get his load of tobacco to town, unload it, and get back home almost before breakfast.

This stretch-out system entering into every activity of our complex American life has put millions of good Americans on the streets and highways looking for work. Yes; we have traveled far in the matter of economy and efficiency in mass production, but what about consumption?

As a general rule, well-to-do people and people who can afford it do not eat as much today on the average as they did 25 years ago. We do not wear any more shirts or dresses. It has been suggested that some wear quite a good deal less. In fact, one part of our population is greatly economizing in the use of silks and satins, cotton, and wool in their garments.

I realize that consumption could be greatly enlarged. There are countless millions in this country that are cold and hungry. They need food, clothing, and shelter, and other necessities. Does this condition threaten the welfare of our country and the perpetuity of our institutions?

THE GREAT AMERICAN MENACE

Many of our people are deeply concerned over what they claim is a growing sentiment in our country in favor of communism and sovietism. Others say it means nothing.

I have great faith in the patriotism and fine common sense of the average American. Communism and sovietism would mean very little in our country under normal conditions, but a great army of unemployed people in any country is a real menace.

Nearly all of these unemployed people are good Americans. Many of them fought gloriously on land and sea, in the air and under the sea, in defense of this Nation; others have lived splendid, industrious, sober lives. They are now caught between two great millstones. They are burdened with conditions for which they are not responsible for the making. They do not want charity. They merely want an opportunity to work and earn a support for themselves and their wives and children. They are only human. What must be the effect and what is the effect on their minds to seek work for weeks—yes, for months and into the years—that they might feed their hungry wives and children and provide shelter and clothing for them? What must be the suffering they undergo when they see their loved ones lacking the barest necessities of life and with no opportunities for education and advancement and with the cost of living mounting skyward, lacking meats, fats, and other elements of proper diet?

They are bound to be discouraged. It is an indictment of our Christianity and our twentieth-century civilization for their children to be brought up in these surroundings. The gloom, sorrow, and bitterness of the parents is bound to poison not only the minds and souls of the parents but of the children as well.

I really have been amazed at the fortitude and the splendid manner in which this great army of unemployed have deported themselves during these last 5 trying years. I know I have felt the sting of this depression, but not so deeply as millions of others. Being brought up as the son of a hillside tenant farmer, I know something of the problems of the poor, the meek, and the lowly. I do not see how these Americans, with their wives and children suffering with cold and hunger, could be otherwise than discontented and bitter, and added to this has been the policy of the Government of burning pigs, plowing up cotton, and destroying food.

This great problem must have the hearty cooperation in its solution of industry, agriculture, and commerce, of those who have jobs, and every good American. Humanity demands it, and the self-preservation of all of us and of our country requires it. It must be solved and solved right. It cannot wait forever for solution. After all, this is our country, and every honest, industrious man and woman is entitled to an opportunity to make a decent living for himself and his wife and children. He has a right to ask for that and we should strive to work out a plan whereby he may receive the answer.

Mr. KELLER. What is the gentleman's remedy?

Mr. ROBSION of Kentucky. There are but two things. We must work out a plan to create more work and provide more jobs, or divide the work and the jobs that now exist.

Mr. NICHOLS. You Republicans ought to do it. You put them out of work.

Mr. ROBSION of Kentucky. Cease making such futile, silly statements. The gentleman should suggest something more serious and illuminating. Nearly all thoughtful men and women now agree, not only here but in every country of the world, that the present plight of this country and every other country of the world was largely brought about by the World War. It was under your good Democrat, President Wilson, and other Democrats who urged the American people to elect him President on the promise he had kept us out of war and led the people to believe that he would continue to keep us out of war, when at that same time war was being planned by your Democratic administration.

All the records show that there are more people unemployed in America today than at any time in the Hoover administration. Taxes have been increased; the national debt has been increased to nearly \$35,000,000,000. As Sec-

retary Ickes declared the other day, there are from 20,000,000 to 30,000,000 people who need relief in this country. There were no such debts and no such number on the relief rolls when Mr. Hoover was President. Your party was elected on the pledge to reduce taxes, reduce the unemployment, and restore prosperity to the country. Your party has violated every pledge. Your party has had control now for over 2 years. Unemployment is on the increase, relief rolls continue to mount and climb, although during these 2 years Congress has placed in the hands of President Roosevelt more than \$25,000,000,000, with unlimited and dictatorial power.

Therefore, it is up to your party. You have the control, you have the majority, you have the money, you have everything—it is up to you rather than the Republican minority to put people back to work.

But you will never put people back to work in this country so long as the Government sticks its finger into everybody's eye and its nose into everybody's business, so long as it issues its billions of tax-exempt securities, burns pigs, plows up cotton, destroys wheat and corn, and taxes the poor people to pay other people not to produce. If it is fair and right to tax coal miners and railroad workers to plow up cotton in the South and pay others not to produce cotton and pay people not to produce wheat and corn and hogs in the West on the theory that we have too much cotton and too many hogs and too much wheat and corn, it would be equally just to tax them to pay our idle miners not to dig coal and our idle railroad boys not to run the trains.

Your Democratic administration has put more people out of work and put more people on the relief rolls and put more politicians and faithful Democrats on the backs of the American taxpayers than any administration since the days of George Washington. The Washington papers the other day pointed out the fact that on pay day here, the 15th of April, 1935, it was the biggest sum paid out to Government workers ever paid out in a single day in the history of this country. While people are being pushed out of work and millions of people are hungry and cold, faithful Democrats are being saddled as never before on the backs of American taxpayers. The cost of living is out of reach of the average worker of this country—fatback 25 cents and 30 cents a pound, steak 50 cents a pound. If this administration will quit regimenting labor, industry, and commerce and will give the American people a chance, they will put people back to work and we will work out of this depression; but my Democratic friends will find out that you cannot waste and squander this country into prosperity. It has never been done and it never will be done.

No Democratic administration ever put people back to work. History records that every Democratic administration from the days of Martin Van Buren down to now put them out of work. There must be a restoration of confidence in this country. The policies of the Democratic Party have destroyed confidence. I really believe that if agriculture, commerce, and industry were given a real chance unemployment would be greatly lessened and we would soon be on our way to recovery. But coming back to the original proposition—this country cannot go on with 12,000,000 to 15,000,000 workers out of employment. They need relief—not 1 year from now, nor 5 years from now—they need help now. [Applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein data showing what these people will receive as annuities and so on after they have worked for 5 years at a given salary.

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

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I do not expect to consume the 10 minutes' time which was given to me, because I was informed there are at least 30 other Members who desire to speak on the social-security bill.

Mr. Chairman, I desire to take advantage of this opportunity to commend the gentleman from Kentucky [Mr. ROBSON], who preceded me.

Speaking as a member of the Committee on Labor, I wish to state that last year we held public hearings on the 5-day 6-hour bill. Many witnesses appeared before the committee, and some of them were officials of large industries who protested against the Connery bill. I asked these gentlemen if they had an age limit in their industries. Many of them replied in the affirmative. I ask the Members of Congress What are we going to do for the men and women between the ages of 45 and 65 who cannot obtain employment?

One of the first bills I introduced this session of Congress was to provide \$100,000,000,000. This money was to be expended over a period of 10 years and was to be used for the purpose of eradicating slum districts, elimination of dangerous grade crossings, reforestation, drainage of swamps, flood control, soil erosion, the purification of rivers and streams, the construction of disposal plants, schools, and hospitals; for the development of surgical, medical, geological, biological, and other sciences and for every other purpose which will benefit mankind—in other words, to end poverty in the United States. According to my bill, \$10,000,000,000 was to be expended in the period of 1 year, which would provide employment for 10,000,000 people in the United States who are out of work.

Mr. Chairman, the President of the United States is to be commended for recommending a bill to Congress which is to provide old-age pensions, unemployment insurance, and so forth. This bill in its present form will do but very little to help the aged and the unemployed.

I favor an adequate old-age pension and adequate unemployment insurance. The bill which is now pending before Congress does not meet the situation. I hope that we will be successful in amending this bill so that the aged, unemployed, and every person who is physically incapacitated will be provided for adequately.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, I was very much interested in the remarks made by the gentleman from Kentucky [Mr. ROBSON], who has been in Congress, I am told, for something over 15 years. During a great deal of that time we were in just as great need as we are today of old-age pensions, old-age annuities, and unemployment compensation; but from that inspired source, or the party which he represents, nothing was produced. Now that an idea has been crystalized into legislation we are told by the party represented by the gentleman, on the one hand, that the remedies are wholly inadequate and, on the other, they cry crocodile tears to the taxpayers that its cost is going to be terrible. It reminds me a great deal of the policy—in fact, it is carrying out the policy of that party from 1920 to 1932—in 1920, to the internationalists, they favored an "association of powers"; to the nationalists they were against the League of Nations; to the high- and low-tariff advocates alike they said that the Republican Party was the party of salvation. With the same speech their leader held together those in favor of operating Muscle Shoals and those against; to the drys prohibition was "noble"; to the wets it was an "experiment." They have ever been on both sides of all questions, and all things to all people. And so today they come before us again, telling the taxpayers that this is going to bring them down to ruin; telling those in need of relief that the appropriations are wholly inadequate. To those who desire to help they hand out the old well-tried shell game; to those who cry for help they read the Constitution.

This brings me, Mr. Chairman, to the proposition raised in the minority report of the committee, in which they boldly challenge the constitutionality of the bill. In view of the fact that the majority report says little or nothing on this subject, I wonder if it might not be worth while to discuss it for a minute.

Mr. Chairman, the United States is about the only country of any consequence in the world where the determination of the constitutionality of an act of the legislative body is not

by the legislative body itself. For this reason we escape some responsibility, but not all, because as soon as we enact a bill instantly it is vested with a presumption, to be overcome only by facts beyond a reasonable doubt, that it is constitutional. We ourselves are acting under our oaths to support that Constitution. So we do owe an obligation to the people and to ourselves to examine into the constitutionality of this bill.

The Supreme Court, in describing this obligation, says in the case of *Knor v. Lee* (12 Wall. 457):

A decent respect for a coordinate branch of the Federal Government demands that the judiciary shall presume, until the contrary is clearly shown, that there has been no transgression of power by Congress, all Members of which act under oath or obligation to the Constitution.

The same Court, in *El Paso & Northeastern Ry. Co. v. Gutierrez* (215 U. S. 37), brings this long-established doctrine down to date when it says:

It is hardly necessary to repeat what this Court has often affirmed—that an act of Congress is not to be declared invalid except for reasons so clear and satisfactory as to leave no doubt as to its unconstitutionality.

Yet the minority report criticizes the brief of the Attorney General's office because of its "weak and apologetic language", wherein it argues for the constitutionality of this bill, in part, as follows:

There may also be taken into consideration the strong presumption which exists in favor of the constitutionality of an act of the Congress, in the light of which and of the foregoing discussion it is reasonably safe to assume that the social-security bill, if enacted into law, will probably be upheld as constitutional.

The gentlemen say that is "weak and apologetic." The only thing that is weak and apologetic about that proposition, Mr. Chairman, is the fact that it is not expressed in terms anything like as forcibly as the Supreme Court has used many, many times. It is a proposition that we must consider here and we are entirely at liberty to consider.

Wherein is the unconstitutionality of this bill? I am not going to enter into a protracted legal discussion at this time. But, briefly, there are two titles in question: One title—title II—provides for payment out of taxes and excise receipts old-age annuities; the other—title VIII—provides for these taxes and excise duties. The power to pay annuities is certainly not one of the Federal functions delegated by the Constitution.

The same is true of the power to acquire new territory, to charter banks, to operate postal savings, to extend State aid in maternity cases, and to create Federal land-bank and farm-loan associations. Yet all of these functions have been sustained by the courts, either because the power involved was one of proper implication, or because the person challenging the right had suffered no damage. Protected by these principles, we operate our Public Health Service, Bureau of Education, Geological Survey, Bureau of Mines, Smithsonian Institute, National Art Gallery, and many kindred activities.

The Supreme Court, in upholding the constitutionality of the act creating Federal land banks, says:

We, therefore, conclude that the creation of these banks and the grant of authority to them to act for the Government as depositories of public moneys and purchase of Government bonds brings them within the creative power of Congress, although they may be intended, in connection with other privileges and duties, to facilitate the making of loans upon farm securities at low rates of interest.

If the purchase of Government bonds is a proper basis for an implied Federal power, then the present law creating this annuity fund is certainly on solid rock. By 1970 it will have invested in United States bonds over \$32,000,000,000. We shall have to rebuild our tariff walls and create some more panics to owe that much by that time. That means a restoration of our Government to the reactionaries, which is beyond the purview of sane prophecy today.

Mr. Chairman, may I say that appearing on the brief filed in the Federal Land Bank case was the name of Charles Evans Hughes. The names of some of the greatest constitutional lawyers of the country also appeared thereon. Mr. (now Chief Justice) Hughes' brief contained the following:

Congress may create in its discretion as in this instance it has created, moneyed institutions to serve as fiscal agents of the Government, and also to provide a market, as stated in the act, for United States bonds.

I trust, however, that before final adoption of this bill, either by this House or in the Senate, title II will be amended so as to provide for the distribution of the old-age-annuity fund through State agencies similar to those provided for in the distribution of unemployment relief. In this way we will remove from the bill the appearance of a grant by the Federal Government to a particular class, and will give the bill the additional strength of providing merely for grants to the States. The administrative difficulty arising from people moving from one State to another is certainly no more insuperable in the execution of this chapter than in many of the other present activities of the Government.

Is there anything unconstitutional in the taxing provisions of title VIII? It provides an income tax under the almost limitless powers conferred by the sixteenth amendment to the Constitution. It also levies an excise tax on employers for the privilege of hiring labor. This law is framed to operate uniformly throughout the United States, and comes directly under the provisions of section 8 of article 1 of the Constitution. But it has been stated by the gentleman from Massachusetts [Mr. TREADWAY] that, since the granting of annuities is an unconstitutional Federal function and the tax provision is to provide funds for this purpose, therefore the tax is unconstitutional. The premise of this argument, the unconstitutionality of the appropriation, is rather unstable, in view of the decision of the Supreme Court in *Smith v. Kansas City Title & Trust Co.* (255 U. S. 180), the *Land Bank case*, and *Massachusetts v. Mellon* (262 U. S. 447), upholding the Shepherd-Towner Maternity Act. The latter decision specifically answers the argument advanced on the floor of this House that the allotment to the States provided in the Social Security Act is but a cudgel to drive States under Federal control. The Court says:

But what burden is imposed upon the States, equally or otherwise? Certainly there is none, unless it be the burden of taxation, and that falls upon their inhabitants, who are within the taxing power of Congress as well as that of the States where they reside. Nor does the statute require the States to do or to yield anything. If Congress enacted it with the ulterior purpose of tempting them to yield, that purpose may be effectively frustrated by the simple expedient of not yielding.

