

H. R. 6762. A bill for the relief of Claude Blackmon and Lillian Blackmon; to the Committee on Claims.

By Mr. SMITH of Maine:

H. R. 6763. A bill granting a pension to Ada J. Wardwell; to the Committee on Invalid Pensions.

By Mr. SNYDER:

H. R. 6764. A bill granting an increase of pension to Elizabeth Stoughton Getchell; to the Committee on Invalid Pensions.

By Mr. VOORHIS of California:

H. R. 6765. A bill to authorize cancellation of deportation in the case of Ramon Zapien; to the Committee on Immigration and Naturalization.

By Mr. WHITE of Ohio:

H. R. 6766. A bill granting a pension to Bessie Viola Collier; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3582. By Mr. ASHBROOK: Petition of W. C. Freese and 60 others, of Newark, Ohio, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3583. Also, petition of Jennie Huggins and 30 others, of Newark, Ohio, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3584. Also, petition of Laura Cooper and 60 others, of Newark, Ohio, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3585. Also, petition of Albert Kimath and 90 others, of Newark, Ohio, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3586. By Mr. BROWN of Ohio: Petition of George F. Harnman and 59 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3587. Also, petition of F. E. Griffith and 29 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3588. Also, petition of G. M. Baker and 144 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3589. Also, petition of Mr. and Mrs. Frank Mohr and 29 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3590. Also, petition of Melda McNeice and 29 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3591. Also, petition of William Smith and 18 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3592. Also, petition of James R. Remy and 38 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3593. Also, petition of Oscar Myers and 59 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3594. Also, petition of Belle Taylor and 29 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3595. Also, petition of Alaric H. Wren and 29 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3596. Also, petition of Mary L. Berry and 42 others, of Cable, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3597. Also, petition of Harry Wren and 29 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3598. Also, petition of John Stone and 119 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3599. Also, petition of John F. Bird and 119 others, of Springfield, Ohio, favoring House bill 5620, known as the General Welfare Act; to the Committee on Ways and Means.

3600. By Mr. HARTER of New York: Petition of the Labor's Joint Legislative Committee, of Buffalo, N. Y., composed of the American Federation of Labor and the Congress of Industrial Organizations, opposing any amendment to the Wagner Labor Relations Act; to the Committee on Labor.

3601. By Mr. KEOGH: Petition of United Neighborhood of New York, Inc., New York City, concerning curtailment of the National Youth Administration; to the Committee on Appropriations.

3602. Also, petition of Parfumerie Bourjois, New York City, concerning House bill 6577, business privilege tax within the District of Columbia; to the Committee on the District of Columbia.

3603. By Mr. BUCKLEY of New York: Petition of the General Welfare Federation of America, favoring enactment of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3604. By Mr. McKEOUGH: Petitions of Caroline C. Small and 29 others, and Priscilla C. Sayre and 59 others, of Chicago, Ill., urging enactment of the General Welfare Act (H. R. 5620, amended H. R. 11); to the Committee on Ways and Means.

3605. By Mr. MICHAEL J. KENNEDY: Memorial of the Brotherhood of Railroad Trainmen, endorsing the stand taken by President Whitney in opposition to all official reports which temporize with the real problems of the railroad industry, and opposing all legislation designed to facilitate railroad consolidation and mergers; to the Committee on Interstate and Foreign Commerce.

3606. Also, memorial of the New York Typographical Union, No. 6, endorsing Senate bill 591 to empower the United States Housing Authority to authorize the issuance and sale of its obligations not to exceed \$800,000,000 for the purpose of providing decent housing facilities; to the Committee on Banking and Currency.

3607. By Mr. SMITH of West Virginia: Resolution of Local 448, Workers Alliance, Charleston, W. Va., in support of the Casey bill (H. R. 8470); to the Committee on Appropriations.

3608. Also, resolution adopted by Local 79, United Federal Workers of America, Charleston, W. Va.; to the Committee on the Civil Service.

3609. By the SPEAKER: Petition of the San Francisco-Oakland Newspaper Guild, San Francisco, Calif., petitioning consideration of their resolution with reference to Works Progress Administration employment; to the Committee on Ways and Means.

SENATE

FRIDAY, JUNE 9, 1939

The Senate, under the terms of Senate Concurrent Resolution 17, met at 10:30 o'clock a. m.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

God of all wisdom and might, breathe upon this assembled company, the Members of the Senate, the spirit of Thy gracious power as they wait here in Thy presence. May this be a memorable day in the history of our two nations, as human hearts beat in harmony and human hands are clasped in international friendship, pledging fealty and devotion to those high ideals to which our great democracies are dedicated. Make each one of us to feel as never before that in our Nation's Capitol we stand on holy ground; that a holy God inspires us and will through us bestow the beneficent gifts of hospitality upon our royal guests, so radiant in their youthful spirits, as they reveal in two united hearts the sovereign majesty of love; and let the benediction of Thy peace be upon us all, now and forevermore. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar

day Thursday, June 8, 1939, was dispensed with, and the Journal was approved.

CONGRESSIONAL WELCOME TO KING GEORGE VI AND QUEEN ELIZABETH
OF GREAT BRITAIN

Mr. BARKLEY. Mr. President, the senior Senator from Nevada [Mr. PITTMAN], chairman of the Joint Committee on Arrangements and Reception, has a statement to make.

Mr. PITTMAN. Mr. President, Their Majesties the King and Queen of Great Britain will be met at the foot of the central steps in front of the Capitol at 11 o'clock a. m. by the Joint Committee on Arrangements and Reception, and will be escorted into the rotunda, where they will be received by the Vice President of the United States and the Speaker of the House of Representatives. The Vice President and the Speaker of the House will then escort them to the positions which they will occupy during the reception. The Members of the Senate will be presented to Their Majesties by the chairman of the joint committee.

When the Senate leaves its Chamber, the Members of the Senate will proceed through the rotunda to a section which is roped off on the southwest side of the rotunda, the portion nearest to the House. That is for the reason that the Members of the Senate and the House will move to the left after they greet Their Majesties. The Members of the Senate, being first to be presented, will be in the section nearest to the House, and the House Members will be in the section nearest to the Senate side of the rotunda. After the Members of the Senate are presented, they will proceed to the north side of the rotunda; that is, the side nearest the Senate. The House Members will then proceed to the section the Senate had originally occupied, and there the Members of the House will stand until they are presented.

Mr. President, I think that gives a clear idea of the program. Of course there will be no address, except on the part of Their Majesties. There will be six in the receiving line. The committee of the Senate will stand in the front line during the presentation of the Members of the Senate. After the Members of the Senate have been presented, the Senate committee will drop back and the House committee will take their place, and the ceremony will proceed.

There will be no individual introductions whatever, because time will not permit, as only 45 minutes are available for the ceremony. As Senators approach Their Majesties their names will be announced; they will shake hands with the King and Queen without any comment. The formal address is "Your Majesty."

It is planned that the Members of the Senate and of the House of Representatives shall be in their positions at the time when Their Majesties are escorted into the rotunda.

After the Vice President and the Speaker have taken their positions near the door they will receive Their Majesties in the rotunda. The senior Senator from Idaho [Mr. BORAH], being the senior Member of the Senate, will lead the Senate in the presentation of the Members to Their Majesties.

At 10 o'clock and 40 minutes a. m., the Committee on Arrangements and Reception on the part of the Senate, consisting of Hon. KEY PITTMAN, of Nevada, chairman of the joint committee; Hon. ALBEN W. BARKLEY, of Kentucky; and Hon. CHARLES L. McNARY, of Oregon, withdrew from the Chamber and proceeded to the steps leading to the main entrance on the east front of the Capitol, where they joined the committee on the part of the House of Representatives, consisting of Hon. SOL BLOOM, of New York; Hon. SAM RAYBURN, of Texas; and Hon. JOSEPH W. MARTIN, Jr., of Massachusetts, and received Their Majesties, who were escorted into the rotunda in the following order:

On the left of the King, Senator PITTMAN;

On the right of the King, the Queen;

On the right of the Queen, Representative BLOOM.

Immediately following Their Majesties were Senators BARKLEY and McNARY and Representatives RAYBURN and MARTIN.

The Right Honorable William Lyon Mackenzie King, Prime Minister of Canada, Minister in Attendance, was next in

line, followed by the British Ambassador, Sir Ronald Lindsay, and Lady Lindsay, and Their Majesties' entourage.

In the rotunda the reception lines for the Senate and House of Representatives, respectively, were as follows:

SENATE RECEPTION LINE

Senator Pittman.
The King.
The Queen.
The Vice President.
Senator Barkley.
Senator McNary.
Col. Edwin A. Halsey, Secretary of the Senate.
Representative Bloom.
The Right Honorable William Lyon Mackenzie King, Prime Minister of Canada, Minister in Attendance.
Sir Ronald Lindsay.
Lady Lindsay.
Representative Rayburn.
Representative Martin.
Col. Chesley W. Journey, Sergeant at Arms of the Senate.
Col. Kenneth Romney, Sergeant at Arms of the House of Representatives.
Mr. George T. Summerlin.
Lady Nunburnholme.
Mr. Mallet.
Mrs. Mallet.
Col. Piers W. Legh.
Mr. Alan Lascelles.

HOUSE RECEPTION LINE

Representative Bloom.
The King.
The Queen.
The Speaker.
Representative Rayburn.
Representative Martin.
Mr. Lewis Deschler.
Senator Pittman.
The Right Honorable William Lyon Mackenzie King, Prime Minister of Canada, Minister in Attendance.
Sir Ronald Lindsay.
Lady Lindsay.
Senator Barkley.
Senator McNary.
Col. Chesley W. Journey.
Col. Kenneth Romney.
Mr. George T. Summerlin.
Lady Nunburnholme.
Mr. Mallet.
Mrs. Mallet.
Col. Piers W. Legh.
Mr. Alan Lascelles.

The VICE PRESIDENT (at 10 o'clock and 45 minutes, a. m.) Under the terms of the order entered yesterday the Senate stands adjourned until Monday, June 12, 1939, at 12 o'clock meridian.

Thereupon the Members of the Senate, preceded by the Vice President, the Secretary, and the Chaplain proceeded to the rotunda of the Capitol, where, in accordance with the terms of the concurrent resolution (S. Con. Res. 17), in conjunction with the Speaker and Members of the House of Representatives, they welcomed Their Majesties the King and Queen of Great Britain.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 9, 1939

The House met at 10:30 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, who art in heaven; hallowed be Thy name. Thy kingdom come. Thy will be done in earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us;

and lead us not into temptation but deliver us from evil, for Thine is the kingdom and the power and the glory forever and ever. Amen.

The Journal of the proceedings of yesterday was read and approved.

ANNOUNCEMENT

The SPEAKER. The Chair will ask the Clerk to read the following announcement on the part of the Chair.

The Clerk read as follows:

The Chair desires to announce, at the suggestion and request of the Joint Committee on Arrangements, that only Members of the House will be permitted to enter the rotunda.

Under the order adopted by the joint committee, ex-Members of the House and children will not be permitted in the rotunda.

The Chair further desires to suggest that Members refrain from smoking and after their presentation to Their Majesties they take the place provided for them in the rotunda and remain there until Their Majesties leave.

The SPEAKER. The Chair takes the liberty of suggesting that in forming the procession to proceed to the rotunda that, as far as it may be feasible, the older Members of the House—that is, those ranking in seniority of service—form at the head of the line. Of course, it will be very difficult to carry that out, but the older Members will recognize their terms of service. There is no restriction or regulation about that, but that has been suggested on the part of the Committee on Arrangements.

RECESS

The SPEAKER. The House will now stand in recess.

Accordingly (at 10 o'clock and 37 minutes a. m.), pursuant to Senate Concurrent Resolution 17, the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock noon.

EXTENSION OF TIME FOR FILING MEMORIAL ADDRESSES

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that the time for filing memorial addresses be extended 15 days after the expiration of the time provided by House Resolution 160. I believe this time expires today.

The SPEAKER. Legislative or calendar days?

Mr. BULWINKLE. Legislative days.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the consent heretofore granted for filing memorial addresses be extended for 15 legislative days. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 591. An act to amend the United States Housing Act of 1937, and for other purposes; and

S. Con. Res. 19. Concurrent resolution authorizing the printing of additional copies of House Document No. 272, current session, entitled "Message From the President of the United States Transmitting a Report of the Bureau of Public Roads on the Feasibility of a System of Transcontinental Toll Roads and a Master Plan for Free Highway Development."

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, the other day I asked unanimous consent to extend my own remarks in the RECORD and include therein a speech of Bishop Galloway. I found on receiving the proof that this speech exceeds the limit, so I sent for and got an estimate, as required. I ask unanimous consent that I may insert this entire speech in the RECORD as a part of my remarks made on June 5.

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

There was no objection.

Mr. THORKEKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include

therein information from the Commonwealth Federation of New York to substantiate my own remarks.

Mr. SABATH. Reserving the right to object, Mr. Speaker, on what subject does the gentleman expect to extend his remarks?

Mr. THORKEKELSON. The remarks are with respect to subversive activities.

Mr. SABATH. Mr. Speaker, the gentleman has already inserted so much material in the CONGRESSIONAL RECORD, most of which, as I have observed, being unjustifiable and without truth, that I am obliged to object until I have an opportunity to read the article or check the information.

Mr. THORKEKELSON. Mr. Speaker, in this extension I prove my remarks from their own publication.

The SPEAKER. The gentleman from Illinois objects to the request.

COMMANDER JAMES T. BRADY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, it becomes my sad duty to announce the death of Hon. James T. Brady, the department commander of the American Legion for the District of Columbia and the General Solicitor for the Veterans' Administration, one of the ablest and most efficient public servants I have ever known.

Jim Brady literally worked himself to death. He passed away suddenly at 2 o'clock this morning.

As chairman of the Veterans' Committee, having to deal with the Veterans' Administration, I can say advisedly that I have never come in contact with anyone connected with this Government who worked harder or more conscientiously than did Mr. Brady.

One of my friends in the Press Gallery once wrote:

Or what we do or what we hope to do
Is like infinitesimal drops from out the blue;
Specks of dust from far-off flying stars
Lost in the wake of Venus and of Mars,
Swept to oblivion out of view.

He never lived to realize the good he had done, but the example set by Jim Brady as a conscientious, devoted, and industrious public servant might well be followed by everyone connected with the Government.

[Here the gavel fell.]

AMENDMENT OF THE SOCIAL SECURITY ACT

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. 6635) to amend the Social Security Act, 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. 6635, with Mr. WARREN in the Chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. REED.]

Mr. REED of New York. Mr. Chairman, I do not know whether the membership of the House fully realizes or appreciates the amount of time that has been spent by the Ways and Means Committee on this important legislation. I think it has been one of the most arduous and one of the most trying experiences I have had in some 20 years of legislation. The hearings have continued for more than 3 months. We have had hearings morning and afternoon on this bill, and I want it distinctly understood at the outset that there has been no political opposition to this bill, and there was not when it was before the House originally. It was a bill that was approved in the Senate by a vote of 76 to 7; it was approved in the House by a vote of 371 to 33, and later approved by the President on August 14, 1935.

I want to be perfectly frank with the Members of the House and state that I was one of the 33 who opposed the bill in its original form. I was in absolute sympathy with the objectives sought to be attained, but there were certain provisions in the bill of which I did not approve and which I felt would come back to plague the Congress and the country.

It is inconceivable that anyone would be opposed to the objectives of a bill of this kind; that is, a system of protection against unemployment, a scheme of annuities for industrial and white-collar employees, a plan for noncontributory old-age pensions for the needy, noncontributory pensions for the blind and for relatives caring for orphans and other destitute children, and an appropriation for the Public Health Service.

These are all very worthy objects, and you would find few men who would be opposed to them; but I want to call the attention of the House to the fact that when the bill was first before the Congress it was my honest and firm conviction that the bill was unconstitutional, but evidently the Supreme Court thought otherwise, and it is now the law of the land. Outside of that objection which I had to the bill, I am as heartily for the objectives now as I was in the beginning, and I think a great improvement has been made in this bill, and I doubt if there will be very much opposition to it.

This is not a perfect bill, far from it; in fact, there are very few pieces of perfect legislation that come out of a large legislative body. Most bills are a matter of compromise. There is bound to be great diversity of opinion as to just how certain objectives should be obtained. The New Deal Members seem to feel we are guilty of lese majeste if we offer any constructive suggestions to important legislation once it has been written at the other end of the Avenue.

Mr. Chairman, the New Deal Members of the majority have been very sensitive to any criticism of legislation emanating from the inner circle at the other end of Pennsylvania Avenue. The Social Security Act, as first presented to Congress, was so filled with glaring defects that it was inevitable that its provisions would have to be overhauled to avoid its utter ruin at the hands of an indignant public. The majority would not listen to the constructive criticisms of the Republican minority, nor would the New Deal Members of the majority consider proposals offered to improve the act.

Even now New Deal Members rush to the defense of the policy of spending the pay-roll taxes as they flow into the general revenues of the Treasury. The mere mention of I O U's is like a red flag to infuriated bulls. The fact that an income tax imposed upon the low-income groups and then used for the New Deal spending program does not impress the spenders as anything irregular or a proper subject for criticism.

I realize that not a thing I can say will quicken the conscience or bring home to those who act in the capacity of legislative guardians of a fund intended by the Congress to pay old-age benefits, a realization that the money should not be diverted to other purposes. The fact that far in excess of a billion dollars has been collected in pay-roll taxes for the specific purpose of paying old-age benefits, and that all of this except a comparatively small amount has been used for other purposes seems to be of no consequence to those who are doing the spending. It is evident that the taxpayers now realize that as a result of this diversion of the funds so collected and spent by the New Deal, the money will have to be raised over again by taxation.

The Republican minority from the first has sought to direct attention to the injustice of taxing the working men and women of this Nation to furnish funds to be spent, wasted, and frittered away by a reckless spending administration. I know full well how futile it is to argue the injustice of such a program with those whose only interest seems to be to continue to obtain money to spend, regardless from what source derived or to what end the funds collected will be applied.

It is important, however, that the record should be kept straight for the benefit of the public. When the public is once in possession of the truth, the constructive suggestions

of the Republican minority will receive more and more support, and the consequence will be a more just and workable law.

I want to quote what the Brookings Institution of Washington, D. C., has to say on this subject, social-security taxes and their use, for paying the current expenses of the New Deal spending program. I quote:

The primary criticism of the old-age annuity scheme relates to the accumulation of a huge reserve. The plan involves the accumulation by the yearly payments and the interest thereon, of a sum which will pay the annuity when the beneficiary reaches the required age.

The accumulations are invested in Federal Government obligations yielding at least 3 percent return. If outstanding Government bond issues do not yield such a rate, special obligations yielding 3 percent are issued for the purpose. By the end of December 1933 the Government had issued two billions of such obligations, and these were turned over to the Social Security Board in lieu of cash collected from the social-security taxes. The Government is, of course, obligated to pay interest on these bonds to the Social Security Board. These bond accumulations are called reserves, and it is estimated that by 1980 the accumulation would reach nearly \$50,000,000,000. Under existing procedures the pay-roll taxes are used for operating expenses of the Government. Neither cash nor revenue-producing assets is being provided by the taxes. Thus the accumulating obligations under the social-security plan will have to be met by further taxation in the future. Such a development was not contemplated originally. It was assumed that the Budget would be balanced and that the social-security taxes could be used to reduce the existing Government debt, thereby lessening the Government's obligations, if not accumulating cash or other assets. The persistence of the deficit has meant that such a program could not be carried out.

The net effect of the pay-roll taxes to date has thus been to provide the Government with some revenue and to keep the Federal deficit a little lower than it would otherwise have been. As a method of raising money for the general expenses of the Government it is highly inequitable in its operation. A part of it falls on the low-income classes, and that which is collected from corporations is not levied with reference to their ability to pay. As we have seen, it bears heavily on small corporations.

If there were a balanced Budget and the social-security taxes were being invested in outstanding Government bonds, the reserve, so to speak, would be in the form of decreased Government liabilities rather than in the form of increased assets. It is apparent in any case that the so-called reserve is not analogous to that maintained by ordinary insurance companies which do not invest in their own obligations or create new I O U's, the payment of which would involve increased collections in the future from those insured.

The alternative to the accumulation of a huge reserve is a pay-as-you-go plan. Since under the present operation of the system the benefits will have to be paid out of general taxation in the future, we should cease beguiling ourselves into the belief that the building up of a reserve has any economic significance. We should raise such amounts of social-security taxes as are necessary to take care of current payments and to provide the modest reserves necessary to care for possible emergencies. This means a few billion dollars at the most.

The inauguration of this plan should be accompanied by the adoption of the principle of investing the modest contingent reserves that would be accumulating in outstanding Government obligations. This implies an abolition of the present system of guaranteeing a 3-percent return on the reserve in the form of Government obligations delivered to the Social Security Board; the earnings on the investments should be determined by money-market conditions at the time of purchase rather than be arbitrarily set at a fixed minimum rate which may come to be out of line with market yields. This plan of actually investing the tax accumulations in outstanding bonds necessarily means that the social-security taxes cannot be used to meet Treasury deficits.

In short, this analysis implies a segregation of the administration of the social-security program from the ordinary financial operations of the Government.

Under the pay-as-you-go plan we would not need to have nearly as high rates in the early years as under the present plan. The rates would start at a low amount and would increase in proportion to the increased age of the groups affected.

I call attention to the fact that the Brookings Institution after a most thorough and exhaustive study of the Social Security Act made the following recommendations:

1. The old-age annuities should be financed on a pay-as-you-go basis rather than by the accumulation of a huge reserve.
2. The rates for the old-age annuities should be temporarily reduced from 1 to one-half of 1 percent, and be subsequently increased only as benefit payments necessitate.
3. The modest contingent reserves should be invested in outstanding Government bonds at current rates, and the financial administration of the system should be segregated from the fiscal operations of the Treasury.

Mr. Chairman, it must be apparent to all, except to the New Deal spenders, that the pay-roll taxes continue to flow in full volume from the pockets of the working men and

women into the Treasury to be squandered for anything, and everything that can be devised by a group of happy-go-lucky spendthrifts. It is only natural to expect criticism from the New Deal spending, debt-creating advocates, but the Republican minority has come in for no more abuse from the New Deal devotees than has that wing of constructive critics, known as Jeffersonian Democrats who have resisted the unsound fiscal and financial policies of the present administration.

Mr. Chairman, Republican modesty might have prevented the minority from claiming credit for such improvements as appear in the bill now under consideration, but courtesy requires that we acknowledge with profound appreciation what the New York Times has had to say with reference to the contribution which the Republican minority has made to the measure under consideration. I quote, first, from an article by Mr. Arthur Krock under date of February 3, 1937, in this leading and outstanding Democratic newspaper:

Behind the concurrent resolution looking to improvements of the Social Security Act, jointly sponsored in Congress by a Republican group, is the story of an interesting experiment. The resolution represents a serious effort, after long study, to organize and publicly demonstrate an effective opposition technique in this heavily administration Congress. It turns on the contribution of ideas advantageous to legislation passed by the party in power instead of attempts to hamstring, harass, and embarrass.

The authors of the proposal and devisers of the technique which it is hoped the suggestion will illustrate and popularize are Senators VANDENBERG and TOWNSEND and Representatives REED and JENKINS—all Republicans. They conferred long, earnestly, and often before they made their move. They do not doubt their resolution will be pigeonholed by the majority. But they believe the changes they propose in the fundamental mechanics of the Social Security Act, being fundamentally sound, will eventually be adopted under the auspices of the administration.