This House is not interested in listening to an exhaustive legal brief, nor in discussing questions of constitutionality, further than to protect our membership under their oaths, and for that reason I have carefully avoided tedious detail and have made no reference to numerous pertinent cases that are available.

However, to summarize these decisions, we may safely say that there is apparently no precedent under which the courts could declare title 2 unconstitutional. If this should occur, about half of our present Federal activities will be discontinued. Is it within the bounds of reason, then, that title 8, the tax-raising title, otherwise on unimpeachable grounds, will be declared unconstitutional, because these tax funds go to a purpose alleged to be unconstitutional in fact although immune from attack. What a futile act that would be! It would simply mean that Congress would be required to provide funds to carry out title 2 from our general coffers and later reenact title 8 as a separate bill with no physical connection with the Social Security Act. That might have happened during the first decade of this century but hardly now.

Those were the days when the Supreme Court had this Congress supine and helpless so far as any effective regulation of business was concerned. Those were the days when Theodore Roosevelt and the Progressive Party smarting under restricted Federal lawmaking powers expressed ideals and dreamed dreams that could not come to fruition until a second Roosevelt came into power. Theodore Roosevelt believed that when from the nature of things States could not administer a necessary regulation (as they cannot do with unemployment relief), and this function was neither expressly excluded from the regulating power of the Federal

Government nor expressly restricted to the States, then it was the duty of the Federal Government to assume control as being the only agency capable of protecting those rights which the Constitution reserved to the people. To reserve a right to the people generally and then furnish no Government to protect or enforce that right was to him unthinkable.

In a speech at Harrisburg, he said:

I cannot do better than base my theory of governmental action upon the words and deeds of one of Pennsylvania's greatest sons, Justice James Wilson. He developed, even before Marshall, the doctrine . . . that an inherent power rested in the Nation outside of the enumerated powers conferred upon it by the Constitution, in all cases where the object involved was beyond the power of the several States and was a power ordinarily exercised by sovereign nations. He laid down the proposition that . . . whenever the States cannot act because the need to be met is not one of a single locality, that the National Government, representing all the people should have power to act.

Our Supreme Court has never accepted this as a legal principal, but in the practical operation of government, since 1912, we have gone a long way toward carrying it into effect. There is no present indication of a retreat.

In 1908, Gov. Charles Evans Hughes, in an address at New York City said: "We are under a Constitution, but the Constitution is what the judges say it is." With that viewpoint now presiding over the Supreme Court and with an executive genius leading the minds of our people back into paths of political and economic health, we need have little fear of the constitutionality of the Social Security Act. [Applause.]

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

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Chairman, I want to state at the outset, if there is anyone among you—any dear friend of the beloved Ways and Means Committee and its outstanding chairman [Mr. DOUGHTON], or of the President of the United States, Franklin D. Roosevelt, I may say that my love for that beloved committee, its chairman, and for the fearless and peerless President of the United States is no less than his, but my love of my fellowman and my love of principle and justice exceed my love for both of them. It is for that reason, and that reason alone, that I assign myself the task of attacking the measure under consideration.

I may state at the outset that I believe this bill is one of the greatest snares and delusions that could be perpetrated upon the people of America. For as I analyze its provisions, in all fairness and justice, I cannot see where the American public at the present moment will benefit one iota by its provisions—not until 6 years hence, and then it is doubtful whether they will benefit at all.

I have analyzed its language, and I harken back to the decision of that now deceased Supreme Court Justice whose memory is revered and will always be revered by the liberal-minded and patriotic citizens of America, Justice Holmes, who in one of his famous decisions reprimanded insurance companies for permitting salesmen to go across the length and breadth of America, sell policies to the people of the country, send out a policy which, on its face, had very glowing and roseate promises, and on the second and third pages in small and fine print take away almost everything and give only a very limited amount of the proffered protection.

This bill, in large measure, fits that description of Justice Holmes.

For the purpose of enabling each State to furnish financial assistance assuring, as far as practicable, under the conditions in such State, a reasonable subsistence compatible with decency and health to aged individuals without such subsistence.

I read the language of the bill.

Then reading further within the measure, on the back pages thereof, I find that it provides for one-half of 1 percent of the salary of an individual and the term "qualified" individual includes those who do not earn less than \$2,000.

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

Mr. MONAGHAN. With due respect to my beloved colleague from Kentucky whom I respect and admire as much as any Member of the House. I am not going to yield to anyone, because I have not been given the time I was promised. I was promised 15 minutes and if the gentleman will obtain that time for me I shall yield, otherwise, I will not.

One-half of one percent of \$2,000, or more is the basis if that \$2,000 is earned after the period of December 31, 1936. Under the average salary of the average individual of America they would have to wait 3 years approximately before they would be able to get a bare \$10 under this pauper's dole that is presented.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield in my own time?

Mr. MONAGHAN. If the gentleman will yield me the time, I yield.

Mr. SAMUEL B. HILL. Mr. Chairman, I yield myself one-half minute.

Is the gentleman talking about title I in connection with the back pages of the bill which he has mentioned here?

Mr. MONAGHAN. I am talking about the old-age-pension feature.

Mr. SAMUEL B. HILL. There is no connection between those two parts of the bill and the gentleman ought to know it.

Mr. MONAGHAN. There is with respect to the term "qualified."

Mr. SAMUEL B. HILL. Absolutely no connection at all; and the gentleman is misleading the House and the country by that statement. The gentleman ought to learn what is in the bill before he comes here and proposes to enlighten the House and the country upon it.

Mr. MONAGHAN. The gentleman is wrong if he maintains that the Supreme Court or anyone else will not read this bill in its entirety and interpret it according to the language found therein.

Mr. SAMUEL B. HILL. I say that title I has no connection with what the gentleman is referring to in the last part of the bill—no connection whatever.

Mr. MONAGHAN. I am talking about the old-age-pension feature, and as I read the bill—

Mr. SAMUEL B. HILL. It is not affected by the \$10 or the \$2,000 provision or in any sense at all, by what the gentleman has referred to in the back part of the bill. There is no connection between them at all.

Mr. MONAGHAN. To avoid further argument, I will take the gentleman's word for it. However, under the provision of the bill whereby the amount of money is paid according to the salary, a person will not be qualified who does not have an accumulated salary of more than \$2,000. Therefore, the average citizen will not qualify under this law or be entitled to a pension until 3 or 4 years hence.

In addition to this, I may point out the fact that this bill fails because it is dependent for its success largely upon the States that have so miserably failed in the past to cope with this great problem of old-age pension and security. To its great credit, that outstanding member of that organization that has done such splendid work to promote this great cause, the Fraternal Order of Eagles, Lester Loble, of my State, was the author of the first old-age-pension law in America. The State of Montana, therefore, was the first State in the Union to pass an old-age-pension law. That old-age-pension law is one of the most liberal in the country; and yet when I drove around the State of Montana last summer, I was met time after time by aged couples who came to me with tears in their eyes—people who had built up industry, who had pioneered this country, who had gone out and developed the great West and had the courage to do it—telling me that the county commissioners of their particular county had conferred upon them a draft for a mere \$10 or \$6 or \$5 upon which they expected them to live, and if they could not find themselves able to live upon that sum, then they could return the \$6, the \$5, or the \$10, and the commissioners would see to it that they were taken to the poorhouse.

I say to you, my fellow citizens, that the poorhouse is no place for a proud American citizen who has given his lifetime to the upbuilding of America, its industry and commerce. [Applause.]

Lloyd George, speaking on this subject, said, "the laboring man who has given health, strength, vigor, and skill to the creation of the wealth from which tax revenues are to be derived, has himself already built up the fund from which the pension is to be paid." [Applause.]

When the sun of life begins to set upon the aged of our country, the benevolent and protective hand of the Government should extend to them a relief from the weary toils of the day and to bring relief, comfort, and security to them when the burdens of life are hardest to bear and when the darkening shadows of approaching night begin to fall across his path to make further toil impossible, to make further travel insecure, a just reward which their toil has merited; an adequate old-age pension, and not a pauper's dole.

I say if you pass this bill today without amending it, without improving it, without giving to the people something substantial, you will be doing a more vain thing than if you did not pass it at all.

Consider the wonderful possibilities of an adequate pension, if we should enact one.

During the last session of Congress, after endless effort, overcoming the opposition of veteran Members of the House and strong forces in the Senate, that outstanding leader from Ohio (Mr. CROSSLER), in poor health at the time, and myself battled against that opposition of House and Senate. I say Senate because we went over there, too, and worked, and were able to get on the statute books a retirement system, which, when put into operation in towns where railroading was the exclusive industry, ended unemployment for the railroad men. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. BOILEAU).

Mr. BOILEAU. Mr. Chairman, I voted for the rule making this bill in order because I felt, and still feel, that this is the time for adequate legislation for social security; and we finally have the opportunity of acknowledging this responsibility and giving social security to the people of the country. It will be a victory for those who have during the years been asking and demanding this type of legislation.

During the consideration of this bill we will have an opportunity to offer amendments to title I, which carries old-age pensions. And during the consideration of this title amendments will be offered which will have for their purpose the liberalizing of its provisions. When these amendments are offered, I shall be pleased to support such amendments as will increase the amounts paid our aged citizens in the form of old-age assistance.

During the past few months a good deal of propaganda has been disseminated throughout the country with reference to the so-called "Townsend revolving old-age pension plan." Those who advocated the Townsend plan have demanded that we as Members of Congress support that plan without amendment. You and I have all received hundreds and thousands of letters and other communications from constituents and from others throughout the country demanding that we adopt the original Townsend plan without any amendment whatsoever. From the beginning, I felt that the original Townsend plan was economically unsound, and have not hesitated to so state on the floor, as I have in newspaper releases in my district, and in reply to letters from my constituents. I am glad to see, however, that recently Mr. McGROARTY, the Member who introduced the original Townsend plan in the House, has seen fit to submit a modified Townsend plan, and, in my opinion, the modified plan does away with many of the objectionable features of the original plan.

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

Mr. BOILEAU. In a few moments if I have the time. This modified plan, as I understand it, provides that pensions shall be paid in amounts not in excess of \$200 a month, but you and I, as Members of this House, and everyone else who

has gone into the provisions of that bill and made a study of it, know very well that there will not be a sufficient amount of money provided under the provisions of that bill to pay pensions in excess of \$50 a month. If that be true, as I believe even those who support the McGroarty bill admit, then why in the name of common sense do not the proponents of that legislation, and those who are speaking throughout the country in favor of the Townsend plan, say so, and stop the propaganda still coming to Congress, even at this late day, asking for the bill which our aged citizens are told will pay them \$200 a month? [Applause.]

I am for old-age pensions and I am willing to vote for a pension plan that would pay \$50 a month. That does not bother me. What is more, I am willing to reduce the age limit in this bill down to 60 years, as the Townsend men demand. I am willing to accept \$50 or even \$60 a month as necessary for a decent living for those of our aged citizens who are unable to provide for themselves. I am willing to reduce the age to 60 years, because I know that people over 60 years of age cannot find jobs in industry; but I as one Member of this House take this occasion to say that I cannot vote for the Townsend plan so long as it contains its present taxing provisions. I cannot vote for a transaction tax because it would "run out of business" every small industry in this country.

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

Mr. BOILEAU. I yield.

Mr. COOPER of Tennessee. I remind the gentleman that Dr. Townsend himself when he appeared before the Committee on Ways and Means on the original bill stated that he intended and desired that Henry Ford and John D. Rockefeller and Morgan and Mellon and men of that type should share under his plan.

Mr. BOILEAU. They sure will share, not only in the pension, but in the benefit they will derive by knocking every small industry out of business—and why do I say that? This transaction tax would be levied against each and every transaction, and let me give you a few illustrations. Take, for instance, the chain stores. They do not buy from the wholesaler, they buy direct from the manufacturer, and thereby eliminate that one transaction, which is 2 percent. They buy direct from the manufacturer and distribute it to their own stores themselves. They thereby get the advantage of 2 percent over the independent merchant.

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

Mr. BOILEAU. In a moment. Let us take the automobile industry. Take the large manufacturer. He owns his own mine, he does not have to buy the ore, and he owns his own smelters. He transports the ore from his own mine to his own smelter and he avoids paying a tax on that transaction. He takes the steel into his factory. He owns his own timber and he avoids paying a tax on the timber because he owns the timber himself. He takes it to his own sawmills and brings all those materials into his factory without paying a single transaction tax. He does not have to buy these materials, because he operates on a large scale and manufactures his own raw materials. He pays the tax only on the ultimate selling transaction. The independent, the small manufacturer, has to pay the tax on his steel, on his tin, on his wood, on his glass, and rubber, and tires, and all those things, so that he has to pay a pyramided sales tax that will amount in many instances from 12 to 15 percent. The large manufacturer would have that much advantage over the small industry which assembles these products, and the result will be that the small man is put out of business. I yield to the gentleman from Oregon.

Mr. MOTT. The objection the gentleman raises, which is valid in the opinion of everyone, has already been met by an amendment that will be proposed in case the modified McGroarty bill is offered.

Mr. BOILEAU. If the Townsend plan is to be amended as to age and benefits and they are going to accept 65 years and all these other provisions, why talk about the Town-

send plan, why not talk about our plan and get down to brass tacks? [Applause.]

Mr. DINGELL. Mr. Chairman, I call the attention of the gentleman to a statement of Dr. Townsend himself before the Ways and Means Committee. He said:

It has been very obvious to all of us that it would be quite impossible to start pensioning all of the old folks who have attained the age of 60 at one particular time, but it is also very obvious that it will take several years even to register them—a good many months. Now, if we were to start at the age of 75, we will say—

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Wisconsin 2 additional minutes.

Mr. DINGELL. It is obvious to the gentleman, then, according to the statement of Dr. Townsend, that they have abandoned the idea of the 60-year pensionable age and have gone to 75. In this bill we start at 65, which is a reasonable compromise.

Mr. BOILEAU. Now, I want to point out the various obstacles to the Townsend plan.

As far as the State of Wisconsin is concerned, we are largely a dairy State. I received a telegram this morning from one of the large weekly newspapers in my district. It is the largest paper in one of my largest counties. This telegram stated that 90 percent of the people of Wisconsin are in favor of the Townsend plan and that if I did not vote for it at this session I would not have a chance in the next Congress.

Now, I am perfectly willing to accept that challenge. I do not know whether the people of my State are 90 percent in favor of the Townsend plan or not. I presume the author of the telegram must have meant the Townsend plan as it was originally written, because he got in touch with me some time ago and wanted my support of the original plan. He apparently does not know it has been greatly modified. But in my humble judgment, I can go back to my people and explain to them the obnoxious provisions of the Townsend plan and I will rely upon their good judgment to at least not vote against me on that issue. They may vote against me and defeat me for other reasons.

Mr. RANDOLPH. Will the gentleman yield?

Mr. BOILEAU. My time is very limited, but I will yield.

Mr. RANDOLPH. I just want to say that handling it in that way will raise us all in the estimation of the country.