The article goes on to say:

The four Republicans who composed the resolution did not rely on their own resources or information. They approached the best experts they could find, nonpartisan and in favor of social security. They accepted numerous suggestions * * *. What the Republican conferees sought to evolve was a sustained piece of constructive critical work, and they believe they succeeded. They approached the problem as national, nonpartisan, and economic, too worthy to be the object of a political gesture, and realizing also that especially in such a matter, the least politics is the best.

The basis of the constructive criticism of the resolution's authors can be summarized as follows: It is most important to put the contributory old-age pension system on a firm and practical footing. It is not so grounded at present. The full reserve set-up is the flaw, with its eventual accumulation of forty-seven billions to be invested in Government 3 percents.

Any such fund, in the opinion of the Vandenberg group, is sure to be politically used in a democracy, and meanwhile the accumulation reduces the available revenues for current old-age pensions. They believe the arrangement doubly penalizes the worker because, while exacting a high tax, it deprives him of the present fruits of his investment.

The sponsors would eliminate the full reserve requirement of the existing law, substituting a modest contingent reserve, and thus release a large share of the pay-roll tax revenue, using the saving for one of two purposes. First, to hasten or increase the payment of old-age pensions. Second, to reduce the pay-roll tax to 2 percent for an indefinite period and avoid the graduated increase for a long time.

After pointing out the Republican opposition to the huge reserve, the article concludes as follows:

It can readily be seen that this is neither sniping nor the old political device of trying to dig a hole for the enemy, regardless of whether, when he falls in, his good public works, as well as his bad, will be buried with him.

Now, let us see what Mr. Krock had to say in the Democratic New York Times on March 28, 1939, with reference to the effect of the minority's efforts to amend the Social Security Act:

CONSTRUCTIVE VERSUS PARTISAN CRITICISM OF NEW DEAL LAWS

In February 1937 four Republican Members of Congress introduced a concurrent resolution looking to improvements in the Social Security Act * * *. The four Republicans were Senators VANDENBERG and TOWNSEND and Representatives REED and JENKINS. * * * As was remarked in this space at that time, these Republicans "approached the problem as national, nonpartisan, and economic, too worthy to be the object of a political gesture, realizing that in such a matter the least politics is the best."

NATURE OF RESOLUTION

Their concurrent resolution was based as follows:

"It is more important to put the contributory old-age pension system on a firm and practical footing. It is not so grounded at present. The full reserve set-up is the flaw, with its eventual accumulation of \$47,000,000,000 to be invested in governments, at 3 percent. Any such fund in a democracy is sure to be politically used, and meanwhile the accumulation reduces the available revenues for current old-age pensions. The present arrangement doubly penalizes the worker because, while exacting a high tax, it deprives him of the present fruits of his investment. These Republicans proposed elimination of the full reserve requirement, substituting a modest contingent reserve and thus releasing a large share of the pay-roll tax revenue. They sought to use the saving to hasten or increase the payment of old-age pensions, or to reduce the pay-roll tax to 2 percent for an indefinite period and avoid the graduated increase for a long time. * * *

"Only a part of the suggestions of 1937 have been met by the administration, and all the faults of the Social Security Act have by no means been marked for remedy. But a large step toward improvement has been paced by Mr. Morgenthau and for the first time the President has completely assented to a major New Deal law revision which is simultaneously a candid admission of error and a cooperative move for business recovery."

[Applause.]

The trouble with that is that when the law was written it was speedily passed for political purposes. Even the slogan "Social Security," the title of the act, was a catch phrase, and led every person in distress to believe that at last here was legislation that was going to build the Eutopia of which he had so long dreamed, but today we are confronted with a practical situation, with a situation of doing what the country can afford to do in its present economic condition. We sought by months of hard labor, in a nonpartisan way, cooperating in every way possible with the majority to perfect this bill. I say to the membership of the House that while there are many shortcomings in the bill, yet it is so superior to the original bill, and as it has now been pronounced by the Supreme Court the law of the land, that I shall vote to pass this measure. I hope also that it will not be so far amended by overenthusiastic people as to emasculate the provisions intended for the benefit of those for whom the law was enacted to help.

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

Mr. REED of New York. Yes.

Mr. CRAWFORD. If we have a moment, I think we might develop this thought a little bit. At the present time, as these tax remittances are made to the Treasury by industry, collected from the employee and from industry, they go to the general fund of the Treasury?

Mr. REED of New York. That is right.

Mr. CRAWFORD. And they are appropriated out by acts of Congress, to be used for the general purposes of the country, instead of being appropriated out for the purchasing of debt obligations previously issued by the Government. Therefore the present act calls for the issuance of special obligations to which the gentleman has referred. Later on, when the recipients of the benefits desire to collect something the Government must go out and tax the people to get the money in order to pay the recipients of the benefits, and while that is going on the special obligations are reflected in the debt of the Government.

Mr. REED of New York. That is correct.

Mr. CRAWFORD. The special debt obligations do not show up in the deficit, figured as such, but they do show up in the increased debt of the Government. If, instead of following that procedure, we purchased Federal debt obligations previously issued, the deficit figure would show up in a greater sum, and might be embarrassing politically, but at the same time we would be accumulating as a reserve fund previously issued debt obligations incurred in running the Government, and those debt obligations then would be thrown into the fund and the interest which they would accumulate would help pay the benefits to the beneficiaries in the subsequent years. As I understand the gentleman's quotations from the Brookings Institute, that is what they recommend, and that is in line with the original philosophy of the minority group of the Ways and Means Committee.

Mr. REED of New York. That is right.

Mr. CRAWFORD. I wanted to get that point cleared up.

Mr. REED of New York. We pointed that out from the very start. Of course, I do not need to say to this House that it is human nature, whenever a legislative body sees a vast accumulation of funds in the Treasury, to appropriate those funds for other purposes. It is a dangerous procedure. As I say, this does not correct the situation entirely, but it goes a long way in cutting down the large reserve, and cutting it down to a reasonable basis of about 3 to 1, or something like that.

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

Mr. REED of New York. Yes.

Mr. SIROVICH. I have been very much impressed with the statement the gentleman has made, but the thought which has come to my mind, and which I would like the gentleman to consider is this: In the year 1970 he states that we would have accumulated about \$47,000,000,000.

Mr. REED of New York. That is right.

Mr. SIROVICH. We will suppose \$40,000,000,000 had been accumulated. That money could wipe out the complete tax-exempt securities in which the wealthiest people of the country have invested. As I say, the securities are tax exempt, and the money has not gone into business and industry, and if an amendment could be offered to the social-security bill that the \$1,800,000,000 that we have now received thus far, and every year, should be utilized for the retirement of tax-exempt securities, then the Government would retain the interest, and this money would be forced into private industry and would tend to employ the army of unemployed. What about that?

Mr. REED of New York. Let me tell the gentleman what would happen in that event. All you would have accumulated are just these 3 percent I O U's, and the money in the meantime collected would have been spent. Let me ask the gentleman a question: Did the gentleman vote the other day for the bill to remove the partition and permit the Government to issue \$15,000,000,000 or more of long-term bonds in lieu of short-term notes?

Mr. SIROVICH. I do not think I was here at the time.

Mr. REED of New York. The gentleman's side passed that bill and there is nothing now to prevent the Treasury from issuing \$15,000,000,000 more of tax-exempt securities, which the majority has been condemning so much.

Mr. SIROVICH. Could we today offer an amendment at the proper place that all of this money that is obtained for old-age security and old-age assistance should be utilized only for one thing now and that the retirement of tax-exempt securities?

Mr. REED of New York. I am not so sure whether you can do that or not. I do not mean to be short with the gentleman from New York, but of course there is a constitutional question involved. It is very serious.

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

Mr. REED of New York. I yield.

Mr. HINSHAW. In questioning another member of your committee the other day I learned that the funds to be raised by this taxation of the employer and employee are used exclusively for the purpose of paying benefits to the contributing employees when they reach retirement age. Is that correct?

Mr. REED of New York. Will the gentleman state that question once more, please?

Mr. HINSHAW. That the funds raised through the 1-percent tax on employer and employee are to be paid through the trust fund exclusively for the benefit of those who have contributed to the fund—that is, the employees who have contributed to the fund, and for no other purpose. Is that correct?

Mr. REED of New York. That is what we plan.

Mr. HINSHAW. Is there any tax plan set forth in the bill that would provide for the other payments that are authorized by the bill, such as old-age assistance and aid to the blind, and so forth?

Mr. REED of New York. No.

Mr. HINSHAW. Then payments for these purposes come out of the Federal Treasury?

Mr. REED of New York. They come out of the Federal Treasury.

Mr. HINSHAW. Or Federal deficit, shall we call it?

Mr. REED of New York. General taxes.

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

Mr. REED of New York. I yield.

Mr. HOLMES. I want to make an observation along the line of that made by our colleague, Dr. SIROVICH. Why should the suggestion be made that this small group of about one-quarter or one-third of our population who contribute to this pension fund—I mean employers and employees—should alone be the ones who should assume the burden of this whole tax when there are millions of professional men—doctors, lawyers, and men of wealth—who do not contribute in any shape or manner to this fund? If we are going to retire this huge sum of billions of dollars it should be by all the people, because it is their obligation and not this particular group of manufacturers and employees who should be called upon to assume all the burdens of wiping out this tremendous bonded indebtedness.

Mr. REED of New York. I thank the gentleman for his observation.

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

Mr. REED of New York. I yield.

Mr. BROWN of Ohio. As an employer I would like to ask the gentleman this question: When this law became operative originally a contract was made between the Government and some of my employees stating that those employees would be paid a certain amount upon retirement, or in case of their death their estates would receive a certain amount. This bill, I notice, changes those payments entirely. Is that true?

Mr. REED of New York. It does. It changes the contract that was entered into. It modifies it considerably.

Mr. BROWN of Ohio. It changes the contract which was made, under which these men have paid in their money as employees and under which contract I have paid in as employer?

Mr. REED of New York. The original conception and philosophy of this bill was this, and it so went out to the country, and workmen and employers believed it: That every person who paid a pay-roll tax looking forward to old-age benefits would be assured of one thing—that he would get all the money back that he paid in, plus interest.

Mr. BROWN of Ohio. And under this law he will not, if he dies before he reaches 65?

Mr. REED of New York. That is true. It has been modified.

Mr. BROWN of Ohio. And there is a direct damage and injury to a number of men in the higher brackets; is that not true?

Mr. REED of New York. Yes; that is true.

Mr. BROWN of Ohio. Let me ask the gentleman one other question. What is there to prevent this Congress or a Congress 10 or 20 years from now from changing this law entirely and taking away further benefits that the men are supposed to receive from the money they have paid in?

Mr. REED of New York. Not one thing, because one Congress cannot bind another. It is simply the conscience of the sovereign.

Mr. BROWN of Ohio. And, of course, governmental contracts no longer hold in the United States under our present Court?

Mr. REED of New York. That is correct.

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

Mr. REED of New York. I yield.

Mr. MILLER. I would like to call the gentleman's attention to page 95. I notice the bill carries this provision: That the Federal Government will pay an amount, which shall be used exclusively as aid to the blind, equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan, and so forth, not counting so

much of such expenditure with respect to any individual for any month as exceeds \$30. In other words, it leaves the blind with a \$30 limitation, while we are giving the old-age pensioners \$40 at 65 years.

Mr. REED of New York. Yes.

Mr. MILLER. Does it not seem that a blind person should be entitled to the same amount as the aged receive?

Mr. REED of New York. Of course; that is the danger of late amendments to a bill—not going through and correcting all discrepancies. I assume there will be some effort made on the floor to equalize some of the inequalities. [Applause.]

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

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Tennessee [Mr. COOPER].

The CHAIRMAN. The gentleman from Tennessee is recognized for 37 minutes.

Mr. COOPER. Mr. Chairman, the Social Security Act, approved on August 14, 1935, is the greatest piece of social legislation ever enacted at any one time in the history of this or any other country in all the world. Many of the leading countries of the world have programs for social security. Most of those programs have been built up over a period of years, in some instances as many as 20 years being necessary to build up the program. They would provide for one phase of it, perhaps old-age pensions, and later they would provide for unemployment compensation, and so on; but this is the first country in the history of the world that ever adopted a rounded-out program for social security at one time.

It was my privilege to be a member of the subcommittee in 1934 that gave considerable time and attention to a part of the program embraced in the present act. It was also my privilege to be a member of the subcommittee which did most of the work in the drafting of the present Social Security Act. It is a little difficult for us sometimes to fully understand statements and charges made here on the floor, especially by some of our friends who cannot resist the temptation to be just a little partisan now and then, and to hear the statements made that this bill was sent up from the other end of the Avenue, and that it was hastily enacted by Congress. Now, as one who is in a position to know something about the real facts, I want to say to you that I have never known any measure that received more careful, thorough, and painstaking consideration by a standing committee of the Congress, or a bill more of which was actually written by the committee than the present Social Security Act. [Applause.] To those of us who labored so long and so hard in the drafting and the enactment of this legislation, the surprising thing has been that the program has succeeded to the remarkable extent that it has and that it has worked so successfully.

Let us bear in mind that we were plowing new ground. There were no precedents in this country to guide us and few precedents in other countries of the world, because, after all, we have a decidedly different situation in this country to what they have in most of the other countries of the world. We realized at the time that, although we were doing the best job we could, further amendments would be necessary and changes in the light of experience would be found to be expedient and advisable. This legislation has been considered all the way through, in 1934, in 1935, and the pending bill, on a nonpartisan basis. There has been no partisanship manifested by members of the committee during the consideration of this measure; and as one of the majority members of the Ways and Means Committee, I am glad to acknowledge our debt of gratitude to the minority members of the committee who have cooperated with us and assisted so much in the consideration of this important legislation. [Applause.] We are also indebted to Mr. Rice, of the drafting service, and the members of the staff, and the Chairman of the Social Security Board and his very efficient corps of workers who have worked with us and assisted us all the way through in the consideration of this legislation.

This legislation stands today as a great tribute to the foresight and the wisdom of that great humanitarian, that man whose heart beats in tune with the interests and the welfare of the masses of our people, our great President of

the United States, Franklin D. Roosevelt. [Applause.] This program was the outstanding objective of Mr. Roosevelt during the second 2 years of his first administration. The present Social Security Act passed the House by a vote of 372 to 33 and passed the Senate by a vote of 77 to 6.

The Social Security Act, which contains substantially the provisions for insurance as was reported by the Ways and Means Committee, has been sustained by the Supreme Court of the United States in three different cases.

The enactment of the Social Security Act marked a new era in this country. For the first time the Federal Government accepted the responsibility of providing a systematic program of protection against economic and social hazards. The first part of the program is designed to reduce future dependency. The second part of the program is designed and intended to relieve existing needs. The first part of the program provides for a Federal system of old-age insurance and for a Federal-State program for unemployment compensation. The second part of the program provides for grants to States for a program of aid to the needy aged, for dependent children, for needy blind, as well as providing for assistance to public health, maternal and child welfare, and other similar types of assistance.

Mr. SHORT. Mr. Chairman, will the gentleman yield at that particular point?

Mr. COOPER. I yield.

Mr. SHORT. I just wondered, the gentleman from Tennessee, who has studied this matter so thoroughly, if he can tell the Committee why no assistance is included for helpless cripples?

Mr. COOPER. I am glad the gentleman asked that question because he and the membership of the House are entitled to an explanation on that point. The Social Security Board recommended the inclusion of a provision for total permanent disability cases at some time in the future. It pointed out, however, that not only would a large additional amount of expense be involved, but they stated that, in their opinion, it would probably require a year or 2 years to be able to work out a proper program for its administration. Your committee, therefore, in view of that information from the Social Security Board, decided not to include a provision in this bill for total and permanent disability cases.

Mr. SHORT. But I am sure that the gentleman from Tennessee will agree with all of us that a person with two legs off, or two arms off, is just as helpless, and as much in need, and as deserving of assistance as a person 60 or 70 years of age.

Mr. COOPER. There is no question about the desirability of trying to take care of cases of that kind. There is no doubt about all of us being interested and anxious to do all we can along that line.

Mr. SHORT. Is the Social Security Board at this time making a study of this program and when will they report to the Congress?

Mr. COOPER. The Social Security Board is continuing its study, and, of course, under the Social Security Act as drafted and passed, the Social Security Board is required to continue its study on all phases of social security and make reports to the Congress.

Mr. SHORT. I hope they will soon report favorably in the matter of assistance to these helpless cripples.

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

Mr. COOPER. I yield.

Mr. DUNCAN. Along the line of the inquiry by the gentleman from Missouri I will ask the gentleman from Tennessee if there is not included in the bill a provision for vocational rehabilitation to take care of the type of people referred to by the gentleman from Missouri?

Mr. COOPER. That is true. Of course, under the present Social Security Act there is provision made for the Federal Government to make grants-in-aid to the States to care for people injured in industry and otherwise and to provide rehabilitation for them. In this bill we increased the amount of the Federal grant by \$1,000,000.

Mr. SHORT. But that is confined to those injured in industry?

Mr. COOPER. That is a program that has been going on for years. That particular appropriation has been increased by a million dollars.

Mr. DUNCAN. This applies not only to those injured in industry but to those injured otherwise?

Mr. COOPER. That is true.

Mr. GWYNNE. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Iowa.

Mr. GWYNNE. There seems to be some question about the employees of corporations under section 101. Is it the gentleman's understanding that an employee or an officer of a corporation under section 101 who receives no payment is not included?

Mr. COOPER. That is true.

Mr. GWYNNE. That is the proper construction?

Mr. COOPER. As I endeavored to reply to the gentleman from Nebraska [Mr. STEFAN] when he asked a similar question yesterday, I will say to the gentleman from Iowa that he nor any other Member of the House is more interested and more anxious about that being taken care of than those of us on the committee. We certainly did everything we could and we received the assurance that the provisions of this bill takes care of that situation.

Mr. MILLER. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Connecticut.

Mr. MILLER. Referring back to the question asked by the gentleman from Missouri, if the administration would take the broadest possible interpretation of the act, can it not do a great deal under the vocational rehabilitation, by constructive work, for the so-called crippled and disabled?

Mr. COOPER. That is true.

Mr. MILLER. May I add a further thought. The worst thing that could happen is to tell a person who is crippled that he is on the shelf for life. I would rather spend \$10 to rehabilitate that man than to pay him a pension of \$10 and retire him.

Mr. COOPER. That is true. The gentleman will remember that this is a State program. It is a State-administered program. The Federal Government makes grants-in-aid to the States to carry forward the rehabilitation program. We are increasing the amount of money or the authorization by the Federal Government to the extent of a million dollars in the pending bill.

Mr. MILLER. In some States there seems to be a misunderstanding as to what rehabilitation of the disabled means, and some of the money expended in the States, it has been ruled by the Board, is not rehabilitation. I realize it cannot be included in the act.

Mr. COOPER. The gentleman knows that Congress cannot enact a law and administer it too, but we are including a provision to enable the States to give greater assistance along that line.

Mr. CRAWFORD. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If the States fully comply to the limit and go along with the million dollars to which the gentleman has referred, what will the total sum amount to? Can the gentleman give us that figure? Suppose the States fully comply.

Mr. COOPER. I cannot give the gentleman the amount to the penny.

Mr. CRAWFORD. Roughly.

Mr. COOPER. We are appropriating \$1,900,000, approximately, at the present time. This bill increases it by a million dollars, which will make very close to \$3,000,000.

Mr. CRAWFORD. Does the gentleman know what the States are contributing with reference to the \$1,900,000?

Mr. COOPER. I do not have those figures before me. The gentleman from New York [Mr. REED], who has been vitally interested in this matter for many years, made a very able speech day before yesterday on that particular subject.

Mr. CRAWFORD. I thank the gentleman.

Mr. DINGELL. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. DINGELL. I think if the gentleman from Michigan [Mr. CRAWFORD] will refer to page 31 of the report, he will get the entire answer to his question.

Mr. COOPER. In this connection permit me to say I really believe the report presented by this committee on the pending bill is one of the best I have ever seen since it has been my privilege to serve here. I think it would be to the interest of every Member to study and preserve the report. We have labored for a long time to try to make it as complete as possible, and I think we have made considerable contribution along that line. [Applause.]

Mr. TREADWAY. Will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I assume that the gentleman is speaking of both parts of the report, including the minority views?

Mr. COOPER. I am glad to include the entire report, both the report accompanying the bill and the minority views filed with it.

Mr. TREADWAY. I thank the gentleman.

Mr. COOPER. Mr. Chairman, as I was trying to point out a few moments ago, it was realized at the time the Social Security Act was passed that changes and amendments would have to be made in the future. When you are dealing with a program as far-reaching and as important as this, it is humanly impossible to bring about that degree of perfection in the drafting of legislation of this type that we may be encouraged to believe will withstand all possible future tests. So it was recognized at the time the Social Security Act was passed that changes would be found necessary, and the provision is included in the present act providing that the Social Security Board shall continue to study, make investigations, and report to Congress its recommendations for changes and improvements in the act in the light of its experience.

Last year an advisory council was appointed, composed of many of the outstanding men of this Nation, men like Mr. Swope, of General Electric; the head of United States Steel; Mr. Fuller, of the Curtis Publishing Co.; and many other outstanding industrialists of the Nation; also outstanding labor leaders of the country, including Mr. Matthew Woll, vice president of the American Federation of Labor; a representative of the C. I. O.; and other outstanding representatives of the workers of the country; and a very distinguished group of outstanding men who represented the general public, including Dr. Brown, of Princeton University, who served as chairman of the group.

Then the Social Security Board made its report and the President of the United States transmitted this report to the Congress. The report of the Advisory Council and the Social Security Board was the basis upon which your committee worked out the amendments which are presented to you in this pending bill.

Full and complete hearings were held on this subject. Forty-eight days of time was devoted to those public hearings. They began on February 1 and closed on April 7. Twenty-five hundred pages of testimony are included in the printed hearings. One hundred and sixty-four witnesses appeared during that time. The committee devoted 6 weeks of almost solid time in executive session to preparing the pending bill after the public hearings were closed. This bill embraces the amendments to the present Social Security Act.

If I may have your indulgence for a few moments longer, I would like to take up and endeavor to discuss a little more in detail some of the outstanding amendments included in this bill and changes made in the present Social Security Act. First, I should like to invite your attention to the matter of taxes. This bill affords more tax relief to the people of this country than we can hope to give them in any other measure that can be enacted by this session of the Congress. [Applause.]

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

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In connection with the recommendations of the Advisory Council, William Randolph Hearst appointed a committee to make an investigation, called the Nonpartisan Social Security Commission, consisting of Senator James J. Davis, Henry I. Harriman, Samuel W. Reyburn, William J. Graham, Dr. Herman Feldman, Dr. Richard A. Lester, and Merryle Stanley Rukeyser. Their recommendations, as far as contributory annuities are concerned, are substantially along the lines of the recommendations of the Advisory Council and along the lines of the present bill as this committee has reported it.

Mr. COOPER. The gentleman is correct.

If I may refer at this time to an additional item, we have heard considerable discussion about the old-age insurance reserve fund. We have heard some words used that I regret to hear used in connection with it, with respect to its being a system involving the use of I O U's, and so on like that. The Social Security Act, the law passed by Congress, requires that these special obligations shall yield 3 percent interest for this fund. Of course, the money coming in from the payroll taxes is to be invested in these special obligations. The Treasury Department has followed the word and the letter of the law in that respect. This Advisory Council, composed of some of the outstanding men in the Nation, included as a part of their report a description of the use of this fund, and I wish to read two short sentences from the report:

The United States Treasury uses the moneys realized from the issuance of these special securities by the old-age reserve account in the same manner as it does moneys realized from the sale of other Government securities.

This matter has been handled the same as all other funds of a similar type and character. The retirement fund for civil-service employees and the fund for the soldiers' insurance, as well as various other funds, have been handled in exactly the same way, under administrations of both political parties, as has this fund for old-age insurance.