Mr. BOILEAU. Now, this transaction tax will simply mean that the small crossroad cheese factory will be kicked out, because they do not operate on a 2-percent profit. The Kraft concern, for instance, and other large processors and handlers, could operate cheese factories and process the cheese without paying that one transaction tax, which competition will knock every small cheese factory out of the State of Wisconsin. The same thing will happen to our creameries.

In Wisconsin and all over the dairy sections of the country the Atlantic & Pacific Tea Co. have their own condenseries. They would avoid that one transaction tax. If they had a 2-percent differential, they could knock out every condensory in my section. They would have such an advantage over the small, independent milk plant that the independents and cooperatives would be forced out of business.

I submit to you that the provisions of the Townsend bill with this transaction tax would absolutely wipe out all small, independent business. It would tend toward further monopolies, mergers, and combines. It would be the death knell to the small business man of this country, and I for one cannot favor it. It would tend to create more and more chain stores.

The gentleman from Oregon [Mr. Mott] said they were going to offer an amendment to do away with it. How do they propose to raise the money? I would like the gentleman to reply briefly.

Mr. MOTT. The amendment that I suggested to the gentleman, and which will be offered in case the revised McGroarty bill is presented and held germane, would follow

section 2, after line 16, on page 6 of the printed bill, H. R. 7154, which is the section providing for the 2-percent transaction tax, and would read as follows:

Provided, however, That in the case of manufactured articles made by assembling together component parts thereof, such as automobiles, machinery, furniture, etc., the transaction tax herein provided shall be levied upon each of such component parts without regard as to whether the same were made by the manufacturer assembling said parts into such completed manufactured article or whether the same were purchased by said manufacturer from another; and in computing the transaction tax to be levied upon the gross dollar value of the completed assembled article there shall be added to such transaction tax a tax of 2 percent upon the gross dollar value of each component part thereof upon which a transaction tax has not been paid: *And provided further,* That in cases where the manufacturer of an article upon which a transaction tax is payable is also the producer or owner of the raw material from which said article is manufactured, then the transaction tax of 2 percent upon the raw material used in the manufacture of said article shall be added to the transaction tax to be levied upon such manufactured article and shall be paid by the manufacturer thereof.

In my opinion such an amendment would cure the objection the gentleman from Wisconsin was making when I interrupted him.

Mr. BOILEAU. I thank the gentleman very much. That is the multiple sales tax, nevertheless, is it not?

Now, I just want to say in conclusion that if we accept all these amendments—

Mr. MOTT. Perhaps I have not completely answered the whole of the gentleman's last question.

Mr. BOILEAU. I would like to conclude my remarks, as my time has nearly expired.

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

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BOILEAU. The modification referred to by the gentleman from Oregon does not prevent the chain stores, mail-order houses, and the large operators in the dairy industry, and so forth, from having such an advantage over the independent merchant and small handler of such products that will destroy such smaller industries. In conclusion, I wish to say that if we are going to change the amount from \$200 down to \$50, if we are going to change the age limit from 65 to 60 years, if we are going to change the method of raising the money with which to pay the pensions, if we are going to eliminate this multiple sales tax and so completely change the proposal, who in the name of common sense has the nerve to say that it is the Townsend plan and can give any credit to that organization for the approval of the old-age pension plan? [Applause.]

I want to take this opportunity to say that, in my opinion, the one organization that has done more to advance the interest of old-age pensions in this country than all others combined is the Fraternal Order of Eagles, an organization that has been consistently fighting for a program of old-age pensions for many years. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I do not suppose I have to discuss the Townsend plan very much after the gentleman from Wisconsin [Mr. BOILEAU] has left the floor. It was exactly my opinion that the Townsend plan, which will be offered as a substitute, should be voted down.

Since I have sat here and listened to the colloquy and the questions and answers by my colleagues, no one has discussed the other proposed plan which will be offered as a substitute, which is the Lundeen bill.

I want to discuss the Lundeen bill briefly, and what I said over the air about this bill on March 20, 1935, I will say again: That the Lundeen bill goes almost farther than one can imagine. It proposes to take all the money out of the Treasury; whatever is there is going to be taken out. It will require about \$14,000,000,000 to distribute \$10 a week to each unemployed person, with \$3 for each dependent. As though this were not enough, in addition everybody is to be assessed on all income he has over \$5,000. I could almost forgive him for that, but it goes still further: The workers then will take

the money—not the Government, not the Congress, not the President, but the workers—and distribute it in accordance with this plan. Now I see why all these Communists have been around my house for the last year, because I refused to subscribe to this particular plan.

Mr. Chairman, Congress is making history; it is doing something for the aged; and you and I know that when old age creeps upon one it does not affect the rich only or the poor only; it affects everybody, and God knows what a great thing it would be if the American Congress would pass an honest-to-goodness old-age-security plan and a general social-welfare plan. We must be careful what we do, however. There are some amendments that should be added to the present bill, but it seems to me the pending plan, offered by the administration, by the chairman of this committee, is very constructive, very firm, and has at least some background of policy upon which as time goes on we can construct a proper unemployment-insurance plan.

I say to you that all these so-called "plans" which spring up overnight ought to be discarded in one wastebasket. I venture the assertion that if somebody should propose a plan for \$300 a month we would get a tremendous number of letters favoring it. The people do not seem to realize that the money has got to come from somewhere; that we cannot go into the Public Treasury and take out \$14,000,000,000 and distribute it amongst a certain group of people, some of whom do not want to work.

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

Mr. DICKSTEIN. I yield.

Mr. GRANFIELD. I understand the Lundeen unemployment plan would cost the Government \$14,000,000,000 a year.

Mr. DICKSTEIN. Yes.

Mr. GRANFIELD. And the original Townsend plan would cost the Government \$24,000,000,000.

Mr. DICKSTEIN. That is approximately correct.

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

Mr. DICKSTEIN. I yield.

Mr. DUNN of Pennsylvania. Will the gentleman please state the source from which he gets the figures that the Lundeen bill will cost \$14,000,000,000 a year?

Mr. DICKSTEIN. Because it starts at age 18 and considers every able-bodied worker above the age of 18, the farmer, the butcher, the grocer, the errand boy, everybody is included in this plan; and the whole country would be working for the Government.

Mr. DUNN of Pennsylvania. One more statement, if the gentleman will permit. I think the gentleman is mistaken. If the gentleman will read the report he will find that a university professor of New York City maintained it would not cost more than \$6,000,000,000 at the outside.

Mr. DICKSTEIN. My opinion is just as good as the professor's opinion.

Mr. DUNN of Pennsylvania. The pension plan only calls for \$10 per week with an additional \$3 for dependents under a certain age.

Mr. DICKSTEIN. I have gone to the trouble of taking pencil and paper and figuring out how many aged people and how many young people there were, beginning at age 18, and I say to the gentleman from Pennsylvania that it will take more than \$14,000,000,000.

Mr. DUNN of Pennsylvania. The gentleman is mistaken in his figures, however.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a short question?

Mr. DICKSTEIN. I yield.

Mr. MILLARD. I understood the gentleman to say that the Communist Party endorses the Lundeen bill.

Mr. DUNN of Pennsylvania. It is a humanitarian measure. More power to the Communists for endorsing it.

Mr. DICKSTEIN. It is a fact they have endorsed it. I do not say that the gentleman from Minnesota [Mr. LUNDEEN] introduced his bill for any ulterior purpose. He took his action in good faith, but I say to you that this proposed bill, in my opinion, is nothing but an out-and-out communistic

program—that is the Lundeen bill, which seeks to distribute the wealth of the country in one form or another. I say to you that now I can understand why these Communists have paraded around my home and my city with big placards, demanding that we support and vote for the Lundeen bill, because it is going to put everybody over the age of 18 years on Uncle Sam's pay roll.

Mr. DUNN of Pennsylvania. Mr. Chairman, I know the gentleman desires to be very fair; will he yield for a short question?

Mr. DICKSTEIN. I yield.

Mr. DUNN of Pennsylvania. What would the gentleman say should be done to take care of the aged and the unemployed today? How much money does the gentleman think would be needed to take care of them?

Mr. DICKSTEIN. I want the gentleman to know that I will support any social legislation that is reasonable. I will go as far as any man in this House. I believe that an old man or an old woman who has done something for his or her country should be taken care of properly.

Mr. DUNN of Pennsylvania. I agree with the gentleman.

Mr. DICKSTEIN. I say, however, that if we are going to have legislation let it be on a constructive basis. We do not want any communistic platform or principles in the American Government. [Applause.]

Mr. DUNN of Pennsylvania. Does the gentleman believe that the gentleman from Minnesota [Mr. LUNDEEN] had that in mind when he proposed his bill?

Mr. DICKSTEIN. I do not charge that to the gentleman from Minnesota. They sold him a bill of goods when they gave him that bill; and I am surprised, even though I have the highest respect for the Committee on Labor, that that committee should have reported that kind of bill to the House.

Mr. DUNN of Pennsylvania. It is because we are very progressive, very intelligent, and very humane that we reported that bill out.

Mr. DICKSTEIN. But the gentleman and his committee were too "progressive" when they voted out that bill.

Mr. DUNN of Pennsylvania. In connection with anything we do which is humanitarian we are accused of being Communists, but I am glad to be a Communist if it is going to provide adequate old-age pensions and adequate unemployment insurance.

Mr. DICKSTEIN. The gentleman does not have to be a Communist to support old-age pension and old-age security legislation. I am with the gentleman and compliment him for his attitude. He does not have to be a Communist to support such measures, but when he votes out a bill which provides that the workers will distribute the money and we have nothing to do with it and the President has nothing to do with it—the workers going to the Treasury and taking out \$14,000,000,000—I say it is not practical.

Mr. DUNN of Pennsylvania. The Labor Department is the Department which according to the Lundeen bill provides the money. That is in the Lundeen bill.

Mr. DICKSTEIN. I do not yield further.

Mr. Chairman, I will support any social-security bill which will definitely and positively care for the aged and the unemployed.

Not since the days of Woodrow Wilson and that history-making Sixty-third Congress, when so much important legislation was put on our statute books, has there been a Congress which did as much for the people of the United States as the present one. When hundreds of years hence, history of the United States will come to be written in terms of achievement we will have to hearken back to the debate of this floor which has now been conducted for several days to find such constructive and solid achievement of government. Our legislation today is record breaking and the statutes we are enacting today will forever lift the specter of want and depression from the shoulders of the American people. We are providing in short for social security, the security of every man and woman who is gainfully employed to see to it that they are not caught again in the throes of unemployment, and security provided for old age so that when

men and women have passed their prime and are no longer in a position to be gainfully employed, the community should step in and save old age from want. Such in brief are the purposes of the bill, and such in brief are the ideals which this administration wishes to enact into law by way of stabilizing and assuring our people of a fair and honorable living.

Now, as to the means, the bill before the House is particularly commendable because of the fact that it places the burden of providing for social security on the several States rather than the Nation. It will encourage the States in making every liberal provision for old age and unemployment insurance as its finances may allow, and at the same time gives the Federal Government the right to supervise the vestments of the funds to be used in connection with the several features of the new law. The Federal Government is also going to match all of the funds in old-age insurance so that for every dollar a State may contribute in that connection the Federal Government is likewise going to contribute a dollar, with the proviso, however, that at no time shall the Federal Government be obligated to pay more than \$15 per month for any one person. It, therefore, establishes a sort of standard of old-age insurance at the rate of \$30 a month, which, while it may not be sufficient to make an old man live in affluence, nevertheless, it would definitely remove an old man or woman from the rolls of public charity. Personally, I should favor the law to be amended so as to provide for a minimum of \$50 per month for the support of the aged.

The advance of science resulted in large numbers of men and women living to a ripe old age so that the number of people who would be dependent on old-age insurance is likely to grow with the years rather than diminish. It is estimated that in years to come there will be 15,000,000 old people in the United States over the age of 65, although at the present time there are only 7,500,000 men and women in this country who are over 65 years of age. Out of the 7,500,000 of old men and women approximately 1,000,000 are now dependent on public support, the great majority of them being on relief. In order to permit an individual to establish for himself old-age insurance, the Government is going to sell directly to everyone in the United States an annuity which will mature at the age of 65 years and which will enable anyone who wishes to carry his own insurance to do so at cost. The Government has not yet prepared any schedules to show in detail as to how this plan will work out, but undoubtedly this plan will become very popular, and there is no question but that large numbers of people will avail themselves of the opportunity of carrying their own insurance against the vicissitudes of old age. This will, of course, relieve the communities from the burden of caring for old men and women and will supplement to a very large extent the Government's program for social security.

Old-age security is not the only feature of the bill. Unemployment is even more of a curse of modern society than is dependent old age. Some plan of unemployment insurance had therefore to be devised if ours was to be a country where the individual was to live happily and enjoy the blessings of civilization. We must not permit a condition of affairs to arise where large numbers of men and women should find themselves an object of public charity because of their inability to secure employment. In this connection many plans have been proposed and many plans will be brought up on the floor of the House before the final vote is taken on the measure. There are plans which throw the entire burden of unemployment insurance on the State, others throw it upon the employer, and still other plans divide the burden between the employer and the employee. The bill as it stands seeks to impose this tax on the employer only, but each State is free to assess the cost not only on the employer but likewise on the employee, and as it appears from the report of the committee the State of Washington has already created this liability on employer and employee alike.

But no matter how unemployment insurance is to be handled, and irrespective of the method adopted, it should be

conducted on a sound actuarial basis free from any paternalistic form and free from any appeals to public prejudices.

I was always in the front ranks of those who believe that the "laborer is worthy of his hire"; who believe that labor should be adequately paid for its efforts. I believe that wages should be adequate to enable the worker to enjoy his life and to reap the benefit of his toil for himself and his family. I believe that the worker should be adequately compensated, adequately housed, adequately clothed, and adequately taken care of, but I do not believe that anyone should be supported by the Government or should become the ward of our Government.

If pernicious legislation of the type of the Lundeen bill is allowed to prevail, it will create a drain upon the Treasury which will eventually destroy this Government. We cannot live on bounties and we cannot create money out of nothing. This country has achieved its standing in the world through the labor of its masses, and only by labor can we expect to thrive and succeed.

I have always been a sponsor of the interest of the masses and the interest of labor. While a member of the State legislature and a Member of the American Congress, I always sponsored legislation to help, aid, and assist labor, and was always endorsed for election by labor as a legislator, who has the interests of labor at heart, and whose work benefits the toiling masses of our people. I belong to the same class to which my constituents belong, the class which works with brain or brawn, and which earns its living by the sweat of the brow.

I am therefore heartily in favor of this legislation, will support it in every way and feel that the interest of our country lies in the intelligent settlement of the great problem of old age and unemployment, which this bill so intelligently attempts to solve.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I favor the enactment of titles I, IV, V, and VI of this act, covering as they do the provisions for old-age pensions, for maternal and child welfare, and for public health.