I invite your attention to the closing sentence of this report:

The members of the council—

This is the Advisory Council—

Regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in the old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds.

As I indicated a moment ago, I should like to invite your attention briefly to the provisions of this bill with respect to taxes. During the year 1940 the people of this country will pay about \$580,000,000 less in taxes than they would have to pay under the present act.

For the ensuing 2 years they will pay about \$1,130,000,000 less in taxes than they would have to pay under the present act. The total savings will amount to approximately \$1,710,000,000.

The old-age insurance tax has been frozen at 1 percent on the worker and 1 percent on the employer for the 3 years 1940, 1941, and 1942, as against the 1½-percent rate on each employer and employee under the present act. This will save employers and workers about \$275,000,000 in 1940, or a total of about \$825,000,000 in the 3 years.

Provision is made so the States may reduce their unemployment insurance contributions, if a certain reserve fund has been attained and minimum benefit standards have been provided. All except about five States of the Union will be able to take advantage of this change during 1940. This may save employers from \$200,000,000 to \$250,000,000 during 1940 if the States reduce their contribution rates from an average of 2.7 percent to an average of 2 percent.

Only the first \$3,000 an employer pays an employee per year is taxed under the unemployment compensation provision. This is already true in the case of old-age insurance. This will save employers about \$65,000,000 a year.

Provision is also made for refunds and abatements to employers who paid their 1936 and 1937 and 1938 unemploy-

ment compensation contributions late to the States. This will save employers about \$15,000,000.

Therefore, the aggregate of these items, as I indicated a moment ago, will amount to a saving to the taxpayers of the country of about \$580,000,000 during the year 1940, and for the next 3 years a total saving of about \$1,710,000,000. This is much more substantial tax relief than we can possibly hope to give to the people of this country under any other legislation that we can pass at this session of the Congress.

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

Mr. COOPER. I yield.

Mr. JENKINS of Ohio. I appreciate what the gentleman says, and I think it is a very fine showing. I wonder if the gentleman is going to show in his speech how much wider we have made the distribution. If the gentleman does not have the time or is not going to do so, I may say that I have not been able to find that set out by itself in the report, and I believe it would be a very fine thing if it were stated, if the gentleman has such information. It would not, of course, be fair to tell this House you are going to save that much money, because we are going to spread it out over a wider base and spend a great deal more than we are going to spend.

Mr. COOPER. Of course, you have to spend more money, especially for old-age insurance during the earlier years of the program, but we will save money in the later years, so that over a period of 40 or 45 years it is estimated it will come out about the same as the present program would cost us.

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

Mr. COOPER. I yield to the gentleman from Massachusetts.

Mr. HOLMES. I understand the gentleman to say that the annual contribution on the part of the employee and employer has been fixed at 1 percent.

Mr. COOPER. Yes; that is true.

Mr. HOLMES. Has the gentleman any estimate of how much revenue that tax will bring into the Treasury?

Mr. COOPER. I do not have the figures immediately before me as to the yield of the present 1 percent, but by freezing at the present 1 percent and not allowing it to increase next year to 1½ percent on employers and employees, the saving I have indicated of about \$275,000,000 will be made by reason of not allowing the increase to go into effect.

Mr. HOLMES. I appreciate that and I am just wondering if the Treasury did not file with the committee the total amount of the yield during 1938 on that 1 percent basis.

Mr. COOPER. Oh, yes; those figures appear in the hearings. I just do not happen to have them immediately before me at the moment.

Mr. HOLMES. Are they in the report?

Mr. COOPER. Yes; they are in the report, too.

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

Mr. COOPER. I yield to the gentleman from Oregon.

Mr. MOTT. Will the gentleman clear up the matter regarding the use of this pay-roll tax by the Government? The gentleman heard the gentleman from New York state that under the present system the Government is giving the Security Board its I O U's, and that when the time comes to pay these pensions it will mean that a tax will have to be levied again. Will the gentleman point out, if he can, wherein the statement of the gentleman from New York in that respect is incorrect?

Mr. COOPER. I endeavored to point out a few moments ago by quoting from the Advisory Council that this fund has been used just the same as all other similar funds handled by the Government, and that is true.

Now, let me further state to the gentleman, what practical difference does it make? These taxes are paid in by the employers and employees. The Government receives that money in the Treasury. The Government has certain expenditures to make and certain obligations to meet. What is the practical difference between levying a tax upon the

people now to raise all the money that the Federal Government has to have or in using this money and paying interest on it; and if need be, levying taxes later to replace that money?

From a practical business standpoint I am unable to see how there is any ground for any great alarm or disturbance on that point.

Mr. MOTT. If the gentleman is asking me, I see a great deal of difference, but that was not my question.

Mr. COOPER. And this is not the proper time for us to get into a prolonged argument about that.

Mr. MOTT. The question I am asking the gentleman is whether or not the statement of the gentleman from New York is correct that we levy this money twice in order to pay these old-age pensions? We levy it once through the payroll tax, we spend that for general governmental purposes, and then we levy it again by general taxation. Is that correct or not?

Mr. COOPER. No; I do not think so. We levy this tax and we provide this fund and it is held by the Government.

Mr. MOTT. No; it is spent by the Government.

Mr. COOPER. Just a minute, if I may continue. We levy this tax, we collect this money, and it is held by the United States. Now, the United States Government uses that money just like it uses any other money, and issues its special obligations to this particular fund, and they are held in this fund. The fund is just as solvent; it is just as sound as the Government itself. Now, what is the difference between raising taxes or providing revenue in the future to take care of these special obligations than it would be for any other bond or obligation issued by the Government?

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I am very much interested in the gentleman's comment that the tax for 1936, 1937, and 1938 had been taken care of from some of those who paid their taxes to the State too late. It has come to my attention that this rather complicated legislation carried such heavy penalties as to work an injustice on certain taxpayers in its beginning years of operation. Some taxpayers at first paid, or offered to pay, too late and were themselves not to blame.

Mr. COOPER. Too late to get credit.

Mr. MURDOCK of Arizona. The gentleman found, did he not, that there were a great many that were in that predicament—men who were not at fault, but who had failed to synchronize these two laws, one law on the part of the Federal Government, and one on the part of the State, so that such taxpayers found themselves delinquent, so to speak, and under heavy penalty? I think the gentleman's committee has done wisely and acted justly in showing this proper attitude toward struggling businessmen. They want to do the right thing in paying these taxes and I congratulate the committee upon this fair provision.

Mr. COOPER. I appreciate the gentleman's statement. Of course it was shown to us that a considerable number of people had been caught in this kind of a situation. I have no doubt that many of them were worthy and deserving and there may have been some who were not quite so worthy and deserving, but we have given the relief, we have at least given them a fresh start, an opportunity to move along from this point.

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

Mr. COOPER. Yes.

Mr. BROOKS. I think the gentleman is making a very learned discussion of this bill. There is one phase of it, however, that perhaps the gentleman has touched upon to some extent, but it is something I believe that all of us are much interested in, and that is the question of the wider distribution of old-age pensions. Will the gentleman explain to the House whether or not the new set-up is going to give a wider distribution of the funds either to cover families or old people in this country not covered at the present time?

Mr. COOPER. Does the gentleman have reference to old-age assistance in title I, commonly called old-age pensions,

or does he refer to old-age benefits under title II, commonly referred to as old-age annuities?

Mr. BROOKS. Old-age pensions. That question has arisen and it has been discussed on the floor, but I have not heard a satisfactory answer up to the present time.

Mr. COOPER. Of course my time is almost exhausted and I cannot enter into a lengthy discussion of that at this time except to say that the pending bill continues the present arrangement whereby the Federal Government will match dollar for dollar what the State puts up for old-age pensions, except this does increase the limit from \$15 to \$20, or a total of from \$30 to \$40.

Mr. WHITE of Ohio rose.

Mr. COOPER. I am sorry, but I have only a little more time remaining and I was hoping to cover some other phases of the bill. We have liberalized considerably the provisions of the Social Security Act, especially with reference to old-age insurance, and we now include in this bill provisions for the wives of these annuitants, and we also make provision for children, also for widows and orphans. It has been considerably extended so as to take in this additional group of people so that we may in effect say that we now have under the provisions of this bill a program on a family basis, and we will take care of these people who will need this assistance because of the loss of the father or the husband and the loss of the pay and wages that he has been bringing into the family.

I would like to here show more in detail some of the additional benefits provided.

SUMMARY OUTLINE OF BENEFIT PROVISIONS UNDER THE REVISED FEDERAL OLD-AGE AND SURVIVORS' INSURANCE PLAN

A. EFFECTIVE DATE, JANUARY 1, 1940

B. OLD-AGE RETIREMENT BENEFITS

1. Old-age benefit: Each insured individual who has reached the age of 65 is eligible to receive a monthly primary (old-age) insurance benefit determined as follows:

(a) A basic amount computed by applying 40 percent of average monthly wages up to the first \$50, plus 10 percent of average monthly wages in excess of \$50.

(b) Such amount to be increased 1 percent for each year of coverage (\$200 or more wages).

2. Supplement for wife: In addition, the wife, aged 65 and over, of an individual entitled to primary insurance benefits is eligible for a supplement of one-half of the primary old-age insurance benefit, or her own benefit, whichever is larger.

3. Supplement for children: In addition, each individual entitled to primary insurance benefits is eligible for a supplement of one-half of the primary insurance benefit for each child under the age of 16, or 18 if regularly attending school.

C. SURVIVORS' BENEFITS

1. Widows' old-age insurance benefits:

(a) Lump-sum payment: A lump-sum benefit equal to six times the monthly primary insurance benefit is payable to the widow, irrespective of age, upon the death of her fully insured husband.

(b) Monthly benefits: Each widow of a fully insured individual is also eligible when she attains age 65 (i) for a monthly benefit equal to three-fourths the primary insurance benefit (beginning at age 65, or 6 months after her husband died, whichever is later) or (ii) her own primary old-age insurance benefit, if larger.

2. Orphans' monthly insurance benefits: Each insured individual's dependent orphan (up to 16 or 18 if regularly attending school) is eligible for an orphan's benefit equal to one-half of the primary insurance benefit of the deceased parent.

3. Benefits to widows with children:

(a) Lump-sum payment: A lump-sum benefit equal to six times the monthly primary insurance benefit is payable to the widow upon the death of her insured husband.

(b) Current monthly insurance benefit: A widow of an insured individual who has in her care one or more children also is eligible for a monthly benefit—beginning with the sixth month after the death of her husband—of three-fourths the primary insurance benefit until she dies, remar-

ries, or the children reach 16—or 18 if they are attending school regularly.

4. Parents' insurance benefits: Upon the death of a fully insured individual who leaves no widow or child under 18 (a) a lump-sum benefit equal to six times the primary insurance benefit is payable to a surviving parent who was wholly dependent upon the deceased and (b) upon reaching age 65—or 6 months after the month in which such individual died, whichever is later—a monthly benefit equal to one-half of the primary old-age insurance benefit is payable to each such parent.

5. Lump-sum funeral benefit: Upon the death of an insured individual who leaves no widow, no child under 18, and no wholly dependent parent, a lump sum of six times the monthly primary insurance benefit is payable for the funeral expenses of the deceased.

D. MINIMUM AND MAXIMUM BENEFITS

The minimum benefit payable shall be not less than \$10 per month. The maximum benefit payable shall be not more than double the primary insurance benefit, 80 percent of average wages or \$85, whichever is the smallest.

Your committee, after 4 months of hard work, has brought you a bill that we sincerely believe is in the interest of the people of this country and one that we feel is worthy of your support. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired. All time has expired.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the bill may be read by title rather than by sections.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that the bill be read by title rather than by sections. Is there objection?

Mr. TREADWAY. Mr. Chairman, as far as the minority is concerned, we are agreeable to reading the bill by title.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

Mr. TERRY. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Arkansas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and twenty-one Members present, a quorum.

Mr. JENKINS of Ohio. Mr. Chairman, I rise to a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENKINS of Ohio. I make the inquiry just as a matter of information, because several people have come to the desk inquiring as to where they may offer their amendments. This is true, is it not, that the bill will be read from the first page over to title II, at the end of page 5, and anyone wishing to offer an amendment that is germane to any portion of the bill up to that place will be permitted to offer it at the conclusion of the reading of that portion of the bill, if he can get recognition from the Chair.

The CHAIRMAN. The gentleman from Ohio is entirely correct. The Clerk will read title I.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Social Security Act Amendments of 1939."

TITLE I—AMENDMENTS TO TITLE I OF THE SOCIAL SECURITY ACT

Sec. 101. Section 2 (a) of the Social Security Act is amended to read as follows:

"(a) A State plan for old-age assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim for old-age assistance is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the proper and efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time

require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; (7) effective July 1, 1941, provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming old-age assistance; and (8) effective July 1, 1941, provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of old-age assistance."

Sec. 102. Effective January 1, 1940, section 3 of such act is amended to read as follows:

"PAYMENT TO STATES

"Sec. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing January 1, 1940, (1) an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan with respect to each needy individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds \$40, and (2) 5 percent of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose.

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

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

"(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, (A) reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State under clause (1) of subsection (a) for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Board, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to old-age assistance furnished under the State plan, except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter: *Provided*, That any part of the amount recovered from the estate of a deceased recipient which is not in excess of the amount expended by the State or any political subdivision thereof for the funeral expenses of the deceased shall not be considered as a basis for reduction under clause (B) of this paragraph.

"(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified, increased by 5 percent."

Sec. 103. Section 6 of such act is amended to read as follows: "Sec. 6. When used in this title, the term 'old-age assistance' means money payments to needy aged individuals."

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

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 3, line 9, strike out "one-half" and insert "four-fifths"; in line 15, strike out "40" and insert "25"; page 4, line 6, strike out "one-half" and insert "one-fifth."

Mr. COLMER. Mr. Chairman, this is the amendment that we gave notice several days ago we were going to offer on this occasion. This is the amendment that has the backing of approximately 100 Members of this House who are sponsoring it. This is the amendment by which we hope to equalize the distribution of the proceeds to the aged needy of this country.

I placed in the Appendix of the Record, appearing at page 2490, under an extension of remarks, a chart which would show just what this amendment would mean in the average receipts by those qualified as recipients in each State. In other words, this amendment seeks to have the Federal Government pay four-fifths for every dollar that the State puts up to the Federal Government's limitation of \$20. This would tend to equalize the distribution of these funds. It would tend to bring some of the poorer States up, but it

would help every State in the Union, as this chart will disclose.

I know a lot has been said about helping the aged needy. I know there is a lot of lip service that is rendered to this class of people. I do not belong to any organization other than the organization that was formed here yesterday. I do not subscribe to any organization that goes out and seeks money from the aged and needy—money which they need—to try to put across this kind of legislation. I do not have any sympathy with a lot of that stuff that is done.

By this amendment you have an opportunity to render some real service rather than lip service to your constituents who are in need of these funds.

We are going to have a lot of debate about this, I assume. These gentlemen on the powerful Ways and Means Committee, for whom I have very profound respect and a high regard, are going to say that we are trying to wreck their bill, and so on. But this matter has been called to their attention before. I realize they have worked hard on this proposition, but I am not going to take all my time in paying tribute to the Ways and Means Committee, more than to say that I have a very high respect and regard for them.

But I do say to you, when they tell you this will wreck the Government and it is going to cost a whole lot of money, just remember this: As the able gentleman from Georgia [Mr. RAMSPECK] has pointed out, if this amendment is adopted it will not cost the Federal Government one cent more than it would cost the Federal Government if the States match the \$20 that the Ways and Means Committee has authorized them to pay in this bill. It is not going to wreck the Government. I voted against a proposition that was submitted recently, as a matter of discretion, because I thought it was going too far; but we have got something here that is tangible; something that is reasonable; something that can be attained. Those of you who are in favor of this amendment and who want to help these aged people, I hope, will say so by your vote on this amendment.

Mr. Chairman, the distinguished chairman of the Ways and Means Committee contends that this amendment, if enacted, would cost the Federal Government more than four-hundred-odd-million dollars, and gives his authority therefor. We deny that it would cost anything like that amount, and we aver that the figures that we obtained from the same source are to the effect that it would cost only \$114,000,000 upon the present basis of those who are qualified and are obtaining the pension. But, of course, we know that figures do not mean anything. The question is, Are we willing to adopt this amendment and let it go to the other end of the Capitol, where it would be amended, anyway; and as a result, have some tangible increase worked out in conference? Let me say to you that while we are primarily interested in the States in the lower brackets, this amendment would help aged recipients in every State of the Union, including the State of the distinguished chairman of the Ways and Means Committee. It would mean, as we pointed out the other day, that the aged needy who qualify in the State of Mississippi would receive a pension of \$18.05. We appeal to your sense of fairness and justice and urge you to support this amendment.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Mississippi [Mr. COLMER], and I appear here as one of the group that is sponsoring this amendment.

My State today is paying between \$8 and \$9 to its old-age pensioners. Offering the additional amount from the Federal Government, under the plan sponsored by the Ways and Means Committee, will not help their situation. They are not now able to match the \$15 on a dollar-for-dollar basis. Therefore the plan of the committee does not offer any assistance to the State of Georgia.

According to the information I have, the situation we find ourselves in in Georgia is a situation similar to that of most of the States, in that they are not now matching the \$15

which the present law provides. If the Ways and Means Committee is in good faith in offering this \$20, and I think they are, then the plan we are proposing here today will not cost the Government any more money, simply because we are not increasing the amount that the Government offers to pay beyond the \$20 stipulated in the pending bill. We simply change the ratio or proportion from dollar for dollar to 4 to 1. That will help all of the States. Every one of the 48 States of the Union will be able to pay more money to the old-age pensioners in their States, without increasing the cost to the States.

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

Mr. RAMSPECK. I yield.

Mr. BOEHNE. What assurance does this amendment give the aged needy that they will actually receive more in the State of Georgia or the State of Mississippi or in any other State in the Union than they are now receiving?

Mr. RAMSPECK. It gives them this assurance, that with the present appropriations, instead of getting between \$8 and \$9 they will get over \$20.

Mr. COOPER. Mr. Chairman, will the gentleman yield further?

Mr. RAMSPECK. I yield.

Mr. COOPER. What is there in this amendment, though, to force this money to go to the old people instead of the State just taking this money and continuing to pay the old people what they are getting now?

Mr. RAMSPECK. Of course, any State can refuse to appropriate any money for old-age pensions. They can do it under the committee's plan just as well as they can do it under this, but public sentiment will demand that they continue the present appropriations and take the benefit of additional money coming from the Federal Government, and that is the only way we are going to do anything under this type of legislation for the old people in our States.

I hope the committee will adopt this amendment. I think it is a reasonable proposal, and I think it will benefit all of the States and enable us to enact a sound, sensible program, one that can be complied with and one that will be of real benefit to the people.

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

Mr. RAMSPECK. I yield.

Mr. DWORSHAK. The gentleman states that some States are not able to match 50-50

Mr. RAMSPECK. Yes.

Mr. DWORSHAK. Why are they not able to do that?

Mr. RAMSPECK. Because they have not enough money.

Mr. DWORSHAK. Where is the Federal Government going to get the money to pay the four-fifths instead of the half when it is now operating at an annual deficit of three or four billions of dollars?

Mr. RAMSPECK. The same place it gets it now.

Mr. DWORSHAK. Where is that?

Mr. RAMSPECK. By borrowing it and from taxes, that is where we get it now.

The point I am making is that even though the committee proposal says that the Federal contribution will be raised to \$20, the old people will not get any more than they are getting now for it will be impossible for the States to match it.

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

Mr. RAMSPECK. I yield.

Mr. BUCK. I think the gentleman has not thought this through. It will, of course, cost the Government more money. Under the Colmer amendment the Government would be called upon to pay a \$20 pension to every qualified aged needy person in the country, but under the committee plan it will not cost the Government more, because the States must match.

Mr. RAMSPECK. Then the gentleman admits that his committee put that in the bill not in good faith.

Mr. BUCK. Not at all. The committee put it in the bill in the utmost good faith, liberalizing the present law, but following out the principle of the present law.

Mr. RAMSPECK. It was put in the bill with the expectation that the States could not take advantage of it?

Mr. BUCK. It was not.

Mr. RAMSPECK. Then the Colmer proposal will not cost any more than the committee proposal will. [Applause.] [Here the gavel fell.]

Mr. COLLINS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, several bills in line with the Colmer amendment have been introduced in this House. I happen to be the author of one similar to it which had the approval of the great organization of which Abe Epstein is director and which has the approval of that organization and, as I understand, was endorsed by Mr. Epstein when he testified before the Committee on Ways and Means. In view of the fact that the bill that I have proposed is in line with the Colmer amendment, I wish to address my remarks to that amendment rather than to the legislation which I proposed.

In the first place, the proposal of the Ways and Means Committee on old-age help is unfair to the poorer States of the country. That is apparent. There is a disparity in the amounts that old people in the various States will receive. In addition to that particular disparity there is another one. Because of the difference in amounts, it forces the poorer States to pay from their meager funds a part of the cost of furnishing larger pensions to the richer States. These two disparities are so unfair that I believe they will be remedied by this House. It was suggested a few days ago by someone on this floor that there ought to be a disparity in old-age payments in the States because of differences in the cost of living in different sections of the country. The Wage and Hour Division of the Labor Department recently found as a fact that in certain cities or towns of around 5,000 or 10,000 population in the South and elsewhere over the country there was only a 2-percent differential. So much as to the unfairness of the bill as it now stands as to the poorer States.

I also maintain that the committee's proposal is unfair to the richer States, and for this reason: The poorer people, and especially the aged people, where low old-age payments are made will and do frequently gravitate to the richer States where larger amounts are paid. I know this is the fact.

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

Mr. COLLINS. I have only a minute or two, I cannot yield. I know this is a fact, because in the last 5 or 6 years, according to a study made about a year ago by a certain group studying sociology at George Washington University in the District of Columbia, it was found that about 87,000 colored people had come to the District of Columbia and that this influx along with the other colored residents constitute 47.3 percent of the total votes of the District of Columbia if there were suffrage here. This shows that people in the small or no income brackets are moving to centers like Washington, Cincinnati, St. Louis, Chicago, Philadelphia, Detroit, and other cities of the United States to get relief or larger old-age assistance benefits. And these cities will necessarily have to further increase their budgets in order to care for these unfortunate people seeking a better existence.

[Here the gavel fell.]

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

Mr. Chairman, I am one of those benighted individuals who had the audacity to vote for the Townsend plan and I am perfectly willing to assume that responsibility. The same reasons that impelled me to vote for the Townsend plan compels me to vote against this amendment. In the discussions upon that bill, the gentleman from California [Mr. Buck], who is now smiling so vigorously, in opposing the same, stated to this House in substance, like the advance man who used to run ahead of Ringling Bros. circus, "Wait until our circus comes to town." He stated in his remarks to the House in opposition to that bill, "Wait until the social-security bill comes before the House. We are going to do something for the aged people of this country in that bill."

As a result of those discussions, propaganda was disseminated throughout the Nation having for its purpose the creation of an impression in the minds of the aged people that they might expect some additional benefits by way of increased old-age pensions as a result of proposed amendments to the Social Security Act and the aged people of this country have been led to believe that after voting down the Townsend plan the Ways and Means Committee is going to take care of the aged by increasing the Federal contribution to the States who pay old-age pensions.

While I intend to vote for the present bill, I do not do so under any misapprehension that the proposed increase of Federal contribution from \$15 to \$20 is going to have the effect of materially increasing the pensions received by the aged throughout the country, and any propaganda that has been issued which tends to create this impression, in my judgment, is exceedingly vicious. The simple facts are that under the present law the Federal Government undertakes to match State money up to \$15 per month for the payment of old-age pensions, so that if the various States were able to pay \$15 per month to needy aged people, \$30 per month pensions could thus be received.