They seem to offer a hope of the solution of the problem of relief from that want and distress which eats out the very soul of many thousands, if not millions, of our fellow countrymen annually. In some small measure the provisions of this law should or ought to bring relief to and restore confidence in the body politic, without which there can be no recovery.

Old age, which comes to everyone who does not die prematurely, is a misfortune if no income has been provided with which to alleviate the burdens of the later years of life. It has taken us a long time to realize that there is a need for some safeguard against such misfortune, which no man can wholly eliminate in this world of ours.

While traditionally—and determinedly—opposed to the theory of paternalism in government and perhaps open to the charge of inconsistency, I have come thoroughly to believe that some such provisions as are contained in the titles to which I have above referred should be enacted into law.

I am constrained to admit that in the present emergency it is probably necessary that the Federal Government shall become cooperatively responsible for a contribution toward the payment of old-age pensions. I am still of the opinion that it is a matter of right should be handled by the States as such, though some of the 28 States now having old-age-pension laws, in the present emergency, are not able to carry out the provisions of the law.

My own State of Vermont, at the session of its legislature which adjourned last Friday night, passed an old-age-assistance act by the terms of which assistance is to be given to qualified persons having attained the age of 65 years. It being provided that there be a maximum of \$30 per month per single person, half of which is to be paid by the State and half by the Federal Government. A maximum of \$45 a month is provided for man and wife living together.

The portion of the expense of the act which is to be borne by the State is to be met by the imposition of a head tax of \$1 a year for the present year, and thereafter \$1.75 per year. Payment of this head tax, it is interesting to note, shall be necessary for qualification as a voter, for registration of an automobile, and makes a husband responsible for his wife's head tax.

I regret that the good and the bad, as I see it, are so inseparably joined in this measure. I read the provisions of title II and VIII and III and IX and view with apprehension the result of the enactment of the provisions therein contained. I do not know, and I cannot find anybody who does know, what may be the collateral effects of the proposed unemployment insurance upon the conduct of industry, upon the mobility of labor, upon the regularity of employment, upon wage negotiations and the level of wages, upon costs of production, and upon the element of competition in industry. I cannot find the answer in the hearings before the Committee on Ways and Means on this bill to alleviate the hazards of old age, unemployment, and so forth. However, the experience of the countries that have tried out a similar scheme to that which this measure in those titles would establish has been other than satisfactory or encouraging for us, if I can read and understand the English language. Their experience should give us pause.

Everybody knows that the real price of unemployment to every community is measured by the lost productive capacity of the unemployed. The direct cost of unemployment consists of the cost of maintaining the unemployed, but it is none the less a charge against the individual taxpayer, whether it is met out of Federal or State funds; out of local contributions or by private charity, or from any other source.

It may be that the time has come when unemployment benefits must be held to be a national charge, but the Committee on Economic Security, in making its report to the President, frankly admitted that its recommendations with respect to unemployment compensation are "frankly experimental." The plan suggested by the committee, which is before us in substance, is, according to their own admission, one that will secure the much-needed experience necessary for the development of a more nearly perfect system. They anticipate it will require numerous changes, nevertheless they urge haste and experimentation. Why the necessity for haste? I am opposed to haste and experimentation at the people's expense. I am in favor of taking more time for a more careful study of the situation, and the eventual submission of a more satisfactory plan, which admittedly might later be submitted, if we were not in such a needless hurry to act first only to be sorry afterward.

The only satisfactory cure for unemployment is work, and it is idle to expect that any system of unemployment insurance will operate well or smoothly or satisfactorily, while unemployment remains at such an abnormal level as it has reached in these United States today. Unemployment is an international as well as a national problem. It results from the industrial system under which we live, of which the workers are not the authors, but the victims.

After having studied so serious a problem as this for but a year or two, in this era of experimentation, we are ready once more to experiment at a cost so terrific as to be staggering, if we can but comprehend what the result may be if the plan does not work. Other countries, after scores of years of experimentation and study, have hesitated to do some of the very things it is suggested that we, following inexperienced, theoretical, impractical but enthusiastic economists should blindly do.

In my opinion these provisions do the very things which the President would wish to have us avoid, namely, they disregard the sound and necessary policy for Federal legislation for permanent economic security by attempting to apply it on too ambitious a scale before a more careful and prolonged study of the actual experience of other countries would provide proper guidance for such permanently safe direction of our efforts.

Because the cost may be what it may be and the benefits which are offered for our allurements are so meager, even at

best, I believe as trustees of those whose interests we are sent here to serve, and as representatives of the people we ought to have something to say about legislation, and both comprehend and apprehend the good or evil bound to result from the action we take. Titles II and VIII and III and IX are loaded with dynamite, and I shall vote for the bill containing these features, if I do, with many misgivings. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. McCLELLAN].

Mr. McCLELLAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a resolution adopted by the General Assembly of Arkansas.

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

There was no objection.

Mr. McCLELLAN. Mr. Chairman, the limited time allotted me does not afford an opportunity for a discussion of the various titles of the bill and the provisions therein contained. Therefore I choose to address my remarks and invite your attention to title I, "Grants to States for old-age assistance."

Before expressing my views on this chapter of the bill, I cannot refrain from voicing what I intend as, and trust is, constructive criticism of the measure as a whole. In doing so, I do not impugn the motives or sincerity of purpose of our beloved President, and the leader of my party, nor of the Ways and Means Committee, who, after extensive hearings, reported the bill in its present form.

In this bill we are attempting to legislate on at least six different subjects, either one of which is of such magnitude and importance as to merit and command independent thought, consideration, and action. In my humble judgment the wiser course and policy would be to bring in separate bills for each title and subject treated in this measure. This is an omnibus bill and contains many good features and seeks a worthy objective, but there are also many objectionable provisions that should be eliminated. And notwithstanding several amendments may be adopted, in the final analysis, we shall be compelled to take the bad in order to preserve the good, or defeat it. I regret exceedingly our President and the Ways and Means Committee have deemed it wise to have these various subjects considered in an omnibus bill of this fashion. I am hoping I can support it on final passage, but I shall do so reluctantly and only because I am convinced it is the best that can be done at this session of Congress, and with the hope that it lays the foundation on which we can later build a structure of social and economic security worthy of democracy, and which is so sorely needed in this time of our greatest social and economic distress.

I am greatly interested in the provisions of title I. It is gratifying that the national responsibility and obligation to provide assistance to those of our citizens who, by reason of the infirmities of old age, can no longer earn a living, is being recognized and given legislative sanction. But the indirect way in which it is proposed this recognition shall be given warrants severe criticism. By the terms of this bill we make the obligation of the Federal Government direct to the several States, and in the nature of Federal aid to the States. Whereas the obligation of the Government is direct to every American citizen who comes within the class to be benefited, irrespective of State citizenship. This bill attempts to discharge the national responsibility in an indirect way and this policy is wrong and will result in unjust and harmful discrimination against citizens of the poorer States and favor those of the wealthier States.

This means that some American citizens, 65 years of age and older, will receive \$15 per month out of the Federal Treasury, this by reason of their State citizenship. Whereas other American citizens of the same class and circumstances will be denied this aid because the States in which they happen to reside are unable to raise revenues to match Federal funds. This principle is wrong, inequitable, and is unfair and should be eliminated from this bill.

We may concede, without admitting, for the purpose of this discussion, that there is equal responsibility on the State governments and the Federal Government to provide this relief. If this is true, and the State is unable to meet its obligation in this respect, this does not justify the Federal Government in refusing to discharge its share of the obligation to the individual citizen.

Whether an old-age pension is treated as a gratuity, given solely in the nature of relief and charity, or as compensation merited by reason of loyal citizenship over a period of years, the principle involved is the same. If the Federal Government is going to make a gift to a class of its citizens, it should not give to some and withhold from others. Such gift should not be contingent upon the financial circumstances and ability of the State in which the citizen lives to match dollars for the same purpose with the Federal Government. If any State cannot carry its share of the burden this is all the more reason why the Government should discharge its share of the obligation rather than withhold it. State boundary lines should not be regarded. If it is a gift, the grant should be made, insofar as the Federal Government is concerned, to every citizen alike who qualifies as to age and financial circumstances. If it is considered a debt the Government owes, compensation, payment, or reward for services rendered, the same principle should apply.

My State is unable to meet the responsibility this law imposes, and I am persuaded there are other States that will be unable to raise sufficient revenues to match Federal funds, and thus the citizens of these States are going to be denied equal consideration by the Federal Government in this very worthy and commendable undertaking.

We must remember in this program we are dealing, not with property rights, but with human beings—with life itself, seeking to make it more secure. The purpose of this legislation is, or should be at least, to enable a class of our citizens to have and enjoy as they face the setting sun such comforts of life as humble necessities afford. These benefits should not be offered and made possible to some and withheld and denied others. If our Government is going to make a gift or payment for the benefit of her citizens of a certain age who have no means of support, or pay to them a merited compensation, it should be equitably distributed to this class regardless of their local residence. We must acknowledge that the Government has ascertained its ability and the propriety of paying \$15 per month to this class of her citizens; therefore, justice demands that this blessing be spread upon the table for all and denied to none within this designated class.

The amount of the appropriation, \$49,750,000, carried in this measure is inadequate. There are 7,500,000 persons in the United States 65 years of age and over. In my State there are 75,000 of this age. On this basis Arkansas would receive approximately \$1 out of each hundred of this appropriation, or approximately \$500,000. Of the 75,000 citizens in Arkansas 65 years of age and over, at least one-third, or 25,000—and this is very conservative—can and will qualify for these benefits. A very simple mathematical calculation shows that this \$500,000 would only provide \$20 per year, or \$1.67 per month for each citizen in Arkansas entitled to this aid. Assuming this sum is matched by the State, the State and Federal funds will only provide \$3.33 per month per person. This is wholly inadequate to provide any measure of substantial relief. It would be ample, possibly, to provide for a man and his wife the funds to buy a bottle of liniment for him and a box of headache tablets for her each month. If this be charity, my friends, it is small indeed. If it is compensation, it is too meager to mention.

If this bill is enacted in its present form it will prove a great disappointment to those whom it is designed to aid and assist. It will discriminate against citizens of the poorer States and favor those of the more wealthy. To that extent it is undemocratic, and we should amend this bill—and I trust it will be—so that the national responsibility, here recognized, to this class of our citizens shall be discharged

equitably and without discrimination against any American citizen regardless of his State citizenship.

I sincerely hope we will rise to the occasion and amend this law so that its benefits, although limited, will be denied to none whose age and circumstances qualify them for this assistance. [Applause.]

Mr. Chairman, the following is a copy of House Concurrent Memorial No. 8 of the General Assembly of the State of Arkansas:

House Concurrent Memorial 8

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the General Assembly of the State of Arkansas, respectfully represent that—

Whereas the Congress of the United States of America has now under consideration before the House Ways and Means Committee House Resolution 4120, by Mr. DOUGHTON, of North Carolina, which resolution provides for the payment of Federal pensions to needy and destitute citizens who have reached the age of 65 years; and

Whereas the provisions of this resolution require that the various States of the Union shall make an equal contribution to such pension fund before they, as such States, shall be entitled to the benefits of such old-age pensions; and

Whereas the State of Arkansas, with other States of this Union, are at this time in such financial distress that they are wholly unable to raise any appreciable funds for this great and pressing need, thereby depriving our citizens in sharing the benefits bestowed upon those of other and more favored States, possessed of much greater financial wealth and resources: Now, therefore, be it

Resolved by the House of Representatives of the State of Arkansas (the senate jointly concurring therein), That this assembly petition and memorialize the Congress of the United States of America, now in session at Washington, D. C., to take such action as to amend House Resolution 4120 that this most pressing need and worthy benefit may be received in some degree at least by those States which possess no resources at this time for this most worthy and humane purpose.

Approved March 21, 1935.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, may I request at the outset that I be not interrupted during my remarks. I will be glad to answer any questions when I get through with my main discourse. Let me state, Mr. Chairman, that insofar as the advocacy of old-age pensions and unemployment insurance is concerned, I yield to no man in this House as to a keener desire to serve the needy of this country. As far back as 1922 I have taken an active, energetic interest in the program sponsored by the Fraternal Order of Eagles and I have been of some help to that great organization.

Mr. Chairman, I want to point out at this time that the present administration under the leadership of President Roosevelt has undertaken to take care of the needy people of this country and he is particularly interested in the aged and infirm and underprivileged. He is interested in providing a method guaranteeing the future of those who today are able to purchase for themselves annuities which will be ample to provide for their declining days after they attained the age of 65.

Mr. Chairman, this bill has been under consideration by the Ways and Means Committee for over 10 weeks. We have had every conceivable kind of advice in connection with its possible operation and result and the fair-minded Member of the House will concede that the Ways and Means Committee is as generous toward the wishes of the membership and towards the needs and wishes of our people as is any other committee or any other Member of the House.

The Ways and Means Committee has taken into consideration the possibilities of this far-reaching measure and the ability of this Government at this tragic time to extend itself beyond reasonable limits. This administration has undertaken a broad, general program, adding this measure for social security, such a bill as has never been contemplated before; yet, in spite of that, we are faced today with a clamor for extreme radical legislation that has no basis for claim in this House at this time.

The members of this committee concede that while we would like from the very outset to create a bill that is perfect, it is humanly impossible to do so. We have examined and analyzed the practice and the experience of foreign

countries with respect to similar legislation. We have examined the laws and the practice and whatever experience the respective States may have had with similar legislation, and with all this the committee has wholeheartedly gone into the building up of a bill that will meet the test of time.

It is manifestly clear that under the Doughton bill (H. R. 7260), with the volume of taxes and moneys coming to the Government for ultimate distribution to the needy of this country, billions will have to be collected and disbursed, and we must proceed in a cautious, careful manner.

Let us analyze, for example, whether or not the pension provision, or title I, of this bill is generous or not, at least as a first step in the proper direction. The average monthly relief cost in my State, which is Michigan, amounts to \$30.22 for the average family with dependents, and the average relief cost in the United States of America is \$25.83. Under the terms of this bill, if a State meets the \$15 contribution of the Federal Government, an aged couple without dependents will receive the amount of \$60 monthly from the State and Federal Governments. Roughly speaking, this is twice as much as families with dependents are receiving in my State today, and better than twice and a half the amount of the average over the United States of America. If this is not a generous, a good start, then we cannot appeal to the fairness of the Membership of this House.

My predecessor on the floor stated that the bill is niggardly and that it provides for only \$50,000,000 on the part of the Federal Government, but he failed to take into consideration the fact that this amount is only for the first year. He failed to take into account the fact that the average State will have to enact laws to meet the minimum requirements of this bill, and this will take anywhere from 1 to 2 years, and in some instances, unless the Governor calls a special session of the legislature, it will take even longer, and therefore the entire 48 States will not be drawing upon the Federal Government for their pro rata allowance. However, the bill provides that for the second year and thereafter as much as is necessary to meet the demands of the respective States will be appropriated by the Federal Government.