The present bill proposes to increase the Federal Government's contribution from \$15 per month to \$20 per month, thus giving the impression that \$40 per month pensions are to be made available to the aged. No such cruel hope should be aroused in the minds of the aged people of this country, for while it is possible for \$40 pensions to be paid under the present bill, the States, in order to pay \$40 per month pensions, must pay one-half thereof, or \$20, themselves.

I ask, therefore, in view of the facts that the records disclose that practically no State has availed itself up to date of the opportunity to receive even \$15 per month, as provided in the present law, by matching that amount through the medium of a State contribution, how can it be expected that the States will be able to raise any more money to meet their share of the pension by raising the offer of the Federal Government from \$15 to \$20 per month? If the States are unable to match \$15 per month, under the present law, and pay \$30 per month pensions, certainly they will not be able to match \$20 per month, so as to be able to pay \$40 per month pensions. It is true that the opportunity is provided in the present bill, but aged people of this country should know and understand that the Federal Government under this proposed bill will not pay out a single dollar that is not matched by a similar dollar to be paid by the respective States, and I can see no hope or expectation of any increase in pensions if dependence is to be had upon the various States to provide the matching funds in order to make increased pensions available.

I have always contended, and still contend, that the whole subject of old-age pensions is Federal in character and scope, and that whatever pensions are paid should be paid directly out of the Federal Treasury, and the amount necessary to make such payments be provided for by suitable tax legislation on a pay-as-you-go basis. Any other program will have no other result than to see 48 different State pension schemes and plans buffeted about as political footballs while the aged people must stand on the side lines and continue to suffer because of improper and inadequate care.

It seems to me that any pension plan that is proposed should be sound enough and appealing enough to the public of America to permit the imposition of sufficient taxes to pay the cost. And any other program which relies upon a continuation of borrowed money is, in my judgment, indeed a hoax upon all of the people of this country. The aged people of this country, therefore, should not be encouraged in the thought that so-called liberalization of the old-age benefit provisions of the Social Security Act are going to result in any increased pension for them. [Applause.]

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I yield to no man in my respect for the Ways and Means Committee of this House and for the distinguished and able gentlemen who compose it. My respect

is unbounded also for the experts that great committee has associated with it in its labors. But I am convinced that in writing the old-age pension provisions of the original act, as well as of this bill, Jupiter has nodded.

In the bitter winter of 1788 Queen Marie Antoinette of France was told by one of her courtiers in reply to her question, "Why do the people cry?" "They cry for bread." Her classic response was, "Then let them eat cake."

History tells us that that witticism was one of the causes of the French Revolution and her start on the path to the guillotine.

The parallel may not be perfect, but it is sufficiently so, I think, to warrant its use as an argument for supporting the pending meritorious amendment. The needy aged of America who live in those States which are too bitterly poor to match Federal funds to any appreciable extent, are almost literally crying for bread. The answer of the Ways and Means Committee is, "Then let them eat cake."

Why increase this limit of Federal contribution to \$20 when only one State has matched \$15? If that cruel, false hope that you engendered by the original act and the State plans presented under it has failed of fruition in 47 States in the Union, and so miserably in 8 States that not one of them has been able to provide their half of even a \$10 monthly pension, why do you call this an improvement when you merely raise the outside limit to which their false hope might point?

Mr. Chairman, we are not here arraying class against class, nor State against State. We are simply trying to face facts and those facts are that it is just as impossible for Alabama, for instance, to raise the \$27,000,000 which would be required to match the Federal contribution up to \$15 for every old person in our State as it is for an ordinary cow to jump over the moon.

The distinguished Secretary of Commerce, then W. P. A. Administrator, when he made his speech at Memphis about what he was going to do for the farmers of the Nation in their off season, after the crops were laid by, through W. P. A. work relief, was suffering from the same illusion that has actuated the Ways and Means Committee in the presentation of this bill. Neither he nor they can believe how poor many States and citizens are. The honorable Administrator thought there could not be more than 100,000 farmers in the Nation whose annual incomes were less than \$312. That was his first total allotment—100,000. In spite of all the restrictions that could be devised, 100,000 was not sufficient for one State. In my home county I think more than 5,000 farmers qualified, but only 300 jobs were provided for them.

As it was in that promised farm relief, so is it with old-age pensions. The promise was not opulence, but the actuality is pathetic.

Whether we should ever have created this hope is debatable. But, having done so, the Nation's duty is clear. We must keep faith with those needy aged whom we taught to hope. They cannot eat hope. [Applause.]

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I shall support this amendment. I have never been able to understand why the domicile or the residence of an old man or woman should be a test as to how much money he or she should receive from the Federal Government in payment of an old-age pension. I have always been impressed with the thought that when the Federal Government admitted that it owed an obligation to the old men and women of the United States, in fairness the Federal Government owed exactly the same amount of money to every old man and woman regardless of their geographic location within the United States.

Now, has the Federal Government recognized and admitted the fact that they owe an old-age pension to the old men and women of this country? The answer must inevitably be "yes." My distinguished, able, and respected colleague from Oklahoma made a very enlightening speech yesterday in which he pointed out that the thing we voted

on when we voted several days ago on the Townsend plan was a test of whether or not the Federal Government should bear the entire burden of paying an old-age pension. I differ with my friend because that was not the test at all. If the State of Oklahoma can pay her old men and women a pension of any amount of money that is a State obligation.

If any State in the Union wants to pay its aged any sum of money, that is the privilege of the State and it is a State obligation. As I see it, this is a Federal matter. If the Federal Government is going to put it upon the basis that an old man or woman must live in a rich State before he or she can receive as much money as another old man or woman in exactly the same circumstances, then, insofar as the Federal Government is concerned, it is discriminating between the old man or the old woman who lives in Mississippi, for example, and the old man or the old woman in exactly the same situation who lives in the State of New York.

This is the closest approach I have seen to the Federal Government paying an equal amount of money to old men and women who fall into a certain class no matter what State they live in. The only reason it is a close approach is that if this amendment is adopted then any State which can raise \$5 for the old men and women entitled to a pension would receive \$20 from the Federal Government. When the Committee on Ways and Means says, "We will match up to \$20 the money appropriated by the States," it is saying, "We assume that the Federal Government has a responsibility of \$20 per month to every old man and woman in the United States."

I am tired of hearing candidates for office prate about the great things that will be done for the aged of this country.

I am tired of seeing this body year after year hold out hope to the aged of this country that some day the Federal Government will adequately take care of them.

I could not support the Townsend plan because it held out a promise to the old people of this country which I knew could never be fulfilled, to wit, the payment of \$200 per month to every old man and woman in the United States over 65 years of age; and the Ways and Means Committee said they were bringing out a bill which would liberalize old-age pensions and adequately fulfill the Federal obligation. They have broken faith with us.

The plan offered here today by the great Ways and Means Committee of this House is but little better than the Townsend plan, because it holds out to the old people of this Nation the hope that under the provisions of this bill they will receive \$40 a month. The real truth of the matter is that they can only receive this sum if and when the State wherein they live appropriates enough money to pay them \$20 a month from the State, in which event the Federal Government will match it with \$20.

Let us look at the record. Ten dollars a month is the average paid in old-age pensions all over the United States, being represented by \$5 from the State and \$5 from the Federal Government. Only one State in the United States is paying \$15 a month, and by so doing availing themselves of the \$15 contribution of the Federal Government. That State is California.

Why, then, should we believe that the States of the Union will now supply \$20 when under the old law they could not even supply \$15?

No; this bill is but an idle gesture, and unless this Colmer amendment, or some amendment like it, is adopted, we will simply fix it so that the rich States of the Union, such as New York, California, and other States of their kind, will benefit because their resources will permit the appropriation of sufficient sums to avail themselves of the \$20 Federal contribution while the old people in States, such as Oklahoma, Alabama, Mississippi, and nearly every State in the South and Southwest, will continue to suffer because the resources of those States are not such that the legislature can appropriate a sufficient amount of money to match 50-50 the maximum amount provided in this bill.

Why do not we be honest and fair with the old pioneers who gave us civilization, culture, and the good things of life which we enjoy today, and say to them the Federal Government will pay you X amount of dollars as its contribution to your support in your declining years, through appreciation for services rendered, and they pay that amount to every old man and woman who falls within the classification, regardless of where he or she may live, and then if the State in which they live deems that that State owes them an additional sum, then let the State legislature appropriate that sum and pay it to them direct and independent of the sum paid by the Federal Government.

When I voted for the Social Security bill when it was first offered for consideration, I said that I was doing so not because I thought it was ample or sufficient, but because I found myself in the position of a man who found himself caught naked in a blizzard and someone handed him a suit of B. V. D.'s and he put them on, not because he thought they would keep him from freezing to death, but because he thought it was the best that was offered.

If this amendment is defeated and there is not one similar to it adopted, my conscience dictates to me that I should vote against this bill and that I would do were it not for the fact that I am afraid that the old people of my congressional district would misinterpret the vote and think that I was voting against the principle of the payment of an old-age pension, so I presume that in the end I shall have to vote for the passage of whatever bill is finally agreed to by the House, finding myself again in the position of a man in a blizzard.

This is the first real opportunity that the Members of the House of Representatives have had to closely approach discharging the Nation's obligation to our aged. Support this amendment. Let us incorporate it in this bill. Then we can all go home tonight, sleep well, secure in the belief that we have taken a long step forward toward discharging this obligation, and we can surely rest assured that we are no longer kidding the old people of the country, but at last have decided to play fair. [Applause.]

[Here the gavel fell.]

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

Mr. Chairman, in my opinion, this amendment is madness, sheer madness, when we begin to reason it out. The Social Security Board estimates that this will cost \$417,000,000 annually, this statement being made by the Chairman of the Board to me here this morning.

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

Mr. DISNEY. I yield for a question.

Mr. COLMER. What is the name of the gentleman who made that statement?

Mr. DISNEY. Mr. Altmeyer, the Chairman of the Social Security Board.

This amendment will cost \$417,000,000 annually; and you will know it yourselves when you reason it out, and so will the author of the amendment.

Mr. COLMER. Mr. Chairman, will the gentleman yield further?

Mr. DISNEY. No; I have only 5 minutes.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield for just one brief question?

Mr. DISNEY. I yield.

Mr. DEMPSEY. What did the Social Security Board estimate would be the cost of providing \$20 a month under this bill if all the States matched that contribution?

Mr. DISNEY. I did not inquire about that. That is not involved.

Mr. Chairman, let us be practical for a moment. Suppose we were members of the Mississippi Legislature and this amendment should pass here today. We would promptly go into session and raise the State contribution to \$5 from whatever it is now—I believe it is something over \$4. You say now you cannot afford to raise the State contribution, yet if this amendment were agreed to you could afford to go to \$5, because for every \$5 you contributed you would bring \$20 of Federal money into the State. You would figure the additional expenditure under the same theories advanced here;

would justify your raising the contribution to what you say now you cannot afford. You would have put up \$5 to get \$20 into the State. What else would you do? You would liberalize the needs test until you would get more twenties and more and more until you would gut the Federal Treasury. That is what would happen.

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

Mr. DISNEY. I cannot yield.

Then let us go to the State of Oklahoma and imagine you are a legislator in that State, which now contributes about \$9. A legislator with enough sense to come in out of the rain would vote to cut the contribution to \$5, because now the old-age pensioners in the State get only about \$18 when we put up \$9 and by contributing \$5 you would get a total of \$25 a month for the old-age pensioners in the State. Then you in Oklahoma would liberalize the needs test to get more and more twenties from the Federal Government. Why would it not cost \$417,000,000? The gentleman from Oklahoma [Mr. FERGUSON] and I discussed it last night, and reasoning that the probability would be that because of the liberalizing of the needs test, which would naturally follow if this amendment is adopted, the number of pensioners would go up and up, if State legislators would act as we would appear to be acting if we passed such an amendment, it would come more nearly approaching a billion dollars than \$417,000,000.

Gentlemen, let me plead with you. In 1916 the Federal Government in this United States cost \$1,034,000,000, and in 1939, without any comparable increase in population, we are going to spend ten billion. How long can it last? How long are we going to continue at this rate? We cannot afford it.

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

Mr. DISNEY. Not now.

It is said that the State of Alabama just cannot raise the money. How long are we going to continue? Why, the psychology in the Hoover administration got so low that Government obligations were selling in the 80's, and now Governments are oversubscribed 10 or 15 times. What a turn of the hand it would take to change that intangible thing, that psychology, into the psychology of those other terrible times. If we try to keep this up, we just cannot afford to do it. [Applause]

[Here the gavel fell.]

Mr. FORD of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by my colleague the gentleman from Mississippi [Mr. COLMER].

The gentleman who just preceded me said that the amendment is sheer madness. I think there are very few people in this House this afternoon who will not take issue with that statement. I may call attention to the fact that the people in my State today are only receiving around \$8 per month at the age of 65 years and above, and they are limited to cases of absolute necessity. It is not a wide-open proposition where people generally who have reached that age and have a very meager income can even get any assistance. They have to submit proof that they are on starvation and have no relatives that can assist them before they are even recognized for any assistance, and even then there are a great many persons on the waiting list who are unable to get their \$8 a month now.

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

Mr. FORD of Mississippi. Yes.

Mr. DISNEY. The gentleman would not abolish the needs test?

Mr. FORD of Mississippi. I would make it more liberal and would certainly eliminate the pauper's oath.

Mr. DISNEY. That is exactly what your legislature would do if you ever passed this amendment.

Mr. FORD of Mississippi. I think they should do it. I think it is only fair to the people of this country that we should increase and liberalize this pension. [Applause.]

Mr. DOUGHTON. If they should do that, why do they not do it now?

Mr. FORD of Mississippi. The trouble is a great many States, including my own, are financially unable to put up the \$4 for the ones who are on the rolls today.

Mr. DOUGHTON. If they cannot put up \$4, how can they put up \$5, as proposed in this amendment?

Mr. FORD of Mississippi. Of course, if this amendment is adopted and they only put up the \$4 which they are doing at the present time, then the Government, under this amendment, would put up \$16, and that would enable them to receive a total of \$20 a month. A great many of the aged people in my State would be most happy to receive that amount a month instead of the meager sum of \$8 which they now receive under the present Federal and State laws.

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

Mr. FORD of Mississippi. I yield.

Mr. COLMER. Of course, my colleague does not understand—and I am sure the gentlemen who have questioned him do not understand—that it would be necessary to put up any fixed amount for them to receive an increase under this amendment. If they put up \$2, under this amendment they would be entitled to \$10.

Mr. FORD of Mississippi. That is right.

Mr. COLMER. And the amount goes up on a graduated scale to where the aged needy in the gentleman's State of Oklahoma would receive an increase of approximately \$10.

Mr. FORD of Mississippi. That is right, and I call my colleague's attention to page 2490 of the Appendix to the CONGRESSIONAL RECORD. At that page of the RECORD you will find a table inserted by my colleague the gentleman from Mississippi [Mr. COLMER]. The information contained therein was furnished by the Social Security Board, and, speaking for the State of Oklahoma, we find that the aged in that State received an average pension for the month of April of \$19.79, and if this amendment should be adopted they would receive an increase up to \$29.90. Take the State of Connecticut. The aged there received for April \$25.88, whereas if this amendment should be adopted they would receive \$32.94 without any further action on the part of the State legislatures of those respective States. Then take California, the only State of the Union that is matching the \$15 under the present law, there they would receive about \$37 if this amendment should be adopted.

The law we have today requiring the State to match dollar for dollar is nothing in the world but a farce, because the agricultural States and the poorer States of this Union are unable financially to put up on a dollar-for-dollar basis.

We have in my State every kind of tax imaginable, and those taxes do not yield enough to match the Federal funds under the present law. The Federal Government is committed to this proposition and this Congress should liberalize this bill whereby the aged living in the poor States will be put on an equal basis with the ones living in the rich States. I hope the proposed amendment will be adopted. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 25 minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object—

Mr. O'CONNOR. I object, Mr. Chairman.

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

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 1 hour.

Mr. O'CONNOR. I object, Mr. Chairman.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment close in 1 hour.

Mr. RANKIN. Mr. Chairman, I offer an amendment to the motion of the gentleman from North Carolina to make it one hour and a half.

The CHAIRMAN. The question is on the amendment of the gentleman from Mississippi to the motion of the gentleman from North Carolina that debate close in one hour and a half.

The amendment to the motion was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from North Carolina that all debate on this amendment close in 1 hour.

The question was taken; and on a division (demanded by Mr. O'CONNOR) there were—ayes 147, noes 44.

So the motion was agreed to.

Mr. HINSHAW. Mr. Chairman, I think we find ourselves in a rather anomalous position at the present time, and one which cannot be sustained. In the first place, under the present act, as I understand it, something like one-third of the people of the United States engaged in remunerative employment are covered for old-age benefits. In order to support those payments, there is a 1-percent tax paid upon their wages by themselves, and 1-percent tax paid by the employer. The people who drafted the bill choose to call it an excise tax, or something of that sort, to get away from the expression, a gross-income tax. However, it is, nevertheless, a tax on the gross income of those who earn the wages. It is said that the first 1 percent only can be so considered, but I call attention to the fact that in all probability the additional 1 percent paid by the employer can be considered as a 1-percent increase in salary, and then deducted from their total wages. The other day some of us stood some rather vituperative talk on the part of the members of the committee and others because we voted for the Townsend bill. I am not an adherent of the Townsend plan—in fact, the Townsend people not only did not endorse me, they put a candidate in the field against me; but I voted for that bill partly because of the following particular reason: It supplies a tax to support the payment of benefits. I have gone into this bill before us, and I find that the old-age assistance program under the Social Security Act has no basis of tax to support it whatever, and I believe that the committee missed a big bet, a splendid opportunity, to go into that other bill, and place a tax on the books, not only by consent of, but by the strong urging of these groups, in order to support the old-age assistance program. I think they missed a big opportunity, and I said at the time that if the committee had exercised its collective genius and considered that measure in committee and perfected it, they could have had a tax to support that old-age assistance program. At the present time there is talk also in this House about increasing the benefits to certain aged people, and some Members are hollering because there is no tax to support it. I think the committee made a big mistake in not taking on that proposed tax, or something like it.

The gentleman from Mississippi [Mr. COLMER] talks about the wealthier States. The State of California is not any wealthier than any other State, and if you will increase the payments to the people in your own States and keep them out of our State, then the people paying the \$20 tax in California will be so much better off and better able to support the aged people we have now.

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

Mr. HINSHAW. Yes; I yield.

Mr. RANKIN. This amendment would be a relief to the State of California?

Mr. HINSHAW. It would in a way, but some such plan as the one brought up the other day would be a much greater relief.

Mr. RANKIN. I am not criticizing the gentleman's attitude the other day, but his attitude today would load this burden onto the people of California and not tend to relieve them.

Mr. HINSHAW. Of the \$20 contributed by the people of California, \$10 is paid by the real-estate taxpayers, largely home owners and farmers, and \$10 comes out of the State general taxation. It is a burden greater than our people can afford, and the Social Security Act to that extent is ruining our State.

Mr. RANKIN. The present act?

Mr. HINSHAW. The old-age assistance program and some other features.

Mr. RANKIN. And the present bill without this amendment is not helping the State of California.

Mr. HINSHAW. Not at all, insofar as old-age assistance is concerned.

Mr. RANKIN. This amendment would help the State of California?

Mr. HINSHAW. Yes; by encouraging the aged in other States to stay home.

Mr. RANKIN. Then the gentleman is for the amendment?

Mr. HINSHAW. I am.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. JOHNSON] for 2 minutes.

Mr. JOHNSON from Oklahoma. Mr. Chairman, I rise in support of the pending Colmer amendment. Let me say in the outset that I regret to find myself in disagreement at this time with my able and distinguished colleague from Oklahoma [Mr. DISNEY], for whom I have much respect. The fact is that I was rather surprised and somewhat disappointed that he should refer to this amendment as sheer madness. I do not believe that my colleague really intended to use such strong language. When the vote is taken it is my guess that at least seven, or possibly eight of the nine Members of Congress from Oklahoma will support the Colmer amendment as the most practical and humane proposal yet presented. Oh, no, this is not sheer madness, but it proposes a long-delayed justice to our deserving and impoverished old people. [Applause.]

The pending amendment not only would liberalize the Federal Government's contribution but it proposes also to more nearly equalize the benefits to our old people, irrespective of where they may happen to reside. When the Social Security Act was first considered and debated in this body I took the position that a uniform Federal pension should be paid all old people who could qualify under the act, regardless of whether they resided in a wealthy State or a poor one. I have not changed my position.

Mention has been made several times today of the overwhelming defeat in this House recently of the so-called Townsend bill. Many of us recall the speech of the able chairman of the committee when the late Townsend bill was under consideration. I was much impressed with the statement of the chairman that it was the rankest kind of hypocrisy for anyone to lead our old people to believe that there was the remotest possibility of them receiving a Federal pension of \$200 a month. To that statement I fully agreed.

Yet it is significant that the Ways and Means Committee has brought in a bill here proposing to raise the Federal contribution to \$20 a month, when every Member knows full well that it will be impossible for a vast majority of the States to match such a proposal on a 50-50 basis. It is conceded that as the bill stands now, it is a gesture. I shall not call that provision "sheer madness." Nor will I refer to such action on the part of this great committee as rank hypocrisy. But certainly I am not unduly critical when I say that such action by the committee is, at best, but an empty gesture. This amendment offered by the gentleman from Mississippi [Mr. COLMER], as has heretofore been pointed out, simply proposes to assist the so-called poorer States which are absolutely unable to match the Federal Government even under the present law. This will do more to help the aged and take care of the old people now in dire distress than any other proposal yet made. [Applause.]

Mr. Chairman, I am supporting the so-called Colmer amendment, believing it to be a just and forward step in solving the perplexing problem of assistance to our deserving and needy old people. The announcement of the committee that it has raised Federal participation from \$15 to \$20 per month would seem at first blush to be important liberalization of the present law, but it is conceded that not more than six States in the Union would find it possible to pay a \$40 pension on a 50-50 basis at this time. This act on the part of the Ways and Means Committee, instead of helping our aged people generally, would have the effect of

working a hardship on them. Especially is this true in States like Oklahoma and 46 or 47 others that to date have not been able to match the Federal Government's participation of \$15. It is doubtful if this gesture on the part of the Ways and Means Committee would add one dollar of Federal participation.

Under the Colmer amendment it is proposed that the Federal Government pay four-fifths of pensions to all people qualifying who have reached the age of 65 years, up to \$20, which is the maximum amount of Federal participation recommended by the Ways and Means Committee. The wealthier States that desire and are able to pay more could, of course, do so. In fact, there is no limit to the amount that the State might pay. The State of Oklahoma, so I am advised, is at this time paying an average of about \$9 per month. That would mean, if the Colmer amendment were adopted, that the average old-age pension would be \$29 per month. Surely no one will rise in his seat and say any old person can live decently on less. This amendment should be adopted. If agreed to, it would not only make the lives of our deserving old people much easier but it would have the effect of eliminating some pension rackets of those who are chasing rainbows with impossible and fantastic dreams. It would ring down the curtain on those who are playing on the heartstrings of our old people and robbing them of nickels, dimes, and quarters that are needed for food.

Mr. Chairman, there is another amendment that I am vitally interested in. That is one that will be offered by the gentleman from California [Mr. VOORHIS] to specify by a yardstick the "needs clause" for old-age pensions. One of the most unsatisfactory things connected with the administering of the Social Security Act has been the different yardsticks used in different localities.