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

Mr. DINGELL. I yield.

Mr. VINSON of Kentucky. May I suggest to the gentleman that \$125,000,000 was in the original draft, but in the final draft of the bill (H. R. 7260) the committee allowed a sum sufficient to meet all demands of the States.

Mr. DINGELL. That is correct.

Mr. VINSON of Kentucky. And may I further say that this \$50,000,000 for title 1 is on a 50-50 basis, which means \$100,000,000 for old-age pensions in the first year. This sum is three and a third times the amount of money now being expended for old-age pensions in the 48 States.

Mr. DINGELL. I thank the gentleman from Kentucky.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a question in that connection?

Mr. DINGELL. I yield.

Mr. MARCANTONIO. Will the gentleman explain why the committee felt it was necessary to have a means test under title I? Does the gentleman think that is necessary?

Mr. VINSON of Kentucky. If the gentleman will permit, there is no Federal test. It is left wide open to the legislatures of the State to determine who is without subsistence and who needs pensions in order to have a suitable subsistence.

Mr. MARCANTONIO. So it is the opinion of the committee that this legislation by no means imposes on the States the necessity of requiring a means test?

Mr. VINSON of Kentucky. The legislature will set forth certain requirements, but there is no means test so far as the Congress is concerned. It is left open to the States to determine who should have the benefit of the measure.

Mr. DINGELL. That is correct.

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

Mr. DINGELL. I yield to the gentleman from New Jersey.

Mr. KENNEY. The gentleman stated that the pension systems of foreign countries were considered by the Ways and Means Committee.

Mr. DINGELL. Yes.

Mr. KENNEY. Did the committee consider the system in vogue in the countries of Norway and Sweden?

Mr. DINGELL. I could not say as to the Norwegian and Swedish systems, but the experience of European governments, as a whole, has been rather unsatisfactory and did not give the committee any encouragement. In the final analysis, as a whole, the pension schemes and plans in the European countries have fallen down.

Mr. KENNEY. The gentleman does not mean to say that the Norwegian plan has fallen down?

Mr. DINGELL. I am speaking of European systems as a whole. I am not singling out the Norwegian system at all.

I may say to the gentleman that so far as the work of the committee in connection with this legislation is concerned, we are taking into consideration and covering more territory and undertaking to take care of more people in a more generous way than any other similar plan that was ever advanced, at less cost to the citizens of this country than in any similar instance in the world.

Mr. KENNEY. I realize that, but I do not think the committee has gone the whole way as it could and as it should.

Mr. DINGELL. It is entirely possible that the committee, in its humanly deficient way, would probably fall short in examining everything in the most detailed manner.

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

Mr. DINGELL. I yield.

Mr. RANDOLPH. I agree with the gentleman from Michigan, who is a member of the committee, and compliment the committee on its splendid work, and I only wish to call the attention of the gentleman to the fact that the Denmark system of old-age pensions has worked successfully.

Mr. DINGELL. Has it met every test thus far?

Mr. VINSON of Kentucky. If the gentleman will permit, may I say in this connection, referring to the Denmark system, which the gentleman from West Virginia says has worked so satisfactorily, that it is on a noncontributory basis, and that for men the maximum monthly pension is \$9 to \$15.17; for women from \$8.42 to \$14.33; for married couples, both over the age of 65, from \$13.42 to \$22.50. This is the maximum monthly pension, with exchange at par, and I may say to the gentleman from West Virginia [Mr. RANDOLPH] that my friend from Michigan is correct in saying that the plan submitted to the House, which we are now considering, for old-age pensions, if enacted, will afford the greatest benefits of any country in the world.

Mr. RANDOLPH. Will the gentleman yield further?

Mr. DINGELL. I yield.

Mr. RANDOLPH. The reason that I spoke about the Denmark plan was because Ruth Bryan Owen, our Minister there, is familiar with it, and she has said that the plan is working well.

Mr. KENNEY. I wish to compliment the Ways and Means Committee on the job they have done in this bill, but I would like to ask the gentleman from Kentucky whether we cannot have a more liberal old-age pension than any other country anywhere in the world?

Mr. DINGELL. Mr. Chairman, I refuse to yield further. Mr. Chairman, I want to call the attention of Members to the fact that this clamoring for liberalizing the payments is something that you can take care of in your own respective States. If you want to pay \$50 per month you can do so, but it seems to me that the Federal Government is liberal enough when it starts the thing along with \$15. The individual State can pay \$35 additional if it chooses.

My personal opinion is that if the Federal Government agreed to meet the individual States in any amount that the State legislatures might determine to pay its worthy aged citizens it would be in perfect order, because there will be a natural ceiling that the legislature will fix, when the demand becomes unreasonable the taxpayer will see to that. The taxpayer and pensioner must both be considered. Therefore, even if the limitation imposed by the Federal

Government were entirely eliminated, a natural ceiling will be found in every State and will be established by the State legislature, governed by the sentiment of the people, particularly by those who are called upon to pay the tax.

My time does not permit further discussion of the provisions of this bill. The people are interested, however, in the various titles of the bill. The case of crippled children, dependent children, widows eligible for pensions, public-health services, and the unsolved question of unemployment insurance which is a recognized curse. We must master this problem regardless of the method employed, and we must do so at the earliest possible date. The specter of unemployment stalks the peace and contentment of our citizens and a solution is mandatory.

However deficient the bill might be, Mr. Chairman, and I allow it is not perfect, it is nevertheless a good start. Future sessions of Congress can in the light of experience correct and liberalize the law. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, in the consideration of this bill the first question which comes to me is, "Why has the United States been the last major country to give serious thought to the consideration of a comprehensive and adequate social-security program?" One must remember that we have gone along under a monetary and industrial system which has not only permitted, but one might say it has encouraged, great "washing outs" of savings, accumulated surplus, and both private and corporate capital structures. These "wash-outs" have occurred each and every time a great economic depression has taken hold of our economic structure, and they have come without the consent, without contributory negligence on the part of our people, and against their thrifty habits. The great mass of our people have been the victims of these great forces over which they had no direct control. I believe that all who think must agree that when the "social security" of a people passes away, they immediately begin to lose faith in the monetary and political structure under which they find themselves at the time. As we have clearly witnessed the last few years, and as we now witness, the people so afflicted revolt against the contemporary monetary, political, and administrative program.

Actual and estimated Federal expenditures for the 3 years 1934, 1935, and 1936 will, no doubt, approach \$24,000,000,000. A very large proportion of this is, of course, for direct and indirect relief. In other words, it will have been spent for momentary "social security"—relief in the form of fats, fabric, and fiber—for a vast number of our people who are direct victims of the most recent "wash-out." Based upon the figures presented on page 15 of the report, we find the estimated Federal income from taxes here proposed will, within the next 15 years, amount to \$15,000,000,000 under title VIII, sections 801 and 804, and under title IX about five and seven-tenths billions, or a total of \$21,033,700,000—just three billions less than our total appropriations estimated for 1934, 1935, and 1936.

Under a plan such as that set forth in this bill there will be some system and pegging down and control and balance of the raising of the funds, the making of the appropriations, and the administration of the expenditures that must necessarily follow. This daily thought of having to provide the funds for the purpose of creating reserves through appropriations, to meet such expenditures hereafter, will be a constant reminder of the suffering that comes through these "wash-outs." It will, in my opinion, have a great tendency to cause us to figure the cost as we go along and thereby bring about a "national spirit", operating as a great force against those other forces which have occurred so often and which have been so ruthless in their attack and in their destruction through the "wash-out" methods too long applied to and against the great mass of our people. These "wash-outs" that have come so consistently and with increasing havoc will surely come again unless we set in motion forces that will prevent them. Our constant thought dwelling on the payment of the taxes here proposed, the

plans whereby the necessary appropriations will be made, and the administration of the funds flowing from those appropriations will, without question, have a wholesome influence on all of our people and thus help us to comprehend more fully the necessity of maintaining "social security" for the masses.

With regret I must acknowledge this bill does not, at the moment, give aid to those who are now in such dire need. This need must be cared for otherwise. It is also evident several years must come and go before the reserve funds, provided out of taxes to be paid, can show their strength in giving relief. As it is necessary to produce before there can be great distribution of wealth to the masses and thereby raising the level of individual possessions, just so is it necessary to give time in which to accumulate reserves out of which distributions may be made. We must not overlook the fact, however, that many of the benefits called for by this bill—such as those to dependent children and for the maternal and child-health services and service for crippled children and child welfare—can begin to operate without delay and on the completion and approval of the plans required to be set into operation by the respective States. The great tragedy which has come to those in our rural communities particularly and in areas specifically affected by the great economic distress of the past 4 years, calls for prompt action and cannot await the creation of reserves through the accumulation of a slowly working tax-collecting system. It is now mandatory on the part of Government to give this service without further delay or else we shall have to pay for it tenfold in the years to come. The great social harm now taking place through the destruction of the physical forces of those people who are the victims and who have not sufficient nourishment and mental and spiritual food that flows to them when life is full and complete, must be arrested.

This bill recognizes the institution of national relief as a permanent one. It recognizes the unemployment problem as one that will never pass away and old-age benefits as no longer in the main attainable by the individual.

One might make the observation that this is a "sorry day" in the life of a nation when opportunity for individual effort and accumulation and preservation of the labors of one's life work is no longer to be had. However, I for one am of the opinion that our method of mass production, specialization, classification, and failure to recognize sound methods of distributing as between worker and capital, the buying power of that which is produced, has brought us to this period in our national life. Certainly that class which we call our "agricultural workers" has not had its share of what was produced. As proof of this statement I only refer to the great agonies which the several Congresses since 1920 have passed through in their attempt to provide some sort of national legislation as would more equitably deal with the farm population. May I also refer to the "Garden of Gethsemane", through which this Congress shall have to pass in further dealing with this very problem. Just so long as these great inequalities exist, just so long will there be a growing need for legislation of the nature here proposed, and so much greater will be the need. I wish to express the hope that in our saner hours and when the pressure of distress is less exacting of our time and energy, we may set about providing means of production, distribution, and exchange which will make a great amount of the Federal relief here proposed entirely unnecessary. This by reason of the fact that the individual may be in position to again return to self-preservation and reliance and dependence in old age as well as in early and middle life. At one time this great country boasted of the existence of that very position. Wherein and how did we lose it? To me that question is very fundamental. Shall we now admit there is no longer such a chance for our people? Have those organic opportunities gone forever? Have we "slipped" in our political, monetary, and legislative performance? Is it now too late to make correction of our bad national habits? Shall we now admit that America no longer offers the oppor-

tunities of the past to the present and those coming generations?

Every Member of this House knows very well our people expect this Congress to enact adequate and fair social legislation, especially insofar as the old people who are now without income are concerned. Personally, I do not believe we should stop with providing only for "old-age benefits." I feel we should take a step toward providing for this unemployment problem. I believe our economic and industrial conditions are such as to make it practical and wise to provide adequate old-age benefits. I think our social, industrial, political, and spiritual situation is such as to demand that we, in this session of Congress, shall do this very thing. Insofar as legislation can make it possible, I am of the opinion we dare not evade this responsibility any longer. Speaking politically, it is my firm belief it will be a sorry day for the present administration and for the one that follows—let it be Democratic or Republican—if this matter of "old-age relief" is not provided for.

There are now too many men in this country between the ages of 55 and 65 who have, through no fault of their own, had taken from them all income and all accumulated surplus of the frugality of prior years. You know the facts as well as I. These people I refer to are not visiting Washington. They are not sending telegrams nor writing their Representatives what to do. They are quietly thinking, debating, praying, and considering in private homes, on the streets of our villages, at our church meetings and in conference with pastor, priest, and physician, these great economic disasters which visit our people too often, leaving them without income, without jobs, homes without a market value and all bringing about the loss of their savings as represented by homes, stocks and bonds, deposits in bank checking and savings accounts, and a situation wherein their children of 25 to 35 years of age cannot secure a job. These men, now dependent, have been expert workmen in factory; have served long arduous hours in the fields. Many of them are skilled in the arts and sciences of commerce, transportation, banking, and the professions. All their lives they have been good, honest, thrifty citizens making up the backbone of our Nation. Now, they will not be content to be discarded and thrown into the scrap heap like an old tin can out of which the food has been taken. They deserve and expect decent treatment. Again their demand will be exercised in the form of the ballot as it was in 1932. There is a rising tide of discontent gathering momentum throughout this Nation. It is growing more bitter every day. The signal flares are breaking out from the most unexpected sources. Our people have been believing, patiently waiting, and expecting the "light", but hope is waning now because of so many promises that have been unfulfilled so long. This Congress dare not scrap social security. It is my opinion our people back home will not take any excuse we may have to offer them next summer and fall when we face them. Why should they? This should not be a partisan question. While engaged in industry and before giving time to matters political, I saw the need of legislation along this line. Today I see a greater need for such legislation and I am in favor of passing it this session of Congress.

Mr. Chairman, H. R. 7260 is filled with good and bad. I think it will be a tragedy if this bill is not in some way made more acceptable and beneficial to our people in whose name it is being passed. In its present form it is my opinion it will bring great disappointment to our people. I am afraid it will impose great hardships on many. I see in it great discrimination.

Title II, creating the old-age reserve account through appropriations derived from taxes to be paid under title VIII, will prove to be one of the most far-reaching portions of the bill, both from the standpoint of taxes assessed and the effects the reserve-fund operations will have. This reserve fund will, in my opinion, play a most significant part in our entire financial and monetary structure, not only that of the Federal Government but of private industry in its mass-production form. I think our banking practices will be vitally

influenced by the operation of this fund. Table IV, page 6 of the report, indicates this reserve will grow to a minimum of say six and three-fourths billions of dollars within the first 10 years. Within 15 years this fund will probably be around \$15,000,000,000, or, say, equivalent to about 70 percent of our national debt at that time. Here I am referring only to the old-age reserve account, and we have yet to deal with the unemployment trust fund.

Now, there is no question but what these open-market operations of the Secretary of the Treasury in the investment of these two funds will play a great part in the banking and monetary policies of this Nation. We are here setting into motion great forces. I might illustrate further by saying that at the present time our banks and large corporations have invested about \$16,000,000,000 in Government securities, or, say, roughly 60 percent of our present outstanding Government bonded indebtedness, including direct and contingent obligations. It has heretofore been the custom for banks and large corporate institutions to largely carry in their portfolios bonds issued by the Government. Of course, in this manner the private individuals, who had money deposited in banks and who held equities in corporate entities through ownership of debentures, bonds, stocks, and insurance reserves, collectively held or rather owned these Government obligations. In that manner the holdings of the individuals on a collective basis were very materially woven into our financial operations and investment structure.