An old person who works and makes an effort to earn a few dollars is penalized under the present system. The present set-up is not encouraging industry and thrift, but on the other hand it is very definitely encouraging idleness. I do not profess to know what the yardstick should be. The amendment of the gentleman from California simply proposes that those having an income of \$360 or less will be able to participate in old-age pensions. I do not know whether that is the correct figure or not but certainly it is the duty of the Federal Government to place a limit somewhere. Of course it is nonsense and absurd to say that a person with a ten thousand or a hundred thousand dollar income should receive old-age benefits from the Government. But on the other hand, it is just as absurd to deprive a needy old person of a pension to which he is justly entitled because he makes a few dollars a week or month in an effort to help himself and his aged and perhaps helpless spouse. Certainly it should not be the policy of this Government to make anyone sign a pauper's oath in order to become a beneficiary of old-age assistance.

Again I say that this or a similar amendment ought, by all means, be adopted. But it seems that the die is cast, and that word has gone down the line to defeat any and all amendments. If such a program is carried out and this Congress adjourns without liberalizing and more evenly equalizing old-age pensions, I do not hesitate to predict that the people will elect a Congress that will enact just, reasonable, and humane legislation for the needy and deserving old people of the Nation. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. LEAVY] for 2 minutes.

Mr. LEAVY. Mr. Chairman, there are two approaches to the subject of old-age pensions. It appears the Ways and Means Committee has approached it with the viewpoint of the monetary cost. There is the other approach, and that is as to what poverty is doing to American citizens. That is the primary approach. I am frank to say to you that the nearer we come in this Congress to making the pension program, whatever the amount may be, a strictly Federal program, the nearer we will come to ultimate justice toward the senior people of this country. [Applause.]

Of course, if the States of the Union all met this matching, under the present amendment it would cost more money than it is costing now, but I am satisfied, and the members of the Ways and Means Committee would have to grant that they knew when they offered this bill that no possibility existed for the various States to match to \$20 per person.

I secured figures yesterday from the Social Security Board—there are 1,836,636 persons now on old-age assistance, and the cost to the Federal Government to pay each one \$20 from Federal funds would cost \$440,793,000, or just a little more than double what it is now. But that would be offset by probably an equal amount on W. P. A. appropriations or appropriations of that type. What is more, it would go just a little further along the line of doing justice to people who have been shamefully treated by this Congress ever since the depression began in 1929. I am heartsick when I note what needs to be done in fairness to our senior citizens, and when I see how ungrateful we are as a nation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN] for 2 minutes.

Mr. RANKIN. Mr. Chairman, the amendment to have the Federal Government pay a larger portion of the old-age pension should be adopted by all means. Personally, I should like to see the Federal Government pay it all, for I realize that the poorer States are unable to meet their part of the responsibility.

If the Congress is unwilling to have the Federal Government pay the entire amount of \$30 per month, then by all means we should support the amendment to have the Federal Government pay two-thirds, or three-fourths of the amount while the State pays the balance—or let the Federal Government pay its part, \$15 a month, regardless of State contribution.

The provisions of the present bill, without such an amendment, is worse than useless, so far as the vast majority of the old people of this country are concerned. To raise the amount from \$30 per month to \$40 per month and still require the States to pay 50 percent of it will be worth absolutely nothing to the old people in a majority of the agricultural States. The only thing they will get out of it will be the privilege of helping to pay their pro rata of that part of this pension contributed by the Federal Government to old people in the wealthier States.

There is only one State in the Union now that pays the full amount of \$30 per month, and that is California. For the information of the House and others who read the RECORD I insert at this point a table showing the amount of old-age pension received by the old people of the various States under the present law.

The table is as follows:

State	Amount
United States.....	\$19.55
California.....	32.43
Colorado.....	29.99
Massachusetts.....	28.56
Connecticut.....	26.66
Nevada.....	26.46
Arizona.....	26.10
New York.....	24.18
New Hampshire.....	23.08
Ohio.....	23.01
Washington.....	22.10
Wyoming.....	21.62
Idaho.....	21.55
Oregon.....	21.30
Pennsylvania.....	21.19
Wisconsin.....	20.78
Maine.....	20.71
Montana.....	20.48
Utah.....	20.45
Minnesota.....	20.42
South Dakota.....	20.04
Oklahoma.....	19.94
Iowa.....	19.82
Kansas.....	19.62
New Jersey.....	19.32
Rhode Island.....	18.78
Illinois.....	18.52
Missouri.....	18.48

Average old-age assistance payment per recipient (title I), December 1938—Continued

Maryland.....	\$17.51
North Dakota.....	17.38
Nebraska.....	17.12
Michigan.....	17.11
Indiana.....	16.53
Vermont.....	14.47
Texas.....	13.84
Florida.....	13.84
West Virginia.....	13.79
Tennessee.....	13.23
New Mexico.....	11.15
Delaware.....	10.84
Louisiana.....	10.26
Virginia.....	9.54
Alabama.....	9.51
North Carolina.....	9.36
Georgia.....	8.76
Kentucky.....	8.73
South Carolina.....	7.40
Mississippi.....	6.92
Arkansas.....	6.15

You will note that the agricultural States that have been burdened for 75 years with a high protective tariff that levies a tax upon everything the people buy are unable to meet even the present limit of \$15 a month. It is simply an outrage to pay the old people of some States \$15 out of the Federal Treasury and at the same time pay the old people of Mississippi only \$3.46, merely because the people of that State cannot match a higher figure.

These States that pay exorbitant freight rates now imposed for the benefit of the richer States, into whose coffers the wealth of the Nation has been poured by high tariffs, discriminatory freight rates, and utility rates, exorbitant interest rates and insurance charges—these poorer States supported usually by the toiling farmers of the Nation, are unable to meet their half of this \$30 per month.

Therefore their old people, who toil in the fields and in the factories, and who struggle along in small business establishments, are shunted off with small amounts ranging as low as \$6.92 a month in the State of Mississippi, or \$6.15 a month in the State of Arkansas.

Yet that part of the Federal Government's contribution to the richer States is taken from the people of the poorer States through these indirect and hidden taxes.

I have always favored an old-age pension, but I believe it should be paid by the Federal Government, so that the people in every State would be treated alike.

Let me call attention to the fact that the social-security law as it now stands is of no benefit to the farmers of this country—the agricultural people who make the living for the rest of us, as a rule, get nothing out of it. This bill not only does not take care of them but it further penalizes the people in the agricultural States. If this amendment is adopted to raise the Federal Government's contribution to two-thirds or three-fourths, it will give them some relief and will not hurt the rest of you. I cannot understand why you men object to relieving a burden on the people of your States for fear we will do at least partial, if belated, justice to the people in the agricultural States.

This bill in its present form will not pass the Senate. The Senators from the agricultural States are not going to let it pass. If this is merely a gesture to kill off help for the old people throughout the agricultural belt, get up here and say so and let us fight it out on that ground. But if it is done by subterfuge, then the old people may say, in the words of Shakespeare:

And be these juggling "men" no more believed
That palter with us in a double sense;
That keep the word of promise to our ear,
And break it to our hope.

They promised us just the other day that they would bring in a bill to correct the injustices in the old-age pension law. Now what have they brought in? A measure that at very best will only increase the old-age pensions in those States where they do not need it, keeping the word of promise to the ear and breaking it to the hope. Our old people asked for a fish and you offered them a serpent; they asked for bread and you offered them a stone. They asked for a

change that will help to keep the wolf from the door and you bring them one that will further penalize the old people in a majority of the States and only benefit a few in those States that are already well cared for.

The present social-security law, as I pointed out, leaves out the farmer entirely except as he may be permitted to participate in these old-age pension provisions which so violently discriminate against the agricultural States.

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

Mr. RANKIN. Yes.

Mr. BUCK. Did you or anybody else appear before the Ways and Means Committee and ask that agricultural labor be included in this provision?

Mr. RANKIN. Oh, the gentleman from California [Mr. Buck] is now referring to day laborers, or hired help on the farm. Of course, the farmers do not ask, nor do their friends ask, to have them included and forced to pay a tax to guarantee a pension to others that is denied to them. He barely makes enough to pay the wages of his hired help, much less an extra tax to take care of his hired man after he leaves him or becomes too old to work.

Every intelligent man knows that the farmer who cultivates his own land does not participate, and cannot participate, in the provisions of the Social Security Act except insofar as he is compelled to pay indirect taxes to meet the burden. His only chance for any compensation at all is through the old-age pension, that would keep the wolf away from his door when he passes the age of his earning power. And yet, while you wring indirect taxes from him to take care of other people, in the richer States, you leave him to the mercy of fate with only such meager assistance as his State is able to match, which the above table shows, runs as low as \$6.15 per month. Then you wonder why the old people of this Nation are grasping at every straw in their struggle to secure some measure of economic justice.

Let me warn you now, that you are going to wipe out these inequalities, and do justice to the old people of the agricultural States or you are going to have some such measure as the Townsend bill before you from now on. It would at least treat all old people alike.

This measure, as it now stands, is not only a flagrant injustice but it will be a terrible disappointment to the old people in a majority of the States of this Union. These inequalities must be corrected, and the sooner that is done the better it will be for all concerned. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. Pace].

Mr. PACE. Mr. Chairman, the gentleman from Oklahoma has referred to this amendment as "madness." I am wondering if there is not a greater tempest behind the amendment. If you check the roll call on the vote on the Townsend plan, you will find there were only nine votes out of the entire agricultural South for the Townsend plan. Our people are usually reasonable; they are patient and long-suffering, but I do not believe our people, who try to be good Americans, are always going to endure such discriminations as now exist. If those 9 Representatives should suddenly become 90 Representatives, I am wondering if the Ways and Means Committee would have proved itself of real service to this Nation in opposing amendments of this kind. I do not say that the present membership from those States would vote for the Townsend plan, but if such inequalities as now exist are continued the people may send Representatives here who will vote for it.

Personally I am fundamentally opposed to matching. I think it brings about a system of Federal control over the States that is endangering our form of government. If the Federal Government is going to contribute to the support of the aged and needy, it should do so in a direct manner, without conditions or reservations. If the committee believes that \$20 per month is the proper amount which the Federal Government should pay, then that amount should be paid direct to the beneficiary, and let it be left up to the States to handle their own affairs, without force from the Federal

Government, and increase or supplement that amount in such manner and to such an extent as it desires and as its condition permits.

The present matching system is unfair; it results in old-age assistance grants to States, particularly the rich and prosperous States, rather than to the aged and needy. An aged and needy person in Georgia is entitled to the same assistance from his or her Government as an aged and needy person living in any other State of the Union. How unfair the present system is, and the changes sought to be made by this amendment are shown by the following table:

Average amount of old-age assistance per aged needy individual for April 1939, by States, compared with maximum possible average amount under a revised plan of four-fifths Federal matching on \$25 per month per aged individual

[Based upon assumption that States continue to expend as much as they now expend and use all the additional Federal funds for increased grants to the aged]

	Average amount paid for April 1939	Maximum possible amount payable under revised four-fifths plan
Region I:		
Connecticut.....	\$25.88	\$32.94
Maine.....	20.54	30.27
Massachusetts.....	28.57	34.90
New Hampshire.....	23.54	31.77
Rhode Island.....	18.85	29.43
Vermont.....	15.04	27.52
Region II: New York	24.20	32.10
Region III:		
Delaware.....	10.89	25.45
New Jersey.....	19.52	29.76
Pennsylvania.....	17.65	28.53
Region IV:		
District of Columbia.....	25.62	32.81
Maryland.....	17.28	28.64
North Carolina.....	9.55	23.90
Virginia.....	9.64	24.10
West Virginia.....	13.89	26.95
Region V:		
Kentucky.....	8.67	21.70
Michigan.....	16.64	28.32
Ohio.....	22.55	31.28
Region VI:		
Illinois.....	18.97	29.49
Indiana.....	17.01	28.51
Wisconsin.....	21.09	30.55
Region VII:		
Alabama.....	9.38	18.76
Florida.....	13.83	26.92
Georgia.....	8.55	21.40
Mississippi.....	7.22	18.05
South Carolina.....	7.79	19.50
Tennessee.....	13.22	26.61
Region VIII:		
Iowa.....	19.85	29.93
Minnesota.....	20.65	30.33
Nebraska.....	15.72	27.86
North Dakota.....	17.66	28.83
South Dakota.....	18.98	29.49
Region IX:		
Arkansas.....	6.05	15.15
Kansas.....	18.71	29.86
Missouri.....	18.67	29.34
Oklahoma.....	19.79	29.90
Region X:		
Louisiana.....	10.46	25.23
New Mexico.....	11.80	25.90
Texas.....	14.02	27.01
Region XI:		
Arizona.....	26.26	33.13
Colorado.....	28.12	34.05
Idaho.....	21.31	30.66
Montana.....	16.99	28.50
Utah.....	20.66	30.33
Wyoming.....	21.85	30.93
Region XII:		
California.....	32.46	36.23
Nevada.....	26.57	33.29
Oregon.....	21.32	30.66
Washington.....	22.16	31.08
Territories:		
Alaska.....	27.50	38.75
Hawaii.....	12.69	26.35

NOTE.—The average payments shown for the revised plan are made on the assumption that each State maintains the number of recipients as at present and uses all the additional Federal funds for increased grants to the aged. Those States which wish to put additional individuals on the rolls and also raise the payment somewhat would have different averages than shown above.

The CHAIRMAN. The gentleman from Oregon [Mr. Mott] is recognized for 2 minutes.

Mr. MOTT. Mr. Chairman, most of the argument in favor of this amendment so far has come from the Members of what has been referred to as the poorer States. So far as

providing for old-age pensions under the present law is concerned, the State of Oregon, which I represent, cannot be classed as one of the poorer States, because we pay one of the highest average old-age pensions of any State in the Union; the average is something more than \$21 per month. But as one who believes in substantial old-age pensions and as one who is thoroughly convinced that old-age security is a Federal rather than a State responsibility, I intend to support this amendment.

The people of this country have been led by the present administration to expect, and they do expect, from the bill now before us some real liberalization in the amount of old-age pensions. But as the bill stands now there is no liberalization whatever in it. The alleged liberalization is nothing but an empty gesture. In fact, in my opinion, it is a joker. Those who opposed the Townsend legislation in the House a few days ago criticized the sponsors of that proposal because it mentioned a maximum amount of \$200 beyond which a pension could not be paid in any event. It was contended that the sponsors were hypocritical because they knew the bill would not furnish that amount and that the advocates of the bill therefore were trying to fool the old people. The Ways and Means Committee, in reporting this bill, can with much greater accuracy be accused of being hypocritical, because they know that the States which are not able now to furnish even \$15 and to match the Federal Government's contribution of \$15 will certainly not be able to match a contribution by the Federal Government of \$20 on a 50-50 basis. The people of those States, therefore, will get no larger pension under the proposed bill than they have been receiving under existing law. The Colmer amendment requires only a 25-percent contribution by the State, and it will therefore enable every State which wishes to do so to receive the full benefit of the Government's contribution of \$20 per month. I propose, therefore, to support the Colmer amendment as a step in the right direction. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN] for 2 minutes.

COLMER AMENDMENT

Mr. PATMAN. Mr. Chairman, if 2,000,000 people received old-age pensions under the committee's proposal, the amount will be \$480,000,000—\$480,000,000 by the Federal Government and \$480,000,000 by the States. Under the Colmer amendment the cost will be exactly the same to the Federal Government—not be a penny's difference. It would cost just as much under the committee's proposal, if all States take advantage of the opportunity given by the committee, as under the Colmer amendment. The only answer that can be offered to that is that we know when we offer it to them that they cannot get it. We are offering something in the committee amendment that we know they cannot get. Only two or three States can take advantage of that opportunity. We will penalize the other people because they live in the other 45 States of the Union.

Is this the way to legislate? Do you not think, since taxes are collected from all the people alike according to income, according to the number of gallons of gasoline they use, according to the different articles they use on which the Federal Government levies a tax, that we should distribute it on a fair and equal basis for old-age security purposes? You know and I know that this bill is not going to become a law as the House passes it. We know that the bill must go to another body and that amendments will be offered and adopted.

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

Mr. PATMAN. I cannot yield; I have only 2 minutes. The gentleman and his committee had 8 hours.

Then this bill will be written in the conference committee. So let us adopt the Colmer amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New York [Mr. REED] is recognized for 3 minutes.

Mr. REED of New York. Mr. Chairman, in the State of New York, considered one of the wealthy States of the

Union, we have very gradually been raising the pension for the aged. I think we have raised it too slowly in view of the capacity of the State to pay. I have felt that the legislature in my State could have exercised a little more vision when it came to the question of pensions, because it is perfectly apparent they are not matching the amount the Federal Government is prepared to pay.

If you want to destroy the impulses such as they are in our State and other States, to take care of the old people, then all you have to do is to pass this amendment. Our State was left with a terrific debt some years ago. The people are struggling, even though the State may be rich in resources, struggling to pay off that debt, to balance its budget, trying to pare down the expenses of the State. At the present time the average pension paid in New York State is \$24.27, of which the State contributes \$12.13½ and the Federal Government a like amount. Under the provisions of this amendment what would happen? The New York State Legislature could reduce expenses simply by reducing the amount it is now paying the aged and still pay a pension larger than it is paying today; that is, it can save by reducing its contribution to the average old-age pension by putting up only \$5, and thus make a saving of \$7.13½ on every pension paid. You will find, if you pass this amendment, that every one of those States instead of raising the pension to the aged is going to reduce its share and still pay a pension as large or a little bit larger than they are paying now. So if you adopt this amendment, you are going to destroy the gradually growing feeling that something more should be done for the old people in these States; and I say to you that it would be an absolute calamity for Pennsylvania, Illinois, New York, and many of these States that are gradually edging up their pensions to have such a bill as this passed, for they will reduce the amount they now contribute while the result will be that the old people will receive no greater and possibly a smaller pension than they are receiving today.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. GREEN] for 2 minutes.

Mr. GREEN. Mr. Chairman and my colleagues, I voted for the Townsend plan bill and I am supporting the Colmer amendment. The care and assistance to the aged is a Federal responsibility. Such amount as is paid to the aged as pensions should be paid by the Government directly to the aged and without the requirement of any local or State matching or contribution. Under the present set-up, the aged of our country are receiving different amounts in the different States of the Nation. The old-age assistance benefits range from \$6.05 per person in Arkansas to \$32.46 in California. These figures are the average amounts of old-age pension or assistance now being received in these States by the needy aged.

In the State of Florida, I believe, the average there received per person is \$13.83, and this, of course, is about the average amount received throughout the United States. Of course, it is obvious that any such system as this is wrong. A person in Florida, Mississippi, California, Arkansas, and New York should have exactly the same amount of old-age assistance. It should be equal and the Federal responsibility is equal and should be equally met by Federal appropriation and Federal administration.

I would prefer to see the Government pay even a small amount and let it be paid directly by the Government to the individual without State contribution. Even the Federal amounts which are now paid should be blanketed throughout the country equally in this manner. An aged person can be in hunger and want to the same degree in one State as in another. Dependency, hunger, need, and responsibility know no State lines. Under the present plan, the people in Arkansas, where a low pension is paid, are helping to pay the pensions in California, where a high pension is paid. Direct and indirect Federal taxes collected throughout the United States make up the funds to pay Federal benefits to the aged; therefore similar tax contributions are made from all parts of the country to make up the old-age pension Federal fund. It

should undoubtedly be disbursed to the individual in like amount, regardless of where he resides within the United States, of course assuming he is a citizen of the United States for the required statutory period.

The Colmer amendment would direct the Federal Government to pay 80 percent and the State government to pay 20 percent. This, of course, will go a long way toward equalizing the amount received by the aged in the various States. I strongly favor payment of Federal pensions to all of the aged of our country. If some of my colleagues differ with me concerning the word "all," then I am willing to meet them halfway and vote for a bill to pay pensions to all aged persons in the country who do not pay a Federal income tax. If an aged person who has a reasonable amount of property draws the pension and does not particularly need it, he can and will use it to pay his taxes.

If legislation is finally passed at this session compelling State contributions to match Federal old-age pension funds, then the administration of the fund should be authorized and directed to be carried on by local State agencies. In the State of Florida we have in each county five county district officers known as county commissioners. They levy the tax in the various counties and are, in fact, the county financiers. They are the ones in Florida to administer benefits to the aged. They know personally, in almost every case, each aged person in their respective districts and know the needs of each aged individual. Under the bill now before us a provision should be written—and I hope it will be—enabling and directing this local control and administration. It will save millions of dollars in administration expense annually and will supply pensions to additional thousands of aged. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] for 2 minutes.

Mr. COOLEY. Mr. Chairman, I think that the \$20 provision in this bill is nothing but a grand gesture and a false hope. Something has been said about holding out false hopes to the aged people of this Nation. The fact is this committee is dangling before the eyes of the aged people of this Nation the hope of receiving \$20 Federal contribution which they know in their hearts the aged people will never receive.

I believe not only in liberalizing pensions but in equalizing the pensions to the aged people of the Nation and I believe the Colmer amendment will place emphasis upon the equalization idea which I have in mind.

I want to call attention to the fact that the Eskimos in Alaska receive now three times the amount in pensions per person than do the people of my State of North Carolina, from which the distinguished chairman of the Ways and Means Committee comes. If there is any reason why this committee should be willing to increase the Federal contribution to \$20 a month and at the same time oppose the Colmer amendment I would like to know that reason, and I would like to have somebody on the Ways and Means Committee tell me just how the present provision in the bill will help the people of North Carolina when they must know that we are not now taking advantage of the \$15 Federal contribution which has been made available.

In North Carolina we realized long ago the necessity of the strong aiding the weak and we provided an equalization fund in connection with our educational system by which the strong counties help the weak counties of the State. The Colmer amendment will put that sort of principle into the social-security bill.

May I call attention to the fact that according to information I have received from the Social Security Board, 31,193 recipients in North Carolina receive an average pension of \$9.26 per month, and I am advised that more than 8,000 applications are now pending. No doubt practically all of the 8,000 applicants who have not yet received any pension whatever are just as worthy, just as dependent, and just as much entitled to the relief provided by the social-security law as those now drawing pensions. I understand that in my

own county the State made its calculations upon a basis of 400 eligibles. I am advised by the welfare officer of Nash County that there are more than 1,500 eligibles in the county. Funds were provided on a basis of 400 eligibles, and the funds provided have been actually divided between 600 aged persons, which means that the 600 now receiving a pension on an average of approximately \$8 per month are receiving only about two-thirds of the amount which the State intended for the 400 considered in its original calculations to have. Even though 600 citizens of the county are now receiving a meager pension, the fact remains that according to the record approximately 900 aged and qualified citizens are not receiving any pension whatever.

In the State of South Carolina the average pension is \$7.19 per month, in Mississippi \$6.47 per month, in the State of Arkansas only \$4.22 per month, and I would have you also remember that the Eskimos in Alaska are receiving an average pension of \$27.32 per month. In California the average pension is \$32.39 per month. If the present system continues, it is perfectly plain to see that the old people of North Carolina, South Carolina, Mississippi, Arkansas, and other Southern States will be much better off if they give up the State of their nativity and thumb rides to California or even to far-away Alaska.

When it comes to paying money into the Federal Treasury, North Carolina ranks at or near the top in the list of States. When it comes to receiving assistance from the Federal Government, our State ranks at or near the bottom of the list of States. The Federal Government, if it owes any duty at all to the aged people of the Nation, owes exactly the same duty to the aged people living in the poor States that it does to those who live in States where wealth abounds. The \$20 provision in the present bill will only make possible higher and better pensions in wealthy States. The fact that North Carolina and many other States in the Union have not taken advantage of the full \$15, which has been available since the enactment of the original Social Security Act, certainly indicates that they will not take advantage of the increase provided in the bill under consideration. If any member of the committee can do so, I would appreciate it very much if he will point out to me just how this \$20 provision will help the old people of my State.

I believe that the Colmer amendment will mean much to the old people of North Carolina, and I certainly hope that it may be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BUCK] for 3 minutes.

Mr. BUCK. Mr. Chairman, the trouble with the Colmer amendment is that it abandons the principle of equal matching of Federal grants-in-aid for old-age assistance at tremendous cost to the Federal Government. Last year the Ways and Means Committee brought in and the Congress enacted a bill that repealed \$30,000,000 of excise taxes such as those on furs, phonographic records, sporting goods, camera lenses, chewing gum, matches, hot oil, mouth washes, and various other things. If the Colmer amendment is agreed to, the Ways and Means Committee will be under the painful necessity of putting back into the tax laws not only this \$30,000,000 but over 10 times as much in order to pay the \$407,000,000 that the Colmer amendment will cost. I think that is a sufficient reason why we should think twice before adopting the amendment. Moreover, may I say that the reason for equal matching is based upon the principle that a State is in a position to determine by the light of its own resources, its habits, and its customs what should be granted to these aged people and under what circumstances. So we continue as we have now, a flexible system, for in a country of our size with its various conditions it is essential that any equitable and adequate treatment of the problem of need, which is the basis for relief under title II of the Social Security Act, should be granted in accordance with the variation of the individual's circumstances. These circumstances certainly vary with the geographical location—that is, the State location in which the pensioner finds himself. That is a sound principle. A Federal pension

based upon a uniform amendment and applied universally is not sound, as I believe we have demonstrated to you in the general debate.

I am in deep sympathy with some of the States that complain that they have not the funds to match the Government fully to the \$15 granted heretofore by the Federal Government; \$20 hereafter. Perhaps they do not want to.

Let me call attention to the State of Mississippi in connection with its road projects. From 1935, according to the Bureau of Roads, to the present time, road projects amounting to \$41,617,000 have been put into effect in Mississippi, of which sum Mississippi received over \$18,000,000 from Federal grants, leaving \$23,000,000 that was borne by the State. Mississippi sold bonds, put on a sales tax, and otherwise raised the money for this when it wanted to. But in 1938 Mississippi spent for old-age pensions only one-half million dollars.

It seems to me when those are the actual figures—and there are other similar cases—that we might well consider whether these States actually want to take care of their aged with their own resources or whether they are merely looking to the Federal Treasury—in other words, Uncle Sam—to pay vastly more than he has been doing, so the home folks shall not be burdened by the cost of caring for their own.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, in my State the people have been able to advance \$10 and the Federal Government aid is the same amount. The needy people of our State are now being paid a pension of \$20.56. If the Colmer amendment is adopted, for which I am going to vote, and assuming that my State continues to pay \$10 as it has in the past, the aged people of my State will receive a pension of \$30. Under the bill as written Montana would not be benefited, as we are unable to match the \$15 provided for under the present law.

I want to ask the membership of this House how in the name of God we can expect people in the high altitudes, where an enormous amount of fuel is required, to pay their coal bill, pay their rent, pay for their clothing, and pay for their food out of the sum of \$20.56 a month? Each of us is drawing a salary of \$10,000 a year. I ask, how are we going to look in the faces of the needy old people of this country and keep that money and deny them enough, if you please, to get even some of the common necessities of life?

It seems to me to be no less than outrageous for us to stand here this afternoon quibbling over a few dollars; a few dollars for whom? For the aged people of this country, who, in my section of the country, built our schoolhouses, our churches, our courthouses, and other public improvements, and improved our farms and irrigated our lands, many of whom are today in their declining years and in want. These are the people we are trying to legislate for here today. The Colmer amendment is not a long step forward, but is some improvement over the present situation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. DEMPSEY] for 2 minutes.

Mr. DEMPSEY. Mr. Chairman, I propose to support the Colmer amendment because I believe it is a disgraceful thing for this great, wealthy Nation to see aged people with but a few more years to live lacking the bare necessities of life. I further regret that frequent promises have been made to the people of this Nation, largely by persons of my political faith, telling them that no man or woman will want for food, and that we now say to the people of the States, "If your State cannot contribute anything to the pension fund, the Federal Government has no interest whatever in whether you live or die."

Much has been said here today about taxes. What do you think of a State such as New Mexico, where the Federal Government owns 55 percent of the total lands of the State and pays not a dime of tax to the people of our State? The 45 percent remaining provides the money for old-age assistance and the various activities we have to carry on. I believe

that coming here with a bill and saying: "We are going to liberalize the assistance to the aged," and then saying, "We will give you \$20 a month if your State will do the same thing," is not a joke, because it is a very serious matter. It is fooling the old people of this country who should expect more from the Congress of the United States than that. For one I do not propose to do it. I believe if a person in one State is entitled to a certain amount from the Federal Government a person in another State is entitled to the same amount. Most certainly the obligation of the Federal Government to all needy aged persons is the same, whether they reside in New Mexico or New York, yet the opponents of this amendment would force the Congress to practice discrimination in violation of the very fundamental principle of our American Government.

To my mind it is deceit of a vicious form to seek to lead the aged citizens of this country, who are in dire want, to believe that we are liberalizing our old-age assistance policy, when in reality we are doing nothing of the kind. I do not want to be, nor will I wittingly be, a party to that sort of subterfuge.

To refuse to adopt this amendment is not economy; it is parsimony of the type that justifies embittered criticism of this Congress by those whom we have led to believe we would help. When we appropriate lavishly for those who are able-bodied and able to withstand life's vicissitudes, how can we justify our failure to do likewise for those who become enfeebled and dependent through declining years? Are we to revert to the cruel practices of paganism and savagery and destroy those now aged whose fortitude and courage once provided the bulwark upon which our Nation has grown and prospered?

The merit and the justice of this amendment is beyond question; it should be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Michigan [Mr. DINGELL] is recognized for 3 minutes.

Mr. DINGELL. Mr. Chairman, I for one would hate to come before you hat in hand and constantly plead poverty on behalf of my State. I do not think there is a material distinction between the State of Mississippi and the State of Michigan. It is just a question of whether the State of Michigan will pay a pension and whether the State of Mississippi declines to pay one. I believe the reflection is upon the State which refuses to take care of its own problems. My State levies taxes upon the property and wealth of the State and Mississippi will not tap its tax reservoirs and for that reason appropriates about one-half million dollars for pensions.

They would be pleased to come in here and get four-fifths of, say, three or four or five million dollars of Federal money, and they would pay this out in a pension to their needy citizens. It has even been admitted on this floor that if the Federal grant is increased they would even reduce the stringency of the needs test in the poor States in order to spread these pensions wider and thicker. But they will not do it of themselves. Why not? Do not try to tell me that the State of Mississippi is so poverty stricken that it cannot pay a decent and reasonable pension. This reflection upon the \$40 gross payment which is provided in the present bill, that it is a hoax or a false gesture, is entirely wrong. I resent such demagoguery and such inferences.

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

Mr. DINGELL. I am sorry.

That \$40 amendment was offered in good faith. It will produce the desired effect if the States will show their sincerity, their honesty, and their willingness to meet the Federal Government on a dollar-for-dollar basis. It will do just exactly what it was intended to do, that is, it will pay up to \$40 a month to every eligible pensioner in your State, or pay an aged couple as high as \$80 a month. That is \$960 per year in cold rolled American money, and you cannot discount or laugh that off.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I am sorry; I have only 3 minutes.

I have heard a gentleman trying to tell this House—and I do not know his method of calculation or what kind of arithmetic he learned during his early years—that this amendment will not cost the Government any more than the Federal Government is paying now. It is sheer bunk and nonsense and an insult to a man's intelligence to try to get away with a statement of that kind. If the total amount involved is half a billion dollars, on a 50-50 basis the Federal Government is called upon to pay \$250,000,000, and on a four-fifths maximum basis the Federal Government would pay \$400,000,000 out of \$500,000,000. Is there a difference? I will say there is a difference! One hundred and fifty million dollars, or 60 percent.

This proposal would shift the burden from the derelict States and place it upon the Federal Government without increasing pensions, certainly not in my State. Moreover, it would freeze the pension base at the lowest level paid by the so-called poor States. Remember, the Federal Government must match payments, not in one State or in the poor States but in all States. [Applause]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD] for 2 minutes.

Mr. CRAWFORD. Mr. Chairman, this proposed amendment strikes me from four different angles. First, we confuse dollars with what you might call frugal living. Anyone who has lived in the North as well as in the South knows that you can enjoy a frugal living in the South with fewer dollars than you can in the North. The dollar cost of living is not so great in a mild climate as in a cold climate.

Second, the adoption of the amendment would further dislocate and destroy industry as it is now operating and that would in turn add to the insecurity of the present structure.

Third, as the committee recommends, the people can now act on old-age assistance and pensions by increasing the amount of the State appropriation in accordance with the needs, as pointed out by the distinguished gentleman from California, who is a member of the committee.

Fourth, if you adopt an amendment which moves in the direction of destroying friendliness toward the social-security program by imposing on the so-called northern industrial States a greater burden than they can possibly carry, in order to give financial relief, we will say, to the States that are not so blessed with industry, that in turn would undermine the entire social-security structure and eventually lead to a break-down of the program and destroy the Social Security Act through a demand for its repeal.

For these reasons, as well as others that could be enumerated, I shall vote against the amendment, and, of course, I hope it will be defeated. [Applause.]

[Here the gavel fell.]

The CHAIRMAN (Mr. THOMASON). The Chair recognizes the gentleman from California, [Mr. LELAND M. FORD] for 2 minutes.

Mr. LELAND M. FORD. Mr. Chairman, I have heard many remarks made here today about some poor States. I have heard the remark made that California is the only State that is paying the \$15. I have heard something about the matter of gestures, but let me tell you men that, as far as California is concerned, it is no gesture on the part of California, because California will be benefited by this amendment.

You people may or may not know, but you ought to know, that California is carrying the load, or at least part of the load, of some 47 other States that either cannot or will not raise the money to take care of their needy aged. Therefore I think it is proper that this load should be equalized and the Federal responsibility recognized. I do not think there is any question but what there should be a uniform amount that the Federal Government should contribute, and regardless of what my colleague who preceded me a few moments ago said, that all States are equal in purchasing power, any man who has helped to make up a tax roll knows that States have different amounts of taxable wealth.

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

Mr. LELAND M. FORD. I cannot yield.

With reference to my friend the gentleman from California [Mr. BUCK], he comes from a part of California somewhat removed, some 400 or 500 miles away from this load in southern California. We have 111,000 indigents in Los Angeles County. We have 132,000 on aged aid in the State, of which half are in Los Angeles County. My colleague the gentleman from California [Mr. BUCK] may not know what the pressure of this means, but in Los Angeles County alone \$8,000,000 goes on the taxes of the homes of all the people to pay this money. This means about 40 cents in the tax rate.

If this amount is made uniform and the Federal Government will assume its proper and honorable responsibility by assisting the respective States to take care of their just proportion of this load, this action will keep these aged people from going to California and placing on that State a disproportionate and unjust burden. It will also permit these aged people to remain in their respective States, which are actually their real homes, and retain these ties of kinship and friendship that may be dear to them.

These elderly people must be taken care of. If they actually are in need, they will either be taken care of here or on the indigent rolls. I appeal to each Representative of each one of the States to do his duty by these old people, to his own State, and to the other States, who are doing their duty, particularly California, to vote for this amendment on the further ground of common justice.

California is paying relief and aged aid benefits for many of the 47 States. It cannot much longer continue to do this, and I therefore appeal to you for this support to which we are eminently entitled.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MITCHELL] for 2 minutes.

Mr. MITCHELL. Mr. Chairman, 4 years ago I stood on the floor of this House when we were considering this legislation and I said then that if it is the duty of the Congress of the United States to provide a pension for old people, it is not providing that pension when we base it upon the wealth of any particular State, and I stand here to ask you this question: Are we pensioning the wealthy States of our great Government or are we pensioning the poor people, the aged people of this Government that we say we are pensioning? I think it is well for us to stop and think of this.

I am in favor of this amendment because it comes closer to the remarks I made 4 years ago than anything I have heard offered on this floor for the relief of the aged of this Nation.

I take no stock in the statement that we have no poor States and no rich States. I heard a member of the Committee say a moment ago that Mississippi is as wealthy as the State of Michigan. I am wondering if he has any poor counties in the State of Michigan that are not quite as wealthy as the county in which Detroit is situated. We do have poor counties and poor States, we do have rich people and poor people, and if this Congress owes the old people of this Nation a duty to pension them, we ought to do it without regard to State lines.

I am going to vote for the amendment. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ALLEN] for 2 minutes.

Mr. ALLEN of Louisiana. Mr. Chairman, by the great committee of this House, the Ways and Means Committee, we have been led upon the mountain top, we have been shown the promised land, and now, by their mandate of 50-50, we must return to wander in the wilderness. [Laughter.]

I want to present these facts to you gentlemen who come from the great industrial sections. The gentleman from Michigan a moment ago made a comparison between the Southern States and the great State of Michigan. Did it ever occur to you gentlemen from the industrial sections that every dime we get gravitates right back to you? Do you know that every tool that we use in every walk of life comes from you people? It is made by your workmen. Do you not know that you will be the recipients indirectly of every dime that is paid to the southern agricultural sections?

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

Mr. ALLEN of Louisiana. I am sorry, but I do not have time to yield.

Mr. Chairman, I present this to you as an industrial problem. What this country is suffering with is a lack of distribution of money, a lack of buying power in the hands of the great poorer sections of the country. If you want to rehabilitate this country, then make it possible for the poor people in the farming sections, the farming South and the farming West, to buy your industrial goods, and this country will be better off.

Your greatest market is not abroad, but at home. Countless millions do not have the purchasing power to secure the things they need. The wealth has been accumulating in our large centers in the North and East so that now the great mass of humanity in the less-favored sections are without purchasing power. I say to you who represent the financial centers that, in my opinion, you are pursuing a short-sighted course. You have the factories and you have the funds with which to operate them. Many of your people need the work. Our people, an agricultural people, need to buy your goods. We have agricultural products that you need. You have it within your power to bring about a redistribution of these elements. I say to you who represent industrial sections that your welfare and the welfare of your constituents, in my humble opinion, will be best served by recognizing the need of the whole Nation and that the Nation cannot be healthy as long as we have submerged millions in our land.

Now, the amendment proposed by the gentleman from Mississippi [Mr. COLMER] will go a long way to bring about this redistribution of the goods of the land. Under this amendment every old person who qualifies for this assistance would receive a minimum of \$25 per month, \$20 of which would be paid by the Federal Government and \$5 by the State. If a State puts up more than \$5, of course, the amount would be more than \$25.

Frankly, Mr. Chairman, I would like to see our aged get more than this minimum of \$25, but this would be such an improvement over what we have now that it would be a Godsend. Personally I would like to see the Federal Government pay not less than \$30 monthly direct to our aged. This was the proposal of my great and lamented friend, Senator Huey P. Long. He introduced a bill to do that and I have a bill pending which embodies his principles. I do want to see the principle of greater Federal contributions established, preferably a direct Federal pension, because this is one of the best ways I can think of to bring about a more just equalization of the goods of the land and the opportunities for making a living. I am wholeheartedly supporting this amendment, and I sincerely hope that it will pass. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MASSINGALE] for 2 minutes.

Mr. MASSINGALE. Mr. Chairman, I call attention to one matter that appears to me to be somewhat unfair, and that is this: When some gentleman was speaking in behalf of this amendment two or three of the members of the committee having charge of the bill asked in unison how he had any assurance that the States were going to participate. I will tell you how you get it. You get it from the language of your own bill, from your own words. There is no change in anything in the wording of this bill except in the percentage quota. It is simply changed from one-half to 80 percent in one place, and that is the only change there is in it, so that if you have the authority now, or have any assurance now, you will have it when the Colmer amendment is put into the bill.

My distinguished colleague from Oklahoma [Mr. DISNEY]—and he is a dear friend of mine—is uneasy about the \$417,000,000 that he says this bill will cost more than the committee bill will cost. The gentleman got his information from Mr. Altmeyer. Mr. Altmeyer is the Chairman of the Security Board, and he consulted the index of the dead Indians on the rolls in Oklahoma. That is the way he got it. [Applause.] Mr. Altmeyer is an excellent administrator, but I fear his experience with social security in Oklahoma gave him an

enlarged photograph of the activities of those Indians. This committee bill without such amendment as the Colmer amendment means nothing to the aged poor of Oklahoma or any other State unable to match with further or additional State contributions the mentioned increase. It is deceptive to pass this bill and it cannot possibly do any good for the poor of the States that have been unable to match the Federal Government up to \$15. I support the Colmer amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I am opposed to the Colmer amendment. I think the amendment brought in by the Ways and Means Committee, matching 50-50 up to \$40, is the proper manner to handle this subject. This is no idle gesture, as many Members have stated. What we want to accomplish is to bring home to the Representatives of the various States their duty to their own people. That is the real object. There is too much effort to put the whole burden of old-age pensions on the Federal Government. When one speaks of increasing the cost, which is about \$175,000,000 at the present time, by \$407,000,000 additional, you simply are burdening the Federal Government with a tax that the people cannot stand. There is no reason in the world why States should not come forward and do their share toward aiding the old people. The State legislatures should meet the Congress halfway in providing decent old-age pensions. They must be made pension-conscious. That is the problem that now faces us. The Federal Government initiated to a large extent this aid to the aged, and the State legislatures should realize their duty toward the people.

The Federal Government cannot afford this additional burden anywhere near as well as the States can afford to bring up their contributions to match the Federal Government's allotment, so that the aged people will be getting the \$40 that they are entitled to. That is the question the Members of this House have to settle here in a few minutes. It is as to whether we want to aid the aged people or remove from certain States the burden and put it onto other States. I repeat, the Federal Government is in no position to add \$407,000,000 to its expenditures without finding a way in which to raise that sum from the taxable incomes of the people of the country. If you are going to spend more money, you ought to show where we can secure the money. The people will object to raising their taxes; and where is the money to come from other than through taxation or through adding to the public debt, neither of which we are in any condition to do?

Any increase in the contribution above 50 percent is a step in the direction of an eventual 100-percent Federal contribution.

The gentleman from Oklahoma [Mr. DISNEY] made a powerful speech in this House yesterday, in which he opposed any Federal contribution in excess of 50 percent. I refer Members to that speech for the reasons why the proposals for increasing the Federal share of old-age pension payments should be defeated. The reasons he advanced are unanswerable, and I agree with them.

The outstanding argument which is made in favor of increasing the Federal share is that many of the States cannot afford to match the full \$15 payment which the Federal Government stands willing to make.

But let me ask this question: Is the Federal Government in any better shape than the States to assume an increased expense for old-age pensions?

Does any State have a bonded indebtedness equal in proportion to the Federal debt which now approaches forty-five billions?

Have the States pushed their taxing powers to the limit as has the Federal Government?

We must not forget that every cent we appropriate here must come from the people in taxes of one form or another, imposed at one time or another. These taxes must come from the people, whether they are imposed by the Federal Government or by the States, and what the States individually cannot afford the Federal Government cannot afford.

The amendment to the present act which is proposed by the committee is sound and reasonable. The amendments which are proposed here by individual Members are unsound and unreasonable. In many instances they would not increase the amount of pension which the individual receives, but would simply shift a part of the cost of old-age pensions from the States to the Federal Government.

Under the bill as recommended to the House by the committee, a pension of \$40 can be provided if the States meet the Federal Government half way in the amount to be contributed. If the States are relieved of their responsibility in the matter, the tendency will be to put anyone and everyone on the rolls and the cost of old-age pensions will mount skyward.

I hope and trust that the House will uphold the committee in its recommendation and vote down the various amendments proposed by individual Members.

This amendment should be defeated for the best interests of the aged people of the country.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The Chair recognizes the gentleman from Ohio [Mr. BENDER] for 1 minute.

Mr. BENDER. Mr. Chairman, anyone who examines the amendments proposed to the Social Security Act must be aware of the many grave difficulties implicit in these proposals. We are confronted with the knowledge that under present economic circumstances, only two or three States at most will find it possible to match a Federal appropriation amounting to \$20 per month for each pensioner. We are certainly conscious of the increased burden which the passage of this measure will impose upon the Federal Government itself.

Nevertheless, despite the imperfections which are always inherent in the work of human beings, I am convinced that this bill merits the support of the Nation.

Its undeniable improvements over the existing law, in my opinion, outweigh the arguments of those who oppose its passage.

First, and foremost, this legislation makes it evident that our Nation is vitally concerned with the welfare of its aged citizens; that we recognize the hopeless inadequacy of the pension system now in operation in most of our States; that we are determined to correct this situation if it is possible.

I am confident that the coming of 1940 and a change in the political leadership of our Nation will bring about such economic improvement throughout the country that those States which now find it impossible to match a \$20 pension contribution will become increasingly able to bear their share of the responsibility.

This legislation will bring new hope to the men and women who have been treated so heartlessly by our Nation. I feel that the rebirth of that hope is important to the morale of our people.

But this series of amendments acts as more than a mere moral stimulant. By advancing the date when old-age insurance payments will become payable from 1942 to 1940, we are performing a service recognized as necessary by most of our economists.

The inclusion of maritime workers within the terms of the Act makes the law more effective in meeting the needs of our people, and I look forward to the day provision may be made to care for all our needy citizens, whatever may be their occupation.

Each of these changes in the law is desirable, but I am particularly proud of the part played by the Republican Party in correcting the most unfortunate provision of the existing law, the indefensible gigantic "reserve fund," which would have opened the path to a spending policy of even more incredible proportions than the one in which we are now floundering. The elimination of this reserve and the placing of our funds in a true trust fund on a pay-as-you-go basis are among the outstanding legislative achievements of this session of Congress. The Republican members of the Ways and Means Committee deserve the thanks of the Nation for their part in establishing this change.

Every Congressman who votes for this measure does so with a complete awareness of its many shortcomings. Despite these failings, I favor its passage in the interests of our deserving needy and the fulfillment of our obligations to them.

You gentlemen from Georgia, Alabama, and Mississippi whine that your States cannot pay their just share of old-age pensions. If your people would start voting the Republican ticket they perhaps would not be in such dire need and your States would be able to pay the taxes of some northern Republican States.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MUNDT] for 1 minute.

Mr. MUNDT. Mr. Chairman, it seems to me that the proposal of the Ways and Means Committee to increase the benefits to \$40 per month for those States which can afford to match dollar for dollar the Federal contribution of \$20 puts us in a rather unique position. We must decide in short order whether or not we will vote for a measure which will enable the poor States to help the rich States meet their benefit payments or whether the rich States will help the poor meet theirs. Rather than to have the rich get richer and the poor get poorer, it seems to me that, inasmuch as we cannot have complete equity, we should adopt the proposed amendment and have the rich States help the poor States meet their old-age problems.

And my friends there is more of genuine equity in such a policy than might appear at first thought, and the proposed amendment does not penalize the richer States unfairly. Let us keep in mind a fact which is frequently overlooked by those listing the taxes paid the Federal Government by the various States. Let us realize clearly here and now that the taxes paid to the Federal Government by industrial States are paid from profits earned from sales made throughout America; therefore, the taxes which corporations forward to the Federal Government are actually paid by the citizens of all the States in which these corporations do business—they are simply reported from the States which happen to grant the charters to these corporations. Consequently, it is no more than right and fair that this fact be kept in mind whenever the hoary old delusion is aired, as it has been today by certain speakers, to the effect that the rural States pay little Federal tax and are therefore in poor position to ask for increased consideration from Government funds.

DIFFERENCE BETWEEN REPORTING AND PAYING TAXES

If I do nothing else in this talk, I want to make it crystal clear that the States reporting large Federal taxes paid by corporations engaged in Nation-wide business are not, in fact, paying this tax; they collect it from the profitable operations undertaken in 47 other States and simply report to Washington the tax from the home address of the corporation. The fact that the envelope carrying the tax check to Washington is postmarked New Jersey or New York or Rhode Island does not mean that these States have made a disproportionately big contribution to the Federal tax collector and are therefore in position to resent equitable treatment on a per capita basis of the people of the rural and nonindustrialized States.