In this bill it is proposed that these bonds be taken from the portfolios of the banks, insurance companies, and large industrial concerns and be concentrated as reserve funds, still belonging, in a way, directly and indirectly, to the millions of our people. Will not this call for a reconstruction of the investment portfolios of first, the banks in a most material manner; secondly, those of large corporations having their idle funds invested in liquid bonds of the Government, and thirdly, the insurance companies? If the banks, deprived of their privilege to engage in the instant purchase and sale of Government bonds (by reason of a greater proportion of the outstanding bonds being absorbed through the investment of the reserve funds), must enter the general bond market it appears to me there will develop great competition as between banks, insurance companies, and large corporations (all seeking a somewhat liquid investment for their inactive deposits, premium reserves, and idle surplus) for the high class or triple A bonds of industrials and other units of government. It is also interesting to study the forces that are likely to develop as between the open-market operation of banks, large corporations, and insurance companies on the one hand versus the operations of the Secretary of the Treasury dealing in the purchase and sale of Federal obligations and the open-market operations of the Federal Reserve Board and System along the lines set forth in the proposed Steagall bank bill. Briefly, any plan which calls for removing from the open market the obligations of the Federal Government is so far reaching as to command our keenest thoughts in an attempted analysis of its consequences.

Mr. SAMUEL B. HILL. Mr. Chairman, does the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. SAMUEL B. HILL. Does the gentleman object to the policy of gradually withdrawing these Government bonds from private holdings and placing them in this reserve so that to that extent the tax exemptions will be withdrawn from these private holdings?

Mr. CRAWFORD. I am not equipped to say that I object to that withdrawal. The thing I point out is the staggering influence the operation of this reserve fund will have upon our interior monetary and financial structure as it has been developed in this Nation.

Mr. SAMUEL B. HILL. But it is a gradual operation, the gentleman understands.

Mr. CRAWFORD. Yes.

Mr. SAMUEL B. HILL. It did not happen over night.

Mr. CRAWFORD. Understand that.

Mr. VINSON of Georgia. And the effect of it is to take the interest now paid upon the governmental securities and

put that in the reserve account to be compounded and compounded for the increment of the reserve account.

Mr. CRAWFORD. I understand that; but the influence and effect is there just the same. We have built a bank structure today where every so-called "liquid bank" in the United States has placed the deposits which the gentleman and I and the other people have in those banks in Government bonds, and now we propose a situation which pulls those out of the investment structure of the Nation and concentrates them in the hands of the Secretary of the Treasury.

If I read title II correctly, there will have to be maintained an individual "case history" with each and every employee who contributes and who may be a recipient of the benefits of the old-age-benefit payments that are to be accumulated and distributed. Thus we can visualize millions and tens of millions of "cases" and a bureau personneled for the carrying out of the details involved. Title VIII, providing for the taxing of employees on full salary up to \$3,000, while those drawing more than this amount are taxed on \$3,000, only will appear to many as discrimination and unfair. It may be agreed the class which receives under \$3,000 are more likely to need aid to tide over than those in a higher income class, except in times of great economic disaster—then I would assume they are about equal in actual need. The employer deposits 3 percent on same class and amount of wages as the employee pays his 3 percent on. The worker may, theoretically, receive back 3½ percent of the total taxed wages, or the wages on which tax was paid, or it may be paid to his estate if he is deceased. It appears possible for one to receive benefits who never paid a tax. Who knows what the Supreme Court may say about this?

Titles IV, V, and VI are all so much needed today that no voice of protest should be raised against any of them. The grants to States for dependent children is to be commended. Many years ago some of our fraternal orders recognized this great need and have gone out and given relief, without any preference to race, creed, or color. This problem has now grown so large it is one which commands the most serious attention of the Federal Government.

In rural areas and in those areas suffering from severe economic distress, the women are today without hospitalization. Throughout the farming areas particularly those hard-working and constructive fine mothers are in such great need of that provision set forth in title V for maternal and child-health service. I only hope that if the amount herein provided proves insufficient Congress in the future will take the necessary steps to meet this problem squarely as it should be met. We have now too long delayed this very necessary assistance.

Services for crippled and underprivileged children justifies itself without any comment. How this matter has been so long overlooked and uncared for is a question which should make us glad of the opportunity to take the necessary steps at this time. One only needs to come in contact with a home which is unable to provide any means of relief for a little child who has been stricken with paralysis to appreciate what this will mean to those homes so darkened with the suffering that follows such a catastrophe.

The ravages against our people as a direct consequence of the most recent great "wash-out" of their savings, income, and employment has brought squarely before us the great need for a national health service. Throughout the land we have millions of underfed, malnourished children growing up without that medical care so very necessary in childhood and youth if we are to have strong bodies when we mature into manhood and womanhood. The tragedy is before us. This is one way to meet the issue at this moment. This service should be made available by the States and the Federal Government quickly. We have, as a matter of fact, too long delayed this provision.

Section 602 (c) gives great power into the hands of the Surgeon General. I only hope that in the preparation of his rules and regulations and the administration thereof, great care will be taken that none of the agencies of medical relief and certain professions which are of great benefit and

entirely acceptable to our people will be discriminated against.

In the light of all the available information, it might be well to ask, Are we not now in normal times?

What proof is there we shall soon return to the high productivity of the 1923-29 period? Under world conditions as we know them today, what is normal? If we will give up our philosophy and practice of "the economy of scarcity" perhaps this question will answer itself.

I do believe that in some cases small operators will reduce the number of people in their employ to the end they may come under the "10 or more" employees on the pay roll. That will be a natural evasion, or rather avoidance, of the tax herein imposed. Regardless of whatever tax law may be designed, we find both evasions and avoidance of the tax. To this extent, unemployment will be increased. I think we all must admit this. Furthermore, where a small operator doing a similar business alongside another, and who is employing only 9 helpers while his competitor has a staff of, say, 11 or 12 helpers, will have somewhat of an advantage insofar as the incidence of the tax in section 901 is concerned. If the tax is to be a graduated one insofar as the number of employees are concerned, a situation of this kind cannot be helped. Any tax law that may be designed will have inequalities therein.

The situation in this respect is not, however, nearly so serious to me as that wherein the tax becomes assessed against an operation which runs, say, 80-percent direct labor cost versus one which runs only 20-percent direct labor cost. I believe it can be generally stated that a product carrying direct costs of 80-percent labor and 20-percent material generally sells on a much lower margin of profit mark-up than one which consists of 20-percent direct labor and 80-percent material. If this observation be true, it appears the first processor will be paying a 3-percent (more or less, depending upon the terms of the State law) pay-roll tax on 80 percent of his cost with a much lower margin of profit than does the operator who pays a 3-percent tax on only 20 percent of his cost with a higher margin of profit to work on. (Rough steel or iron castings might be used to illustrate the former, and machine tools or precision tools the latter.)

There is one phase of this proposed legislation which I cannot refrain from commenting on, and it is that wherein the farmer is exempt from paying an excise tax on his labor pay roll. He now has no way to control either his production or the price at which it sells. His costs are almost entirely that of labor. To tax him on this bill would add to his already impossible burden. For 15 years he has valiantly fought against the combination of forces working against him. His overhead burden is too great for him to carry and by the thousands he stands before his home watching the auctioneer and the sheriff "close him out", and in this manner the great "washing-out process", which started years ago, continues on its rampage. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. PFEIFER].

Mr. PFEIFER. Mr. Chairman and members of the Committee, the President, seeing the growth of discouragement and unemployment among the people, the dole having proved a failure, suggested legislation on social security which was read by the Clerk of this House at the beginning of this session. The object of this legislation was to provide ways and means for the welfare of the unemployed, old age, direct relief of the indigent sick, hospitalization, crippled children, maternity, and so forth.

Let us turn back to the year 1918, when the United States entered the World War. Do you not recall the active part the hospitals played in relieving the burden of the Government and Government hospitals? It was then a case of the Government appealing to the hospitals, now it is a case of the hospitals appealing to the Government.

In view of this, I would like to appeal to all Members of the House in reference to this legislation insofar as it concerns hospitals and the part which they are now being forced to play in this period of national reconstruction due to the depression. Permit me at this time, too, to call your

attention to title IV of the bill referring to the social-insurance board.

The primary factor in working out a plan which would benefit hospitals throughout the country would be the securing of facts as to the financial status of the majority of hospitals which serve their respective communities.

The leading medical societies of the country and the American Medical Association embracing in its membership some 100,000 of the physicians of the United States, have as their primary considerations the welfare of the people, the preservation of their health and their care in sickness, the advancement of medical science, the improvement of medical care, and the provision of adequate medical service to all the people. These physicians are the only body in the United States qualified by experience and training to guide and suitably control plans for the provision of medical care. I deplore and protest those sections of the bill which place in the Children's Bureau of the Department of Labor the responsibility for the administration of funds for these purposes. I also condemn as pernicious that section of the bill which creates a social-insurance board without specification of the character of its personnel to administer functions essentially medical in character and demanding technical knowledge not available to those without medical training. The doctors, therefore, should not only have a voice in the making of such a plan but also a voice in carrying out the said plan.

This subject is worthy of your intelligent and sympathetic consideration, as it affects so many of our people today. Due to the decrease in employment and the increased number of those on relief, who, when sick, seek free services in our hospitals, in many instances treatment being not only of an emergency type but sometimes of many weeks' duration. All of which adds greatly to the burden which the charitable hospitals scattered throughout these United States are now being forced to bear without any aid whatsoever from the Federal Government.

Hospitals found their pay patients disappearing and their charity patients increasing at a rate that threatens financial destruction.

This Government has appropriated and spent billions of dollars for home and work relief for the unemployed, but it as yet has not taken into consideration the sick men, women, and children who are in need of hospital care. The Government forgets all about them, and these unfortunates must look to private charity for mercy.

The charitable hospitals, in good times, find it impossible to balance their budgets, even after resorting to drastic economic measures, and never at the expense of the comfort and welfare of the patient. None of our institutions which depend upon public generosity for their maintenance are feeling the depression so much as the charitable hospitals. The majority of hospitals which have been ever ready to render aid and comfort to the indigent sick will be forced, due to lack of financial aid, to either curtail their services or close their doors if the Government does not step forward and provide some means in this bill to take care of this serious situation.

A majority of the people of this country believe that the charitable institutions are money-making plants and earnestly believe that the doctors working therein receive enormous salaries; but the truth is, as this great body knows, that these hospitals are charitable institutions and the doctors working therein receive no salaries and the help less than those on relief. Most of us fail to realize that these hospitals have to pay the same rate for gas, electricity, telephone, and so forth, as any other commercial or manufacturing business who can charge the cost to overhead; but not so with the hospital. Why, of course, they pay the butcher, the baker, the coal man, and every other man, plus the harsh injustice which is being done them by the collection of the process tax under the A. A. A. legislation, which has been estimated, imposes an additional burden upon the hospitals of millions of dollars per year. I do not think it was the intent of the legislature to do this; nevertheless, it is so interpreted by the Bureau of Internal Revenue. Thus, to my

way of thinking, they are taking advantage of taxing these charitable hospitals which are taking care of the needy sick in order that they may take care of the unemployed or needy well.

These charitable institutions have their backs up against the wall. Endowment funds disappearing, contributions few in number and amounts, private patients rapidly dwindling, free patients increasing in number both in the hospitals and out-patient departments, causing deficits which in one hospital in my State amounted to \$215,000 in 1933. This situation which exists in my State exists in many others as well.

Mr. Chairman, permit me to read to this House clippings from newspapers in reference to this situation:

[From the Washington Times, Dec. 22, 1934]

The need for more hospitals has long been urged by health authorities. Whole sections in the South and sparsely settled Northwest and Southwest lack hospitals of the most meager sort. It is said that between 300 and 500 communities are without hospitals. The suggested \$10,000,000 building fund would add at least 20,000 beds to the total in the Nation's hospitals.

[From the Washington Times, Feb. 14, 1935]

Increase in the number of applications for hospitals and dispensary care in January over December was reported today by Dr. R. F. Tobin, permit officer of the Board of Public Welfare.

There were 1,552 applications for hospital care last month, compared with 1,305 in December; 983 applications for dispensary care, compared with 655 in December; 41 applications for transportation of indigent persons, as against 34; 441 ambulance calls, as against 377; and 1,160 visits by physicians to the unemployed, as against 976 in December. Dr. Tobin reported that admissions to practically all of the hospitals supervised by the Board of Public Welfare increased.

[From the American College of Surgeons; letter from E. W. Williamson, M. D., assistant director of hospital activities, Mar. 13, 1935]

There are approximately 6,500 hospitals in the United States, of which 1,776 are operated by the Government; 1, e., Federal, State, county, city, and city and county. The American College of Surgeons surveyed 3,538 hospitals in 1934, of which 2,480 were approved. The capacity of the approximate 6,500 hospitals in the United States is given as 1,027,046, of which 694,473 are in Government hospitals.

Demands on the general hospitals for the care of charity cases is generally conceded to be increased from 10 to 50 percent. The total cost of maintaining voluntary hospitals in 1934 is estimated to be \$475,000,000, while the revenue from patients was \$215,000,000, and the income from philanthropy, including endowments, community chests, and public contributions, was \$195,000,000. This leaves a deficit of \$65,000,000 in voluntary hospitals for the year 1934.

As to out-patient service, the last hospital report of the American Medical Association states that in 1927, 13,804,566 patients were admitted to out-patient departments, while in 1933, 32,822,077 patients were admitted, an increase of 19,017,511.

[From the Washington Evening Star, Apr. 5, 1935, by the Associated Press, Cleveland]

One out of every 17 persons in the United States will go to a hospital in 1935, and many of the hospitals are worried where to find the funds to care for them adequately.

This was brought out at the opening session of a sectional meeting of the American College of Surgeons here yesterday. The 1935 estimate is based on the 1934 actual count, just finished. This shows 7,147,416 patients, 1,079,510 beds, and an average hospital stay of 14 days.

Half the beds, college authorities stated, are in tax-supported hospitals, but two-thirds of the hospitals are "voluntary", and to these latter go seven times as many patients as to the Government-supported institutions.

It is these "voluntary" hospitals, nonprofit making, where the bulk of the patients go, that face the financial dilemma. About 400 of them have closed in the past 5 years, against about a dozen new ones opening.

The patients who pay for services have decreased. Those asking charity treatment have increased. Dividends from endowments have dropped.

Voluntary hospitals have been unable to get Federal relief funds to aid in caring for persons who are on relief and who enter hospitals as charity cases, it was stated.

[From the Saturday Evening Post, Mar. 16, 1935]

None of our public institutions which look to the generosity of the public for their maintenance are feeling the pinch of depression more sharply than our hospitals. Many of them are compelled to operate upon a skeleton basis at a time when the demand for their services is most insistent. Many of them find it impos-

sible to balance their budgets, even after enforcing these most drastic economies.

The reasons for present conditions are not far to seek. Income from endowment funds has been sharply cut. Gifts from regular contributions have fallen off. The number of private-room patients has steadily dwindled. While income has thus been reduced, outgo has often been unavoidably increased. As the number of pay patients has fallen off, the proportion of free patients has steadily mounted.