While we are on this subject let us not overlook one further fact, since it has an important bearing on this amendment, which, after all, is simply a proposal to permit all States to share equally on a per capita basis in whatever old-age assistance the Federal Government provides, whether it be fifteen, twenty, or twenty-five dollars per month as the share of the Federal Government. That fact is that these rich, industrialized, corporation-housing States also find money raising by taxation easier by virtue of the fact that these corporations "bring home to Rome" the profits garnered in the 47 other States and use these profits to expand plant equipment, build new buildings, increase capital holdings, and expand income statements, all of which are in turn taxable by the States themselves. Thus, from the profits earned by operations in the rural States, these industrial States reap rich State tax receipts and are in a correspondingly better position to pay taxes for old-age assistance, for poor relief, and

for other social legislation. Consequently it is not blue-sky economy or prejudicial legislation which comes before us, as the Colmer amendment does, asking that at least insofar as the Federal contribution to old-age benefits is concerned all States should share and share alike regardless of their ability to match these payments on a dollar-for-dollar basis.

Unless some such amendment as that now before us is adopted the myth of \$40-a-month pensions, made possible by the States' matching dollar for dollar the Federal Government's \$20 contribution, will be exactly that and nothing more for about 40 States of the Union, and New York and a few more States will be the only ones benefited by the proposals of liberalization by the Ways and Means Committee. Worse than that, the poorer States in rural areas will actually be taxed to help bring greater benefits to the richer States, because we all recognize, I am sure, that the increased cost of old-age assistance is shared by all States.

Thus we find coming into being the matter I spoke about on May 31 in discussing H. R. 6466, and the discriminations which the present Social Security Act make against the rural areas are either deliberately or unwittingly aggravated. As this act now operates, we find rural States discriminated against by virtue of the fact that many of its unemployment and old-age benefits are barred to it by occupational exemptions which exclude farmers and small-business men from its provisions and awards and we find that rural States are not now able in many cases to match on a dollar-for-dollar basis the Federal contributions to old-age benefits which are now available. To expand these Federal contributions to \$20 per month without repealing or modifying the dollar-for-dollar matching requirements is simply to increase the discrimination against the "have not" States in favor of the "took it from us" States and does not correct the present inequalities.

BENEFITS FOR SOME—COSTS FOR OTHERS

My colleagues, it was to protest against these inequalities and to correct the accident of geography which now plays such an important part in our security program that many of us from rural districts voted for H. R. 6466 on June 1. An important principle is at stake in all these deliberations about old-age pensions and social security—that principle is the question of whether this country is to continue a program of sectional security with benefits for some and just the costs thereof for others, or whether we are to work out a program of uniform benefits for citizens of a certain age and condition throughout the country. Thus far, social security as presently practiced is not conforming with this second principle. Most of us voting for H. R. 6466 did so with the realization that the Senate would have to eliminate certain undesirable provisions before putting it into practice but also with the realization that if we permit the present program to become too well set in its policies before eliminating its discriminatory features we shall then be unable to adopt a proper pension and social-security program for America.

The influence of the 97 Members voting for H. R. 6466 is already making itself felt in this House by the amendments and changes proposed in the Social Security Act which would reduce the hazard of the present contemplated \$47,000,000,000 trust fund and which would reduce the discrimination against certain sections and groups. I urge those 97 Members and all others believing in fairness and justice to the aged of this country regardless of place of residence or pursuit of occupation to join in voting for the Colmer amendment to permit all States to share equally on a per capita basis in the Federal old-age benefits contributed by your Government and mine.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS] for 1 minute.

Mr. VOORHIS of California. Mr. Chairman, I am for this amendment because I believe it is a truly national amendment; because the interests of my section of the country are best served by giving a better chance, a better degree of purchasing power to those sections of the country that have the lowest purchasing power. I believe that for the same reason that I believe our main concern should be the

groups of people who have the lowest purchasing power. It has been well said by the gentleman from Louisiana [Mr. ALLEN] that every dollar of purchasing power that goes into the poorer States that will benefit from this amendment returns again to those great financial centers, when the people of those poorer States make purchases of goods which they have to buy from those centers or pay interest on the debts.

So I believe that in the interest of general justice and fairness, to make more of a national program out of this, this amendment should be adopted. The nearer we get to a national program in this matter the better off we are going to be. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Hook] for 1 minute.

Mr. HOOK. Mr. Chairman, I believe that old-age pensions and assistance for the aged is a Federal program. There have been some remarks made here about the State of Michigan today. Let me say to you that the State of Michigan has not matched the \$15 that has been offered to them by the Federal Government. This Congress made an offer that, if accepted by the States, would give the old people \$30 apiece. The State legislatures have avoided their share of the duty to old people up to this time. The only thing the Legislature of the State of Michigan did was to fail to match the \$15, and then send a memorial to Congress to pass the Townsend bill. In other words, they just passed the buck. It is about time that we did make this a Federal old-age pension and see that the old people are paid a fair amount, and forget about asking some of the State legislatures to handle this problem. We furnish most of the money; why not furnish all the money and make it a direct Federal aid.

I am for this amendment because I think it comes the closer to a Federal old-age pension, which will avoid any passing the buck by the State legislatures. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DOUGHTON] for 5 minutes. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the Colmer amendment.

In the brief time allotted to me, of course, I cannot state the many objections which to my mind are valid against this amendment. In my judgment, its adoption would be a serious, regrettable, and major blunder.

A few days ago this House reflected great credit upon itself, and, in my judgment, rendered outstanding service to the country by defeating an unreasonable, impractical old-age pension plan. The Colmer amendment is a long step in the direction that is proposed to be traveled by the Townsend bill. You will find that practically every Townsendite in this House will be for this amendment, because he believes ultimately that that will be the destination at which we will arrive.

There has been a great deal said about the poorer States. If there is any one desire in my heart above another it is to see justice done to dependent aged, needy, and destitute people. Mr. Chairman, I vigorously oppose, in carrying out this worthy purpose, that the States shall unload upon the Federal Government their own duty and their own responsibility. Prior to the adoption of the present social-security law the States had this entire burden to carry. This was their recognized and realized responsibility, and as far as I know, no one in the so-called poorer States was starving and destitute of clothing. The Federal Government, believing that what was being done for the old people was not adequate, generously came in and said, "We will carry half the load." If Mississippi or any other State cannot give three or four or five dollars to help its needy, destitute old people, how can it educate its people? How can it spend millions and millions in building roads? According to my good friend Mr. COLLINS the load will soon be lightened. Mississippi's load will be very much lightened if so many migrate to New York and Washington and other places.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. BATES of Massachusetts. Does it not appear to the Committee that this is an attempt on the part of many States of the Union to get away from the proper taxing of their own people and drive that burden on the other States of the Union? Is it not a fact that in the case of Louisiana, about which the gentleman spoke here today, not because I say it, but because the Governor says it, it is the most prosperous State in the Union? Let me quote:

If you come to Louisiana as a home seeker, Louisiana today is the most prosperous State in the Union. There is a thousand dollars exemption on homesteads. There is a livestock exemption. New homes are tax exempt for 3 years and new industries for 10 years.

[Laughter.]

Then let me read again what they say about tax exemption or tax-free homes in Mississippi:

If Mississippi continues on, they have gone a long way toward providing tax-free homes.

Mr. DOUGHTON. Well, my good friend from North Carolina challenged me to know what this would do for North Carolina. I speak for the Federal-tax payers of North Carolina the same as I do for the State-tax payers. I will say to my friend that North Carolina is balancing her budget and able to meet her obligations, while the Federal Government is short of this desired goal. The gentleman would not dare stand up here and say to this House that North Carolina could not match the Federal contribution.

Mr. COOLEY. Will the gentleman yield?

Mr. DOUGHTON. If you want to say that North Carolina is not able to match 50-50 the Federal contribution to take care of her dependent old people, I will yield.

Mr. COOLEY. I want to say to the gentleman that he knows that North Carolina has not yet met the Federal contribution of \$15 and will never meet the \$20 contribution.

Mr. DOUGHTON. Yes; and that is a tribute in one sense, and in another it might be a criticism; but I do assert that our State is able to match on a 50-50 basis any contribution made by the Federal Government that is necessary for our aged needy people, and I challenge my good friend from North Carolina [Mr. COOLEY] to deny that statement.

Mr. COOLEY. My question was one asking the gentleman to explain to the House how this bill would help North Carolina.

Mr. DOUGHTON. I cannot answer the gentleman's question in the brief time at my disposal.

[Here the gavel fell.]

The CHAIRMAN (Mr. WARREN). The time of the gentleman from North Carolina has expired. All time on this amendment has expired.

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

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 88, noes 162.

Mr. COLMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. COLMER and Mr. DOUGHTON.

The Committee again divided; and the tellers reported that there were—ayes 97, noes 174.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TERRY].

Mr. TERRY. Mr. Chairman, I have an amendment similar to that offered by the gentleman from Oklahoma [Mr. FERGUSON].

Mr. WOODRUFF of Michigan. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Michigan, a member of the committee, rise?

Mr. WOODRUFF of Michigan. To offer an amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan, a member of the committee, to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUFF of Michigan: Page 3, line 4, amend section 3 (a) of title I of the Social Security Act to read as follows:

"PAYMENTS TO STATES

"SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1939, (1) an amount, which shall be used exclusively as old-age assistance, equal to two-thirds of the total of the sums expended during such quarter as old-age assistance under the State plan with respect to each needy individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds \$45, and (2) 4 percent of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose: *Provided*, That the Federal contribution shall not exceed 50 percent in those States which reduce expenditures for old-age assistance under the provisions of this section."

Mr. WOODRUFF of Michigan. Mr. Chairman, I think there is no Member of this House who for more years has been interested in giving to our old people a pension, or an annuity or whatever you care to call it, that will keep the needy aged in at least some degree of comfort.

An inspection of the records of the Social Security Board discloses the fact that there is but one State in the Union which today pays the maximum, or has averaged the maximum amount that can be paid under the provisions of section 1, paragraph 3, of the Social Security Act. It is perfectly apparent to me that the 280,000 old people in this country who many months ago qualified for an old-age pension, but who today have never received a penny, can never know the security to which they are entitled until something more is done to enable the States to meet their obligations, which in my opinion are primarily State obligations.

It occurs to me that if by an increase in the proportion of the money expended for old-age pensions we could step up the amount the Federal Government contributes we could in this way bring relief to those who have not up to this time been able to secure a pension. We could also bring additional relief to those who are already on the pension rolls.

I think there is not a man in this House who will rise in his place and say that a pension of \$5 a month is an adequate pension to pay an old person.

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

Mr. WOODRUFF of Michigan. I yield.

Mr. LEAVY. The gentleman referred to the fact that there were a substantial number of persons not on the rolls. I have those figures. For the purpose of making it clear let me give them to the gentleman. There are now 280,873 persons who are qualified to receive pensions in States which are unable to pay them.

One other question, if the gentleman will permit, does the gentleman's amendment mean that it will be a 2 to 1 matching, that the Federal Government will give \$2 each time the State raises \$1?

Mr. WOODRUFF of Michigan. That is correct up to a maximum of \$45 per month. I say further, and I want to make it perfectly clear, that under my amendment it will be possible for an old person providing his necessities demand such an amount to draw as much as \$45 per month. Let me call attention also to the fact that the maximum provided will enable an old person to be hospitalized if necessary.

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

Mr. WOODRUFF of Michigan. Gladly.

Mr. MARTIN of Colorado. Is there anything in the gentleman's amendment to assure these 280,000 persons getting some pension? They still might not get any pension, any more than they do now.

Mr. WOODRUFF of Michigan. It has been stated by those in opposition to the Colmer amendment that we have no assurance that the increased amount paid by the Federal Government would go into the pockets of the old people.

I call the attention of the committee to the proviso I attached to my original amendment. I will read it. The proviso reads:

Provided, That the Federal Government's contribution shall not exceed 50 percent in those States which reduce expenditures for old-age assistance under the provisions of this section.

Mr. BUCK. Will the gentleman yield?

Mr. WOODRUFF of Michigan. I yield to the gentleman from California.

Mr. BUCK. I am anxious to know what that proviso means. Does it mean if the States reduce their total expenditures to the individuals or the total amount of the expenditures those States will not participate in the benefits of the gentleman's amendment?

Mr. WOODRUFF of Michigan. Exactly.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. WOODRUFF].

Mr. Chairman, before voting on this amendment each Member should realize just what it does. The amendment increases the Federal contribution a straight two-thirds. The Colmer amendment was a mild one in comparison with this one. Any one who voted against the Colmer amendment should certainly vote against this one, and most of those who supported the Colmer amendment should also vote against this amendment.

Mr. WOODRUFF of Michigan. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. Did the gentleman say my amendment would cost more than the Colmer amendment?

Mr. McCORMACK. Wait until I get through. I may not satisfy my friend from Michigan.

Mr. WOODRUFF of Michigan. I ask the gentleman, do I understand him correctly?

Mr. McCORMACK. Yes.

Mr. WOODRUFF of Michigan. Then he is as mistaken as he can possibly be.

Mr. McCORMACK. The gentleman from Massachusetts has been mistaken many times, but whether the gentleman from Massachusetts or the gentleman from Michigan is mistaken is for each individual Member of the House to determine.

Mr. WOODRUFF of Michigan. My authority is the Chairman of the Social Security Board and it is to the effect those figures the gentleman has in mind are not correct.

Mr. McCORMACK. Was the gentleman's information from the Chairman of the Social Security Board based upon two-thirds being paid on need or is it based on the gentleman's amendment where need is eliminated and where anybody 65 years of age or over can get it?

Mr. WOODRUFF of Michigan. If my amendment is adopted, the section under which these allotments are paid would be administered exactly as it is today. Every penny would be based on need and nothing else.

Mr. McCORMACK. The gentleman's amendment certainly does not carry out that thought.

Mr. WOODRUFF of Michigan. Oh, it does. It carries the phraseology of the act itself.

Mr. McCORMACK. The present bill contains the following language:

From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter—

And so forth—

with respect to each needy individual.

The gentleman's amendment eliminates "need." Why did he leave the word "need" out? What is the significance of the word "need" in this present bill and why did the gentleman leave that out?

Mr. KLEBERG. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. KLEBERG. I did not get the gentleman's first statement clearly, but I got enough of it to arrive at the impres-

sion that what the gentleman is trying to tell the House is that the amendment we now have before us is just as much of a racket as the amendment we just voted down. Is that correct?

Mr. McCORMACK. The characterization of the amendment I will leave to the gentleman from Texas. I probably would characterize it a little more mildly.

Mr. RANKIN. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Mississippi.

Mr. RANKIN. I just want to ask the gentleman from Texas [Mr. KLEBERG] if he would apply that same epithet to the bill as a whole.

Mr. McCORMACK. I think we can take that remark as impersonal. None of us need get excited in debate. Of course, we say things extemporaneously in debate that we do not always mean.

Mr. McKEOUGH. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. McKEOUGH. May I call the gentleman's attention to line 6 of the amendment offered by the gentleman from Michigan? He still leaves it in the language that calls for an approved plan, which absolutely nullifies the whole business.

Mr. WOODRUFF of Michigan. Will the gentleman yield? I wish to apologize to the gentleman if he will permit me.

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. May I say to the gentleman and to the Committee that the word "needy" was left out of the amendment inadvertently.

Mr. McCORMACK. Does the gentleman want to put the word "needy" back?

Mr. WOODRUFF of Michigan. I certainly do.

Mr. McCORMACK. All right. I am glad any misunderstanding between my friend and myself is cleared up. I yield to the gentleman to submit a unanimous-consent request.

Mr. WOODRUFF of Michigan. Mr. Chairman, I ask unanimous consent that my amendment may be amended by including the word "needy."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOODRUFF]?

There was no objection.

Mr. WOODRUFF of Michigan. I thank my friend from Massachusetts. May I say one more word? May I say to the gentleman and to the Committee that so long as I am a Member of this House I will vote for no pension that is not based upon the "need" of the individual? I will not vote to tax the poor people of this country to pay a pension to those who have more of the world's goods than those taxed.

Mr. McCORMACK. Mr. Chairman, the gentleman having amended his amendment, he thereby admits, at least by implication, that my criticism, so far as the elimination of the word "needy," was correct. I will proceed to present my views upon his amended amendment. As between this and the Colmer amendment, the Colmer amendment is still far more preferable. The Colmer amendment undertook to take care of the weaker States. It went too far. Something along the line of the Colmer amendment I believe in, but this amendment is just as objectionable and more so in its present form. It should be rejected.

[Here the gavel fell.]

Mr. TERRY. Mr. Chairman, I have an amendment on the desk that I offer as a substitute for the amendment offered by the gentleman from Michigan [Mr. WOODRUFF].

The Clerk read as follows:

Amendment offered by Mr. TERRY as a substitute for the amendment offered by Mr. WOODRUFF of Michigan: On page 3, strike out lines 3 to 18 and insert in lieu thereof the following:

"PAYMENT TO STATES

"Sec. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing January 1, 1940, (1) an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the amounts expended during such quarter as old-age assistance under the State plan with respect to

each needy individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution:

"(A) Two-thirds of such expenditures, not counting so much thereof with respect to any individual for any month as exceeds \$15, plus

"(B) One-half of the amount by which such expenditures exceed the amount which may be counted under paragraph (A), not counting so much thereof with respect to any individual for any month as exceeds \$40, plus.

"(2) 5 percent of the amount of the payment under clause (1) of this subsection, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

On page 4, line 6, strike out "one-half" and insert in lieu thereof "the State's proportionate share."

Mr. TERRY. Mr. Chairman, the amendment I propose to substitute for that of the gentleman from Michigan is very simple. It merely divides payments for old-age assistance into two brackets. In the first bracket the Federal Government provides two-thirds of the first \$15. In the second bracket the State and the Federal Government match equally up to the maximum amount of \$40, which is permitted in the bill under consideration.

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

Mr. TERRY. I yield to the gentleman from Mississippi.

Mr. COLMER. If I understand the gentleman's amendment correctly, it would do the same thing as the amendment which was defeated except upon a smaller scale; in other words, the ratio would be two for one rather than four for one, as in the amendment we proposed.

Mr. TERRY. Yes; that is correct. The Federal Government would match in the first bracket two for one, and after that equally with the States, up to the \$40 maximum.

Mr. COLMER. I just wanted to say to the gentleman I am going to support his amendment.

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

Mr. TERRY. I yield to the gentleman from California.

Mr. BUCK. Has the gentleman any estimate of the cost?

Mr. TERRY. I understand the cost would be somewhere between \$45,000,000 and \$110,000,000.

Mr. BUCK. Per year.

Mr. TERRY. That is the information that has been given me.

Mr. BUCK. I just wanted to determine the cost so the members of the Committee could understand what the cost involved was.

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

Mr. TERRY. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. In answer to the question of the gentleman from California, may I say that an exactly similar amendment was referred to the Social Security Board, which has given us the following information:

The probable additional cost of this change is \$45,000,000 to \$110,000,000 per year.

I have here the original letter from Mr. Altmeyer, Chairman of the Social Security Board.

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

Mr. TERRY. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The purpose of the gentleman's amendment is to increase the Federal contribution to the ratio of 2 to 1 up to \$15, and after that carry out the provision of the existing bill which calls for a 50-percent contribution?

Mr. TERRY. The gentleman is correct.

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

Mr. TERRY. I yield.

Mr. MASSINGALE. I am not clear on just what this amendment will cost, according to Mr. Altmeyer.

Mr. TERRY. According to Mr. Altmeyer, as has been stated, the cost will be from \$45,000,000 to \$110,000,000.

Mr. MASSINGALE. Above what the present bill will cost?

Mr. TERRY. No; above what the present law now in effect costs.

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

Mr. TERRY. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. The gentleman's substitute amendment proposes to increase the Federal contribution to two-thirds, up to \$15. Would the gentleman then favor the law's being administered by the Federal Government, rather than by the State, since the Federal Government would be putting up the money?

Mr. TERRY. I believe the Federal Government can very well afford to pay two for one in the first \$15 bracket, and it would not be putting up all of the money in any event.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. TERRY. I yield.

Mr. MURDOCK of Arizona. Does the gentleman not believe that what I will call the machinery of this law and the operation of it ought to be in the hands of the States, the expense of it ought to be largely on the Federal Government; in other words, Federal contribution without Federal control? In schooling work I favor Federal contribution to equalize educational opportunity, and in this matter I want to equalize social security.

Mr. TERRY. I believe we should have a basic minimum amount that is equal all over the United States and then let the individual States add to that such further amounts as they feel they can afford. It does not seem fair to me that the people in the poorer States should get only \$4 or \$5 a month while those in the richer States get from \$20 to \$32, as in California.

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

Mr. TERRY. I yield.

Mr. DINGELL. May I ask the gentleman whether he can assure me that the State of Arkansas will pay a little above that first \$15 bracket, because if it will not, then I am absolutely opposed to any such amendment at this time.

Mr. TERRY. At the present time Arkansas is paying \$6.15 per month to the old people. California, which pays the largest pension, is paying \$32.46. Of this amount, of course, the Federal Government pays \$15. In other words, the United States is paying California five times as much as it is paying Arkansas.

As stated in the remarks I made on this subject yesterday in the general debate, the great disparity that exists between the amounts paid for old-age assistance by the poorer States and their more fortunate sister States is not because the poorer States desire to give their old people inadequate assistance, it is because the poorer States have not the taxable wealth on which to base a larger proportion of contribution. In my State we have tapped all sources of revenue and still we compare unfavorably with the national average. We have a State income tax, a privilege tax, a sales tax, a personal-property tax—tangible and intangible—and many others. Our real-estate tax rate is nearly three times that of the District of Columbia. Our cigarette and gas taxes are among the highest in the country.

No; it is not because we are unwilling to tax ourselves to provide social services for our people. The wealth is not there. The per capita income of the United States is \$432. That of the District of Columbia is \$962—the highest in the country. That of New York, I am informed, is over \$700. The per capita of Arkansas is \$182. That tells the story.

Arkansas is not the only State that cannot compare with the national average in the amount it provides for old-age assistance. There are nine States that provide below \$10.50. The national average of all the States is \$19.27. Of what avail does it do the old people of the country for the Ways and Means Committee to raise the old-age assistance from \$30 to \$40, when the States, with all the pressure that is on them, cannot come within \$10 of averaging up to the \$30 now set by the social-security law? It is truly an empty gesture.

The adoption of my amendment only means that of the first \$15 the Government will pay \$2 for \$1 put up by the State. It is a very small increase, but it will be a godsend to those old people who are receiving a miserable pittance of \$4 or \$5 or \$6 a month.

It has been suggested by those opposed to this amendment that its adoption will cause the Townsend plan advocates to redouble their efforts. I say to you that unless you do liberalize the present assistance to some degree, at least, you are giving aid and encouragement to those persons who have made a very lucrative living by dangling before the eyes of the old people of our country the will-o'-the-wisp of the \$200 per month plan.

I urge the adoption of my amendment. [Applause.]

[Here the gavel fell.]

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

Mr. Chairman, I ask unanimous consent to revise and extend the remarks I am about to make and the other statement I made.

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

There was no objection.

Mr. DOUGHTON. Mr. Chairman, this amendment is equally as objectionable in its major point as the Colmer amendment, because it abandons the 50-50 ratio of contribution for old-age pensions. If you can go from 50-50 to two-thirds, by the Federal Government paying two-thirds of the pension, then why will they not come back and say, "Take over three-fourths of the load"? And you can take it as a fact that if you assume three-fourths of the burden you will have the same argument to take over the entire burden, and that is exactly where we would be heading. It is admitted that this amendment will place an additional burden on the Treasury of somewhere between \$45,000,000 and \$100,000,000 a year.