The public is always quick and bitter in its denunciation of institutions which turn away suffering and penniless patients; but hospitals are like their critics, in that they have to pay butcher, grocer, and coal dealer, whether they are breaking even or not. Well-managed institutions do not like to close their doors in the face of suffering humanity, but they are confronted by the same stern necessities with which the rest of us have to cope.

Persons unfamiliar with hospital management often expect more from these institutions than they can possibly render. So great is the free service they contribute to their communities, and so widely has it become expanded in recent years, that the public, for the most part, takes it for granted as a vested right, without asking or even wondering how it is financed or by whom the costs are ultimately paid.

Most of our hospitals deserve well of the public they have so long and so zealously served. The same public should stand behind them in the emergency, which no possible foresight or good management could have averted, and see to it that they are enabled to carry on. This is a serious matter of public safety.

[From the New York Times, Baltimore, Apr. 11, 1935]

For the first time since its founding 46 years ago, the Johns Hopkins Hospital will open an independent appeal for funds on April 24, seeking \$200,000.

Decreases in net income, which had already caused the closing of 100 beds at the institution, made the campaign for funds necessary.

Henry D. Harlan, president of the board of trustees, said today there were only two choices open to the board.

"We could either curtail services still further to prevent continuing deficits", he explained, "or we could appeal to the people of Baltimore, for whom Johns Hopkins founded the hospital, and in whose service the present financial need arises."

"Because further curtailments can be made only at the expense of the sick poor, whose needs today are greater than ever, the second alternative could be our only choice."

There are other clippings, but time does not permit me to quote them.

As a fellow Member of this great body, I have laid the facts before you. As a surgeon, I beg of you to provide some means in this social-security bill which will alleviate the plight of the hospitals. If this is not done, you can rest assured we will be faced with conditions which will be much harder to remedy. [Applause.]

Under the permission granted me to extend my remarks, I submit herewith the following letter:

JANUARY 31, 1935.

HON. JOSEPH L. PFEIFER,

House of Representatives, Washington, D. C.

MY DEAR MR. PFEIFER: Mr. Hopkins has requested me to reply to your letters of January 26 and 28, 1935, transmitting communications received from the superintendents of the Wyckoff Heights Hospital, Brooklyn, N. Y., of St. Catherine's Hospital, Brooklyn, N. Y., and of the Bronx Hospital, Bronx, N. Y., inviting attention to the need of hospitals for Federal aid.

The attention of this office has been called to the fact that many of the hospitals throughout the country are confronted with a difficult situation as a result of existing economic conditions. The problem of saving and maintaining these hospitals is, of course, of serious concern to all of us who are interested in preserving existing facilities for medical care as far as possible in an effort to provide for protection of health, especially in the present emergency. However, much as this administration is in sympathy with those who are seeking aid for these local institutions, it is believed that so far as the administration of funds appropriated for individual relief is concerned, the approach to the solution of the medical-care problem should be made with the needs of the individual primarily in mind, rather than from the standpoint of aiding the hospitals.

The working out of a solution of this whole medical-care problem has been a difficult task because of the relatively expensive character of the service required and the need for preserving a sound relationship between the amount expended for medical care and the total cost of all relief. To undertake to furnish hospital care to individuals on relief throughout the country would entail the expenditure of a sum of money greatly in excess of the amount now allocated to medical relief.

However, serious consideration is being given this problem, and it may be that a plan can be worked out whereby some hospitalization can be provided through the pooling of Federal, State, and local resources, at a cost that will not be prohibitive. What the future medical-relief program will be is problematical in view of the legislation now pending before the Congress. Until the

future scope and character of the medical-relief program are definitely determined, it is considered advisable to conform to the present program for medical care to persons on relief rolls.

Very truly yours,

C. E. WALLER, M. D.,
Medical Director.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the lady from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I know the House realizes the vital importance of keeping industry operating, if the employer is to contribute something to his employees in case of unemployment and if those employees are to receive anything.

I want to read just a paragraph from a letter which I received from a friend of mine, Mr. R. D. Redfern, who is connected with the chamber of commerce in his city in Maine and who has made a very wide study of industrial conditions. He states in part:

You know, of course, that the great Pepperell Mill plant at Biddeford, normally working 4,000 people, is now down to 1,800; with the York Manufacturing Co., in Saco, normally working 3,000, now operating with 800; and that the Saco-Lowell Shops, makers of cotton-mill machinery, are down very much below their normal working force; while the relief rolls of both cities have been increased 50 percent.

The cotton-textile situation and the plight of the cotton mills, both in the North and South, is most tragic. I do not need to tell the Members from the South. They realize the seriousness of the situation just as I do. It is not necessary to tell the cotton-growing farmers and the workers who pick the raw cotton what it means to those 9,000,000 people who gain their livelihood from raw cotton. It is not necessary, Mr. Chairman, to draw to the attention of this House the fact that Soviet Russia intends to export 1,000,000 bales more of cotton than ever before. The Soviet Government is paying her people a bounty, not to decrease production, but to increase it. She is allowing her farmers to sell their cotton at a lower cost abroad. You know what that will do to our cotton market in foreign countries. You know what it will do to your cotton farmers in the South, if the market for raw cotton in this country is killed.

I speak not from my heart alone. It is not a question of the heart, but it is a question of the mind of intelligence. I know you will help me in every respect to keep our market at home and to protect your cotton growers of the South and your textile mills of the South, just as we want to protect our northern mills. It is not a party matter. It is not a sectional question. It is a Nation-wide question. I am as sure as I can possibly be that the President will act to save the greatest basic industry in this country. He cannot do otherwise. [Applause.]

I yield back the balance of my time, Mr. Chairman.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I want to take this opportunity to offer my sincere personal congratulations to the Chairman of the Ways and Means Committee and the members thereof for the painstaking and laborious work they have done in behalf of the measure which if considered in its present form as it is being denounced by those who have spoken today, would have been declared radical a few years ago. You gentlemen are to be congratulated because of the grasp of the legislation as you bring it here before us today to act upon.

Personally I want to say that before the Seventy-fourth Congress convened I gave a statement to newspapers in my district, composed of 15 counties, so that my people would know exactly where I stood in regard to the so-called "fantastic and unworkable Townsend old-age-pension plan."

In doing so I believe I saved myself a great deal of embarrassment a little later, in the avalanche of mail which has come to Members of Congress who did not take a stand when they had an opportunity to do so. If permitted I would like to read a few lines from that statement.

I want no one to be misled as to my exact position on this matter. There is a vital need today for pension legislation to care for the indigent aged, but I am strongly opposed to the plan set

forth by Dr. Townsend, and have so expressed myself in a letter several days ago. I feel that the people of my district and State know of my efforts in behalf of such progressive and needed legislation, and I look forward to joining my colleagues this coming session in waging an unceasing fight for old-age-pension laws that are right and just.

I believe the Ways and Means Committee has brought a piece of legislation to the membership of this House that is right and just and meets many of the requirements of the aged in our country.

I do not believe the aged people in my district approve of any of the plans, in which sentiment runs away with reason, which have been mentioned on the floor of this House in the discussion of the measure as brought forward by the administration and the Ways and Means Committee.

I would like to read just a part of a letter which I received recently from Mrs. Sarah J. Kennedy, a woman about 70 years of age, living at Salem, the town in which I was born. She says this:

I am sure you realize how hard it is for us ordinary folks to accumulate enough money to take care of our declining years. If we could be sure we would have an income it would take away the dread of becoming a burden to our loved ones. I am positive people would live much happier and longer lives.

That is what they are doing in Denmark and these other countries having old-age pensions, and the tables of pay to these persons, I understand, a member of the Ways and Means Committee will place in the Record, where they have at present helpful benefits to those who are aged.

I have another letter which, if I have time, I would like to read in its entirety. It is written by Mr. J. E. Means. He is 85 years of age. His wife joins him in the letter, and she is 80.

I want to quote this language:

I know that you are interested in old-age pensions, but we are interested especially in enactment of old-age pensions at this session of Congress. There are many of us it will not benefit if it is not passed now on account of our old age. My wife and I are 80 and 85 years old, respectively, and both of us are seriously afflicted. If we derive any benefit from the pension it would have to come soon.

He then goes on to give the reasons why we should have, not an unworkable old-age-pension scheme, but something that can actually be enacted into law at this session of Congress, as the President of the United States has asked us to do.

The State of West Virginia, I may say, is ready as one Commonwealth to come along and provide an adequate pension to match that of the Federal Government.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. RANDOLPH. Mr. Chairman, I shall read just a paragraph or two from a member of the State Senate of West Virginia, Mr. J. P. Beacon, who wrote me a letter a day or two ago, in which he said:

If Congress does nothing about this matter before it adjourns, the members of the West Virginia Legislature who are interested in the old-age pension in West Virginia will find it hard to convince our old friends that the Democrats have given them a new deal.

You can, I believe, count on this State's cooperation in working out some plan to provide funds to meet Federal demands. I for one pledge my whole-hearted support in a program for State's compliance in the West Virginia Senate, which will provide an adequate old-age pension in this State.

Ladies and gentlemen of the Congress, let us not forget our obligation to those poor old persons who fear the poor-house more than the average persons feared the business depression. We have passed through the worst, and we now have it behind us; but there are millions of worthy old men and women in this country who now and in the future will face a real cause of fear a hundred times greater than the fear of depressed business.

Ingratitude is among the more reprehensible of human qualities!

Let us not be ungrateful for our delivery from the fear of poverty, and let us demonstrate our gratitude for this great blessing by helping to provide protection to those who are not in position to provide it for themselves.

There is plenty in this world for all of us. We cannot take anything with us when we cross the Great Divide. Moreover, the riches which most people accumulate come as the result of some form of cooperation from others. It is a great blessing to possess riches, but it is a greater blessing to possess, also, a heart that is willing to use riches in behalf of those who are helpless. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. GRANFIELD].

Mr. GRANFIELD. Mr. Chairman, by reason of the breakdown a few years ago in our economic system, it became greatly evident that legislation was necessary in order to protect our people from the ravages of unemployment and its devastating consequences. The Democratic Party, in its efforts to provide relief, under the leadership of President Roosevelt, formulated a program of social security which is being considered by the House today.

The social-security bill, which is before us, provides for the general welfare of our people 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, and for other purposes.

I am inclined to the belief expressed by the minority of the Committee on Ways and Means that this bill does not go far enough in making provision for those classes of our people affected by the legislation. I favor a system of old-age assistance which will furnish a more adequate security, and one that will encourage all the States of our Union to adopt an old-age pension system.

Under the terms of the bill now under consideration the Federal Government makes a monthly contribution of only \$15 to those persons who meet certain legal requirements and who have reached the age of 65 years. The Federal contribution of \$15 a month is positively insufficient. It provides a grudging and niggardly security against the trials and tribulations of old age. A Federal contribution of \$15, matched with a State contribution of \$15, fails absolutely to provide a proper subsistence. It is hardly necessary for me to go into the daily items of expense necessary to maintain a proper standard of living on the part of any individual, whether old or young. When one considers the items of food, of clothing, and of rent, and of fuel, it is impossible for the aged in our country to subsist in a decent manner on \$30 a month. I hold the opinion that it is the duty and responsibility of our Government to provide not only a bare subsistence for this class of our people but that it is an obligation of our Government to furnish them with those little comforts which will make life worth living. I am persuaded to the conviction, after studying this problem for many years, that the contribution on the part of the Federal Government should be \$30 a month, and that this contribution should be matched by each State which accepts the provisions of this bill, so that the old people of our country over 60 years of age, instead of 65 years of age, will be the recipients of \$60 per month. On this sum, and only on this sum, can the aged in our country live with the peace and contentment that we hope to give them by the enactment of this legislation.

Massachusetts, always a leader in civilization's progress in America, has been foremost among the States of our Union in legislation for the social and economic advancement of our people. Under the present pension system in my Commonwealth, the average monthly pension paid is \$24.35. This assistance at present is so bound up with red tape, and legal restrictions that many times the purpose of the law is defeated.

I can never be unmindful of the generosity of the people who for years resided in the most humble section of my district, known as "the ward" in Springfield, Mass., who early in my public career honored me with the right to represent them in the general court of Massachusetts. They, like many others, were the real builders of this Nation. They

were the men and women who left their homes early in the morning to go into the factories and shops, returning home late at night, after a hard day's work. Although these people, with millions of others in America, worked hard and steadily for many years, they are today, through no fault of their own, dependent upon public charity. They are entitled to a better reward for honest and faithful toil. I realized then, as I do now, the necessity of legislation of the character of that which we are considering today.

I am no new convert to the movement of social security. As a member of the State legislature in 1917, with other of my Democratic colleagues, I urged and voted for the enactment of a system of old-age pension. Very few votes were cast for this legislation at that time. When the time-worn arguments were advanced against such a legislative innovation, some of us who sponsored this old-age-pension system for Massachusetts were characterized as Socialists. We were told that to provide such a system of security meant the disappearance of the virtues of thrift and independence, and that our Commonwealth would be taking a step backward instead of forward. However, the contest for social and economic advancement continued, and finally, several years ago, Massachusetts adopted a system of old-age security.

We know now, after years of suffering and hardship resulting from unemployment, that the time to have provided security for the aged was years ago. I do not intend, with the knowledge and experience that I have gained over the past 20 years, to subscribe to legislation that fails to meet adequately and properly the responsibility of the Government toward its aged.

I cannot forego the opportunity of paying my respects to the various plans which have been submitted to the Congress for consideration. Panaceas of every description have been urged upon the Membership of this House by many well-meaning citizens throughout the country. In my district, as in many districts, advocates of the Townsend plan have attempted to force that system of old-age security upon the Government. We have been ridiculed because of our attitude honestly expressed, as to the feasibility of the Townsend plan.

Several months ago, through the medium of the newspapers in Springfield, Mass., I bespoke, very plainly, my attitude on the original Townsend plan. From that day until this moment certain leaders in the movement have attempted to cajole and force me into an advocacy of this plan. Apparently some of them do not know me. I have been criticized and misrepresented before and I have seen leaders come and go. I have always been a firm believer that unless the article for sale is the best, it cannot be sold to Americans in America. Threats of defeat on election day do not scare me. I have been threatened many times by leaders of groups interested in their own selfish advancement, but I have always done my duty as I saw it. Abuse does not alter my course. I have been abused many times for doing my duty, and I can assure certain agitators of the Townsend plan that I will still do my duty to my country and my district as I see it.

The original Townsend plan has already departed to the realm where repose many other wild schemes of recovery. If the original Townsend plan was feasible and practical, it would have had no greater advocate in the Congress than myself. The original plan was abandoned by its promoters because of its unsoundness. It was not offered to the people of this country as a plan of old-age assistance. It was offered as a panacea for the depression. I have read the hearings which were held before the Committee on Ways and Means, and I have read the testimony of Dr. Townsend. I am satisfied, thoroughly so, that he failed absolutely to make out a case for his original plan. His plan of pay, \$200 a month to those that qualified, over 60 years of age, would have caused our Government to spend annually a sum approximating \$20,000,000,000. It would have raised the cost of living so that very few of our people could eat, let alone pay the taxes to support the plan. His original plan if adopted would have forced our great Government into bankruptcy. He contended that this sum of \$20,000,000,000 could

be raised by a transaction tax. It was his theory that by taxing our people the Government could raise the money, and that the forced spending of it would revive industry to such an extent that the people of our Nation would enjoy the greatest prosperity that they had ever known. If his theory could have been put into practice, the way out of the depression would have been as simple as the recitation of the a-b-c's. His philosophy of more taxes and more spending, he contended, was the way out of the depression. His was a new economic philosophy, one that had few advocates, but apparently had many followers. If economic recovery could be attained by having six or seven million people spend \$200 a month, why not have 20,000,000 people spend the same amount in order to accelerate recovery; it simply could not be done. It is regretted that any group, any place in our enlightened America, would attempt to delude and mislead the aged of this Nation. Our old people are not interested in \$200 per month. Their only interest in this life is a safe and comfortable convoy during those years, which are few in number, before they pass to the Great Beyond.

Dr. Townsend, in the abandonment of his original plan, vindicates my statement to the press of Springfield, Mass., several months ago that it was "fantastic" and "absurd." He has sponsored a second plan, and now a third plan, which provides monthly payments ranging from nothing to \$200, based upon a 2-percent transaction tax which he hopes will provide sufficient revenue to pay those over 60 years of age a monthly pension. This plan has his approval and is known as the "revised Townsend plan." I understand it will be considered by the Congress when efforts will be made to substitute the McGroarty bill when this legislation is read under the 5-minute rule. I understand further that certain Townsend agitators in my district and elsewhere continue in their attempts to fool our elderly people into the belief that Dr. Townsend still advocates a \$200 a month pension for those over 60 years of age. This attitude of fooling the aged is indeed cruel and unpardonable.

Under this revised Townsend plan a maximum monthly payment to citizens over 60 years of age will be \$50, and it is generally agreed now that a 2-percent transaction tax, at its best, could only provide \$4,000,000,000 in revenue.

I am one Member of the Congress who is interested in the welfare of our elderly citizens, and I am hopeful that this Congress will make adequate provision for them, giving them the customary comforts of life so that the remaining years of their existence on this earth will be years of contentment.

The other provisions of this bill, relating to child welfare, public health, and unemployment insurance are worthy considerations.

While the provisions with reference to unemployment insurance fail to meet adequately my ideas they are a step in the right direction, and as we move into the years that are ahead, I am confident that by amendment and reform, the provisions relating to this subject will provide more substantial relief for our people.

I have endeavored to clearly state my position on that part of the bill which relates to old-age security. I trust that amendments will be offered when the bill is considered under the 5-minute rule, so that the amount of the Federal contribution will be increased from \$15 a month to \$30 a month, with the proviso that it shall be the duty of each State to provide for its citizens over 60 years of age, an additional \$30 a month. This total of \$60 a month, I believe, can be financed by the Federal and State Governments, and then ample provision will be made for the aged in our country.

I do believe, however, that all the purposes of this bill are praiseworthy, and that our National Government, by this legislation, will provide social relief for millions of our deserving citizens.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now arise.

The motion was agreed to.

Accordingly, the Speaker having resumed the chair, the Committee rose, and Mr. McRUKOLNS, Chairman of the Committee of the Whole House on the state of the Union,

reported that that Committee, having had under consideration the bill H. R. 7260, the social-security bill, had come to no resolution thereon.

SOCIAL-SECURITY BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the general debate on the social-security bill be extended 3 hours, to be equally divided and controlled by the gentleman from Massachusetts [Mr. TREADWAY] and myself, and that in the reading of the bill for amendment the bill shall be read by titles instead of by sections.

Mr. TREADWAY. Mr. Speaker, reserving the right to object—and I do not intend to object—I would like a thorough understanding on the point of reading the bill by titles. I understand that this in no way will interfere with the offering of amendments under any title, that each title is to be read separately, and while under consideration amendments germane can be offered on any section in the individual title. Am I correct in this assumption?

The SPEAKER. The gentleman is entirely correct.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I appreciate the fact that this will not prevent Members from offering amendments, but, of course, with this modification—it would permit the distinguished Chairman of the Ways and Means Committee to move to close debate on any title and unless there is a very liberal allowance made for Members to offer amendments and have time to explain them the House could cut off Members from the opportunity of offering amendments to each of the sections of the bill.

Mr. TREADWAY. Mr. Speaker, as I understand the matter, it would simply necessitate any Member desiring to offer an amendment having his amendment ready. There are several pages in each one of these titles. Having considered this bill for a part of 2 weeks, it does seem to me as though Members could have their amendments ready when we come to the particular title in which they are interested. It is only a question of expedition at the request of the majority. Personally I have no particular interest in whether it is done or not, but I do think that every reservation of protection to the Members is being made under the program as mapped out.

It simply means that the gentleman and others similarly situated to him will have their amendments ready when a title is read. We recognize the fairness of the chairman of the committee and his associates. No one is going to lose any rights by this unanimous-consent request.

Mr. COOPER of Tennessee. I think the gentleman from Wisconsin will agree that the only effect that this will have is to probably limit pro forma amendments to some extent.

Mr. BOILEAU. I would not have any objection if all pro forma amendments were eliminated. As I read this bill, there are 70 sections, and there will be opportunity for 10 minutes debate on each of those amendments. Members will have an opportunity in that way to express their views as we go along.

Mr. DOUGHTON. I may say that there is no disposition at all to interfere with the presentation of amendments or to prevent any Member from offering amendments.

Mr. BOILEAU. If the gentleman will give his assurance that Members who have bona fide amendments to offer will have an opportunity to offer them, I have no disposition to object. I realize that is asking a great deal of the gentleman, and he may want to change his mind in this respect; but, as I said, I have no disposition to object if every Member who has a bona fide amendment to offer may have 5 minutes in which to explain his amendment.

Mr. DOUGHTON. He will have the same time and opportunity that he would have had under the rule as it is

now drawn. There might be so many amendments offered here that if 5 minutes were allowed to each Member it would keep us here until doomsday.

Mr. BOILEAU. There are some sections of the bill which are not considered very controversial. Some Members may have a desire to offer amendments to those particular sections and they would not have the opportunity under this request because the rules provide you cannot close debate until debate has begun. For this reason, there would be an opportunity for a 5-minute speech on every section.

Mr. DOUGHTON. We could not bind ourselves under this rule any more than under the original rule, but there is no disposition or intention to take advantage of anybody.

Mr. BOILEAU. With the gentleman's assurance that every Member will have a reasonable opportunity to offer amendments to the various sections, and particularly those that are controversial, I will not object.

Mr. DOUGHTON. The gentleman will have the same assurance as if the original rule were adopted.

Mr. MICHENER. Mr. Speaker, reserving the right to object, what advantage is to be gained by this procedure if the assurance asked by the gentleman from Wisconsin is given?

Mr. DOUGHTON. We may not gain any. It is the hope that we will be able to expedite the consideration of the bill.

Mr. MICHENER. We would just get through a section that much quicker and before we know it we are on the next section and it is too late to offer amendments to the last section.

Mr. COOPER of Tennessee. As I undertook to observe a few moments ago, the only thing that could be accomplished, as I see it, is to reduce the number of pro forma amendments. I think that is about the only result to be accomplished, and I think that would be desirable.

Mr. TREADWAY. I do not understand from the gentleman that it even prevents pro forma amendments. It would simply limit the number. The Members would not offer so many pro forma amendments perhaps.

Mr. COOPER of Tennessee. It would reduce them to some extent.

Mr. DOUGHTON. It will expedite the consideration of the bill, with due consideration to each and every Member.

Mr. BOILEAU. Is there any way in which we could limit debate to bona fide amendments and exclude pro forma amendments until all bona fide amendments have been considered? I appreciate, of course, what one gentleman might consider a pro forma amendment another gentleman might not so consider.

Mr. VINSON of Kentucky. A pro forma amendment might be used to get time in debate upon a so-called "bona fide" amendment.

Mr. BOILEAU. With the gentleman's assurance, I have no objection.

Mr. DUNN of Pennsylvania. Mr. Speaker, reserving the right to object—to ask the gentleman a question—a Member desiring to substitute another bill will have the opportunity to do so?

Mr. DOUGHTON. Absolutely. There is nothing in this unanimous-consent request that will prevent that.

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

There was no objection.

SOCIAL-SECURITY BILL

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the security bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, the growth of social consciousness in America is not the privilege claimed as due of any one political party, nor is it manifested only in governmental action. It can be traced in the platforms of all the parties, in Presidents' and Governors' messages, in acts of legislatures, in judicial decisions, and in the conduct of municipal affairs.

The cause of this legislation is in striking contrast to these mementos of a day when not even the term "social service" had been coined, for, in its present significance at least, social service and social legislation has been the development of very recent years.

It cannot be denied, to be sure, that in business and in politics we are still individualists, but there is much evidence that even in these fields concern for the common welfare is coming to be a determining influence, while in the field of social legislation there has been within the past few years such expansion and deepening as scarcely has a precedent.

Necessity is said to be the mother of invention. The emergency of depression has developed many and varied plans for the annihilation of depression and the return of prosperity.

Charity in any form has always seemed an abhorrent thing, and it must be so especially to the useful citizen who, through the vagaries of life, finds his old age only a series of disheartening days of dependency upon friends, relatives, or institutions. How much better, more logical, and humane, then, to provide a system on a national scale of retiring our citizens on an old-age-compensation basis? We retire our postal employees, veteran soldiers and sailors, policemen, firemen, teachers, and others. Certainly, to my mind, the rank and file of our citizens, deserve the equal advantages and security in old age which these special groups of citizens enjoy through organization and their willingness to contribute a small share of their earnings to a pension.

Many persons will say that it is the duty of everyone to save for his old age—to lay aside some part of his earnings in stocks and bonds, or in banks, so that he may be assured of enough to live on in his declining years. Others will say that there are institutions for the aged and infirm.

You have only to look around you to see a few of the millions of our citizens who, unfamiliar with the ways of money and finance, saved for years, only to find themselves destitute with the winter of lifetime approaching.

Senator HUEY LONG plans to scatter the wealth by taking from the rich and giving to the poor. He advocates this because the wealth of the Nation is practically \$300,000,000,000, and the greater part of it is owned and controlled by a very small percentage of the total number of people in the country.

If this wealth were liquid and capable of division, the plan would not be quite so fantastic. When it is considered that nine-tenths of this wealth consists of buildings, plants, and machinery and its use made entirely impossible if divided into parts, the impossibility of carrying out the plan seems evident. These plants can serve but one purpose—the production of goods. So far as the whole people are concerned, it matters not whether he who designed this machinery continues to operate it or whether some other man of equal knowledge of business shall take it over.

What does matter is that it shall be so operated as to produce the largest amount of goods possible in order that the comforts of life may be more uniformly distributed among the great mass of people.

In ancient times the laws of the Medes and the Persians were regarded as the unchangeable rule of conduct for the human race. These laws have long been abandoned. But the law of gravitation existed before and since. The law of

supply and demand was then, as well as now, recognized by all intelligent people and in the long run has controlled the activities of all peoples.

The 1930 census showed that there were 6,633,805 persons in the United States aged 65 or over. Of this group, 2,204,967, or 33.2 percent were gainfully employed. Needless to say, that percentage has greatly decreased in the last few years. The depression had begun when the census was taken, but it was not recognized as a major economic depression until some time later. Even the normal lowering of the maximum employment age which has been an accompaniment of the machine, would make for a decrease since 1920 in the percentage of 65-year-old persons who are gainfully employed. To prove this, one needs only to compare present employment figures of this group with those of some 40 years ago. For an instance, 73.1 percent of the men 65 years or over in 1890 were gainfully employed, but in 1930 only 58.3 percent were so employed.

Pension provisions for old age are by no means lacking. Industry began making them as long ago as 30 years. Trade unions and churches have pension systems, too. Some of the States, including New York, have set up funds to replace the old poorhouse system with modernized methods of caring for aged dependents. According to a report last year by the American Association for Social Security, there were then in this country about 100,000 persons receiving public old-age pensions, about 60,000 receiving care in almshouses, and an equal number in benevolent homes for the aged. In addition, about 140,000 persons were receiving industrial pensions, and about 20,000 from trade unions, fraternal societies, and churches. The number of persons receiving retirement pensions from Federal, State, and municipal employees' funds, including teachers, was placed at 100,000. None of these groups included the military pensioners. At the time the association made this report 477,230 old people were on the unemployment-relief rolls and its report stated that hundreds of thousands of aged dependents were being supported by children or other relatives. As to the efficacy of industrial-pension plans, Murray W. Lattimer, of Industrial Relations Counselors, Inc., reported 2 years ago that industrial pension payments at the beginning of 1932 "probably came close to \$100,000,000 per annum." The depression revealed weaknesses in many of the plans and a consequence was the abandonment between 1929 and 1932 of about 10 percent of the industrial pension systems operating in 1929. Moreover, in the case of perhaps 30 percent of the employees still under pension systems in 1932, the benefits had been reduced in various ways from the 1929 scale.

It is not possible in brief scope to present a clear picture of all the ramifications which thus far have made inadequate the existing systems of old-age pensions as the machine increasingly does the work that old but skilled and willing hands formerly did. These few facts, however, help to reveal the size of the task involved.

To finance the cost of old-age benefit in the security plan we are considering, there will be a tax of 2 percent on pay rolls, beginning in 1937. This tax will increase to 6 percent on pay rolls in 1949. The employers and employees will contribute to this in equal amounts.

In the first year this tax is expected to produce \$400,000,000. When the tax increases to 6 percent, the yield is expected to be \$1,250,000,000 annually. These estimates are based on the wages of today, not on the wages and employment of the flush years of prosperity.

Out of these funds compensation would be paid to workers who lose their jobs and to persons who reach the age of 65 years after having been gainfully employed. It is expected that 50 percent of all persons now gainfully employed, or 15,000,000, would derive these benefits.

There are provisions in the plan for other persons who are not accommodated by the above features of it. These provisions will be financed by direct taxes upon the public. The National and State Governments would assess equal amounts upon the taxpayers.

When the system is in full bloom it will raise \$2,082,000,000 every year, based on present employment conditions in the country, as follows:

Unemployment compensation	\$600,000,000
Old-age benefits	1,250,000,000
Old-age assistance	99,500,000
Aid to dependent children	49,500,000
Aid to crippled children, maternal and child health, public health, and child welfare	34,000,000
Cost of administration	49,000,000

The plan contemplates that a revolving fund of \$32,000,000,000—the greatest in all history—will be accumulated in 30 years from the receipts for old-age benefits alone.