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

Mr. DOUGHTON. No; I regret I do not have the time.

If you keep piling up authorizations, while I have no threat from the President of the United States, I know exactly how he feels about this. He believes, first, that it should not be made, but if it is made, it is incumbent on the Congress to provide the increased revenue that will be necessary to defray the expense. We go on here day after day and month after month creating authorizations and providing no tax whereby we can take care of these authorizations. Then we criticize the administration for throwing the Budget out of balance when we are responsible ourselves for its being out of balance.

Mr. Chairman, if we vote for this amendment, there is one thing it is our duty to do and that is to remain here and write a tax bill, or increase the tax bill we will soon bring out, sufficient to raise the amount of money that this will authorize, and where would the gentleman from Mississippi or the gentleman from Arkansas propose we get this money? Would you favor a sales tax?

Mr. TERRY. If the gentleman will yield to me, I will tell him. I would just cut off about one-half of one of these \$100,000,000 battleships, and then you would have the money.

Mr. DOUGHTON. The gentleman well knows that the Congress would not do that, and therefore the gentleman is suggesting an impossible remedy. The gentleman knows the House would not do it; the Congress would not do it, and the President would not stand for it.

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

Mr. DOUGHTON. I am sorry I have not the time to yield.

Mr. Chairman, somebody should speak for the Federal taxpayers. We are now called upon to write a revenue bill whereby we will lighten taxes on business in order that employment may be increased and the unemployment burden lightened, and yet we come in here and propose amendments that would increase the burden of taxation.

Another thing is that when we freeze the pay-roll taxes at 1 percent for 3 years and try to save the business taxpayers of the country money in order to promote business, then it is proposed to add to the burdens of the Treasury a large additional amount without making any provision whatever to take care of it.

There is one of two things you may expect, if we add to this bill enormously, as this proposed amendment would do;

that is to raise additional revenue and increase our taxes or you may expect to see the bill vetoed. I do not speak for the President, but knowing his feelings as I do, I have no doubt but what that would happen, and there is also no doubt that if we increase the tax burden we have got to do something to take care of that burden, because it is our duty and our responsibility. Under the present bill the Federal Government has gone a long way, considering its fiscal condition, in assisting States in providing for aged needy people, and if this is not reasonably done, it will be the fault of the States and not the Federal Government. Also please remember the liberal aid given by the Federal Government to needy crippled children, the blind, and other generous and liberal provisions of the bill which I do not now have time to mention.

Mr. Chairman, I move that all debate on the pending amendment and the substitute therefor close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROBSION] for 4 minutes.

Mr. ROBSION of Kentucky. Mr. Chairman, we have before us H. R. 6635, which proposes to amend in a number of respects the Social Security Act of 1935. Under the present Social Security Act the Federal Government matches dollar for dollar the amount put up by the States to pay needy persons 65 years of age and over up to a maximum of \$15 paid by the Federal Government; that is to say, if any State puts up as much as \$15 the Federal Government will match the State's money with \$15 and enable any needy person 65 years of age or over to receive \$30 per month, but if a State puts up only \$4 the Federal Government will put up only \$4, making a total of \$8 per month.

Section 3 of title I of the bill before us provides that the Federal Government will increase its maximum from \$15 to \$20 per month, providing, of course, the State will put up as much as \$20 per month. The State of California up until this time is the only State of the 48 States that has matched the Federal Government's maximum of \$15 and paid \$30 a month pensions to needy people 65 years of age or over. All the other States have failed to match the full amount of \$15, the maximum contribution by the Federal Government. According to the records of the Social Security Board, Kentucky has paid an average of \$8.69; one-half of this was paid by the Federal Government. Georgia has paid \$8.62, Mississippi \$7.02, South Carolina \$7.61, and Arkansas \$6.11.

Under the social-security law it is up to the legislature of each State to fix the terms and conditions, the maximum age, and the maximum amount that the State will match of Federal funds. The Kentucky Legislature fixed the maximum that Kentucky would put up for any needy old person 65 years of age and over at the sum of \$7.50 a month. If Kentucky should pay the maximum amount of \$7.50 a month, the Federal Government would then pay only \$7.50 a month, making a total of \$15 per month in all, but as we have pointed out on an average the needy old people of Kentucky have been receiving and are receiving only \$8.69 a month.

This is not all of the sad story of the needy old people of Kentucky. Nearly 90,000 of needy old people have made application for pensions, but only about 45,000 have been granted pensions, and these have received on an average only \$8.69 a month. Those in charge of the old-age pensions in Kentucky have advised me, as well as others, that they are unable to pay many needy old persons any pension because sufficient funds have not been provided by the State of Kentucky for that purpose. We have had and still have a Democratic administration in Kentucky with a large majority of the State legislature made up of Democrats ever since the Federal Social Security Act was passed in 1935. It was the Democratic legislature and Democratic administration in Kentucky that fixed the maximum Kentucky contribution at not more than \$7.50 per month and made it impossible for any needy old person in Kentucky to receive in all from the State and Federal Government more than \$15 per month. The Republicans in the House and Senate of the Kentucky Legislature offered amendments fixing the maximum to be put up

by the State of Kentucky at \$15 instead of \$7.50 per month, and if this amendment had been adopted, it then would have been possible for the needy old people of Kentucky 65 years of age or over to receive a pension of \$30 a month. Each and every Republican in the House and Senate voted for this amendment, but the Democrats with their big majority defeated this salutary amendment. With the Kentucky law as it is, the amendment in the bill before us increasing the Federal contribution from \$15 to \$20 a month will mean absolutely nothing except a snare and illusion to needy old people of Kentucky and practically every State in the Union except California. Kentucky is in the small group of States paying the smallest amount of old-age pensions.

The President and his administration have stated time and again during the last year or so that old-age pensions throughout the Nation should be and would be liberalized at this session of Congress. The President and his administration were opposed to the Townsend plan. They insisted an adequate old-age pension would be met by liberalization of the Social Security Act that would come up in a few days and which is now before us, and they insisted that this act would be amended so that the needy old people of the country would receive pensions more in keeping with their needs.

The needy old people of America will find that this amendment will not add one dime to their old-age pensions unless it is in a State like California that has already matched the maximum amount of \$15 now being put up by the Federal Government.

I FAVOR THE WOODRUFF AMENDMENT

We now have before us for our immediate consideration the amendment offered to this bill by our colleague, Mr. WOODRUFF of Michigan. He is one of the ablest men on the Ways and Means Committee and is chairman of the Republican caucus of the House. He comes from one of the so-called rich States of the Union. I am very much in favor of his amendment, because it provides—

First. That the Federal Government will match two for one to provide assistance and pensions for needy old people 60 years of age or over. The Government now puts up dollar for dollar. Under the Woodruff amendment the Federal Government is authorized to put up as much as \$30 if the States put up as much as \$15, making \$45 in all.

This amendment would benefit the needy old people in each and all of the States of the Union. Under the Woodruff amendment, if Kentucky did not change its maximum of \$7.50 a month and would put up \$7.50 the Federal Government would meet the \$7.50 with \$15, making \$22.50 in all, and if the State of Kentucky would put up \$10 it would be necessary for the Federal Government to put up \$20, making \$30 in all for each needy person 60 years of age or over. In other words, the Federal Government would match two for one instead of one for one for old-age pensions in each and all of the 48 States. I do not believe that we can claim we are making adequate provisions for the needy old people unless they are allowed at least \$30 per month.

When the President's social-security bill was up for consideration in the House in 1935, I offered an amendment that provided that the Federal Government would pay an adequate old-age pension to each and every person 60 years of age or over, to each and every needy person and to each and every permanently and totally disabled person.

I am very happy to have an opportunity to speak and vote for the Woodruff amendment. The administration and its leaders, as well as some of the Members from the so-called rich States of the Union, are opposed to the Woodruff amendment, and, because of the big majority that the administration has in the House, they may be able to defeat it. It is claimed by them that the Woodruff amendment would impose hardships on the rich States to aid the poor States. We must bear in mind that the so-called poor States produce the raw materials in the way of timber, coal, farm products, and so forth. These go to the so-called rich States for processing and distribution. The producers of raw materials as a rule have far less income than those who process

and distribute the finished product and sell them to the so-called poor States at a great profit.

I introduced and had charge of the Federal Aid Road Act of November 9, 1921. The so-called rich States opposed the Federal aid road bill. They claimed it would impose a burden on the rich States in favor of the so-called poor States. The Federal aid road bill provided for the distribution of money to the States on a basis to area, population, and road mileage. The Members of the House from the rich States insisted that another element should be considered—wealth—and that the road money should be distributed on the basis of wealth, population, area, and mileage. Congress refused to accept wealth in the distribution of the road money. The trouble then with the country was that roads were being built in the rich States and in the rich communities of the poor States while the road building lagged in the poor States and in less-favored communities. Under the Federal aid road law roads were built through the poor States and through the poor communities of the poor States, and all of this proved to be a great blessing to the Nation as a whole. In a few years the Members of the House and Senate from the rich States ceased their opposition to the road-bill program and now no one insists that wealth should be one of the elements in the distribution of the Federal aid road money.

Whatever money is spent for old-age pensions in the poor States will increase the purchasing power of the people in those States and it will return to the rich States in increased business. The rich States absorb most of the money and income of the poor States. In the end it will prove to be a blessing as did the Federal aid road law. The old-age pension matter will never be settled until it is settled right, and in my opinion, some day if not now the principle embodied in the Woodruff amendment will be adopted. The failure to meet this problem and the failure to provide adequate pensions for needy old people of the Nation will increase the chances for such proposals such as the Townsend plan and other plans. If we are going to have old-age pensions let them be adequate, fair, just, and reasonable.

RURAL SECTIONS DISCRIMINATED AGAINST

Under the Social Security Act providing for an old-age insurance annuity we will begin in 1940 to pay old-age annuities to persons 65 years of age or over. I refer to persons who have been employed and whose wages as well as the employers have been taxed to provide a fund for this old-age insurance. These people will not receive old-age pensions. They will receive old-age annuities. About 45,000,000 workers in the United States had issued to them Social Security cards and they pay a tax out of their wages and their employers pay a like tax to provide a fund out of which to pay these annuities after the person has reached 65 years of age and over. These persons are largely employed in the so-called rich States in the various branches of industry, commerce, processing agricultural products and other raw materials. These taxes paid by the workers and their employers are added to the cost of the products and all of us must pay these taxes to a large extent. The people in the rural sections, the farm workers, domestic workers, and so forth, living in the rural sections, do not come under this old-age insurance provision of the Social Security Act. Their only hope of relief is under the so-called old-age pension.

The wife as well as the widow and children in case of the death of the husband will secure a pension under these old-age annuities, and they will receive a much larger pension and up to \$85 per month under these old-age annuities. And Congress must provide a reasonable, fair, and adequate pension for the needy old people who do not and cannot come under the old-age insurance. Old-age insurance would not begin until 1942, but this bill amends the act of 1935 and authorized these payments to begin 2 years earlier, January 1, 1940, and it greatly increases the annuities that will be received by those workers who have reached the age of 65 and provides annuities for the wife after she reaches 65 and provides annuities for the children on the death of the parent, but in my opinion this bill will not benefit the needy old people who do not come under the old-age

insurance plan. If they are to receive more liberal pensions, we must adopt something like the Woodruff amendment and let the Government put up two for one as provided in the Woodruff amendment.

I am sure if the Woodruff amendment was adopted a great majority of the States would soon put up at least \$10 a month and enable each needy old person to receive at least \$30 per month and, of course, some States would put up \$15 and this would give the needy old people of such States \$45 per month.

DESIRABLE PROVISIONS

I shall vote for the bill as a whole. It has a number of very desirable features. The tax on the employee and employer would remain at 1 percent under this bill. That will mean a great saving to the workers and their employers. There have been collected by the Government from these pay-roll taxes from the workers and employers many more times in dollars than have been paid out in benefits. These pay-roll taxes should be used for the purposes for which they were intended and that is to provide annuities or pensions for workers who retire after they are 65 years of age and for their wives, widows, and children.

This bill also provides that the payment of old-age annuities begin on January 1, 1940, instead of 1942, as provided in the act of 1935. This bill also provides for an increase of the Federal contribution to aid the States in taking care of their needy blind, but, of course, the States would have to match this money. Kentucky has not yet matched the amount set up for needy widows and their children and needy blind people provided in the act of 1935, and I am afraid the increase in this measure will not help the needy widows and the needy blind in Kentucky.

The needy crippled people of the Nation must not be overlooked by the Federal Government or by the States. The Federal Government and the States should see to it that the needy old people, the needy blind, the needy disabled, and needy widows and their orphan children are given just, adequate, and fair consideration; and then the Federal Government and the States should encourage those who are younger and able to work to start things moving in this country in agriculture, industry, and commerce so that we may have pay rolls to take the place of relief rolls.

THE TOWNSEND PLAN

A few days ago the Townsend plan was before us for consideration. I did not feel that the Townsend plan was feasible. Dr. Townsend in his own testimony before the committee recently stated that need or necessity should not be considered. In other words, every person 60 years of age or over, rich or poor, in need or in plenty, should receive the pension, and under his plan 12,000,000 people in the United States would be eligible for the pension. His idea was that we should start with \$200 a month for each person 60 years of age and over and this sum would likely go to \$300 a month within 5 years. His plan would mean that a husband and wife over 60 years of age, whether poor or rich, could and would receive \$400 to \$600 a month if they applied for same. If 12,000,000 who would be eligible applied for this pension it would cost the Government each year over \$28,000,000,000, and if it were increased to \$300 a month, as Dr. Townsend planned, it would cost the Federal Government over \$43,000,000,000 annually, and at \$200 a month there would have to be raised annually in the State of Kentucky \$532,000,000.

Last year the Federal Government collected in all in the ways of revenues and taxes from the American people about \$6,000,000,000, and we collected in taxes for all purposes to operate the State government of Kentucky—salaries, schools, roads, and for every other purpose—about \$25,000,000. Under the Townsend plan we would have increased the taxes for old-age pensions alone by the Federal Government nearly five times, and the taxes paid by the people of Kentucky more than 20 times.

Dr. Townsend's plan to raise these enormous sums in taxes was to levy income, consumers', and sales taxes. I should like to see the old people of this Nation receive that sum of money. It would soon enable me to retire and quit work.

But it seems to me to be impracticable and unworkable. I then favored, and still favor a pension that is fair, just, and reasonable, and one that the taxpayers are able to meet. The American Federation of Labor, the railroad brotherhoods and other labor organizations, and the farm organizations of the country strongly opposed the Townsend plan because the big part of these consumers' taxes and sales taxes would be paid by the working people and the common people. I think it would take at least 20 percent of their income and wages to meet these taxes. I believe, however, that the Woodruff amendment is feasible and workable and will insure a fair, adequate, and reasonable old-age pension.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, during the debate under the 5-minute rule we often vote on amendments that we do not understand. So I am taking the liberty of suggesting to the membership of the House that they turn to page 2419 of the Appendix of the Record of June 6, if they are interested in knowing the exact wording of the Terry amendment, which is now up for a vote. It is printed there in the Appendix of the Record at page 2419. The amendment, in simple language, does this: The Federal Government contributes \$2 to the State's \$1 for the first \$15. After that the matching is on a 50-50 basis. If the State puts up \$5, the Federal Government would put up \$10, making the total pension \$15. If the State puts up \$10, the Federal Government would put up \$15, making the total \$25 up to \$40, the maximum pension provided under the bill as favored by the committee. If \$40 were paid, the State would pay \$17.50 and the Federal Government \$22.50. This would change the contribution on the maximum pension only 10 percent and reduce it from a 50-50 matching proposition to a 60-40 on the maximum, and here is what it would accomplish. We have 12 States now paying a pension of \$10 or less. That is the combined pension. These States say that they cannot raise more money. At the same time they are Southern States, where the standard of living and the cost of living may not be so high. So the adoption of this two-for-one proposition up to \$15 would mean that these States that are now suffering from these wholly inadequate pensions would be able to make a payment of \$15 to their pensioners. As I read to the House during the remarks of the gentleman from Arkansas [Mr. TERRY], the cost of this amendment would be between \$45,000,000 and \$110,000,000. This is the opinion of the Social Security Board in writing to me on this certain amendment. Forty-five million dollars would be the cost if the present rules were not increased. That is not a tremendous burden on the Budget of the United States. The present Budget for old-age pensions is \$225,000,000. This amendment when put into effect would raise the Federal Budget on old-age pensions to \$275,000,000.

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

Mr. DISNEY. The gentleman means that the immediate rise in the cost would be from \$45,000,000 to \$110,000,000, does he not? He does not mean to tell the House that would be the final cost of this amendment?

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

The Chair recognizes the gentleman from Massachusetts [Mr. BATES] for 4 minutes.

Mr. BATES of Massachusetts. Mr. Chairman, those of us who have for some years given thought and study to questions of taxation, particularly in our own States, are somewhat surprised at the effort being made this afternoon to attempt to load onto other States of the Union already suffering from tremendous tax burdens, a responsibility that is entirely their own.

A short time ago the chairman of the Ways and Means Committee yielded to me for a few moments so I could give information to its members relative to the devious ways that some of our States of the Union are tax-exempting their own residents, their industrial establishments, and other kinds of property. It is particularly of interest to know that only a few days ago I cut this article from a magazine advertising

the State of Louisiana, that very State some of whose Members were today advocating a larger percentage of national contribution in order, evidently, to evade their just share of the cost of this burden.

Among other things, the Governor says in this article:

Louisiana today is the most prosperous State of the Union. If you come as a home seeker you know already that our lands are fertile, that there is a \$1,000 exemption on homesteads from all property taxes; that all livestock in the State is tax free; that new homes are tax exempt for 3 years, and new industries for 10 years.

So much for the State of Louisiana. Let us go to Arkansas, the State from which come some of the Members advocating higher Federal contributions. We find in the report that I have here, entitled "Homestead Valuation Survey," by the commissioner of education in the State of Arkansas, pertinent comments about the exemption of homesteads from local taxation. Among other things, he said in this report that:

The exemption of homesteads up to \$1,000 will mean a loss in revenue to the State of Arkansas of \$538,000.

May I quote again from the National Municipal Review, in the case of Mississippi, whose Representatives also advocate this legislation, and where it went on to say:

MISSISSIPPI PROVIDES TAX-FREE HOMES—150,000 HOME OWNERS CLAIM EXEMPTION UNDER NEW HOMESTEAD LAWS; PROGRAM TO COST STATE OVER THREE AND A HALF MILLION DOLLARS ANNUALLY

Although the legislature did not adopt the entire program of the Governor, it passed 10 bills relating to homestead exemptions, and as a result of this legislation Mississippi has gone a long way toward providing tax-free homes.

It is very obvious that these States are attempting by such exemptions on homesteads and manufacturing plants as well to shift their own burden to other States of the Union. Not only have many industries left parts of the country to go into tax-exempt areas, but many of the wealthiest taxpayers have taken up domicile in States where there are no income-tax laws. This is purely for the purpose of evading their just share of the cost of government.

Representatives of these States are today pleading for the adoption of this amendment seeking a larger Federal contribution toward the cost of their old-age assistance, and it is of special interest to note that in these very States the legislatures have refused to enact sufficient tax laws that would raise needed revenue sufficient to pay higher old-age pensions. Only 13 States now have no income-tax laws.

There is rapidly growing up in this country a group of tax-dodging States, States that are trying to shift the burden which is rightfully theirs onto other States.

The argument made for this proposal is that there are certain States which are unable to make old-age assistance payments. I enclose two tables showing the old-age assistance payments in the States as compared with the per capita income by States. This indicates that it is not so much a question of inability to pay as it is unwillingness to pay.

(All figures from Social Security Board)

Average old-age assistance payment per recipient (title I) December 1938

State	Payment per recipient (title I) December 1938
United States	\$19.55
California	32.43
Colorado	29.99
Massachusetts	28.56
Connecticut	26.66
Nevada	26.46
Arizona	26.10
New York	24.18
New Hampshire	23.08
Ohio	23.01
Washington	22.10
Wyoming	21.62
Idaho	21.55
Oregon	21.30
Pennsylvania	21.19
Wisconsin	20.78
Maine	20.71
Montana	20.48
Utah	20.45
Minnesota	20.42
South Dakota	20.04

Average old-age assistance payment per recipient (title I) December 1938—Continued

Oklahoma	\$19.94
Iowa	19.82
Kansas	19.62
New Jersey	19.32
Rhode Island	18.78
Illinois	18.52
Missouri	18.48
Maryland	17.51
North Dakota	17.38
Nebraska	17.12
Michigan	17.11
Indiana	16.53
Vermont	14.47
Texas	13.84
Florida	13.84
West Virginia	13.79
Tennessee	13.23
New Mexico	11.15
Delaware	10.84
Louisiana	10.26
Virginia	9.54
Alabama	9.51
North Carolina	9.36
Georgia	8.76
Kentucky	8.73
South Carolina	7.40
Mississippi	6.92
Arkansas	6.15

Per capita income by States, 1935

State	Per capita income by States, 1935
United States	432
New York	700
Connecticut	607
California	605
Delaware	590
Rhode Island	561
Nevada	545
Massachusetts	539
Wyoming	526
New Jersey	517
Illinois	500
Montana	482
Pennsylvania	478
Michigan	473
Maryland	473
Wisconsin	467
Ohio	460
New Hampshire	438
Washington	434
Minnesota	416
Maine	414
Colorado	406
Indiana	402
Arizona	401
Oregon	394
Iowa	370
Missouri	366
Vermont	366
Kansas	365
Nebraska	361
Florida	353
Utah	348
Idaho	344
New Mexico	322
West Virginia	318
Texas	316
Virginia	305
Louisiana	300
South Dakota	275
North Dakota	260
Oklahoma	259
North Carolina	253
Georgia	253
Kentucky	240
Tennessee	232
South Carolina	224
Alabama	189
Arkansas	182
Mississippi	170
District of Columbia	966

In the interest of those States from which have migrated a large number of industries to these tax-exempt areas, and who are finding the tax burden and unemployment problem so pronounced, I feel in the interest of justice and equity that the amendment should be defeated. Surely these States that have tax-exempt provisions can well afford to shoulder their just share of the cost of old-age assistance. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO] for 3 minutes.

Mr. MARCANTONIO. Mr. Chairman, I do not believe any Member of this House can accuse me of being illiberal. However, I do not propose to vote for any reactionary measure simply because its proponents, who have never been on the liberal side of any fence, call it liberal. I do think the time has come when we must pause and recognize that this type of an amendment places on the more humanitarian and progressive States a greater burden and permits the landed aristocracy and the new industrialism of other States to dodge their responsibility toward the aged of those States.

A great deal has been said here about New York by the gentleman from Kentucky [Mr. ROBSION]. Does the gentleman realize that in New York we are almost taxed to death? Aside from a real-estate tax and a Federal and State income tax, in various cities we have personal-property taxes, sales taxes of every kind; taxes on every single article. New York cares not only for the unemployables but for many unemployed employables because of Congressmen who voted to cut appropriations for W. P. A. New York is engaged in many aspects of welfare legislation. Pass amendments of this type and you add an additional burden on New York and other States like it. I say that in this matter of pensions, the States must assume their responsibility. I say it is grossly unfair and unjust to load on us an extra load so that various States can get out from under. The several States can put up their required share. They do not tax in order to bring down to their States industries which seek cheap labor and seek to dodge the taxes necessary to carry the benefits of social welfare legislation to the people of our States. Let the legislatures of those States whose Representatives here are sponsoring these 4-to-1 and 2-to-1 amendments assume their just responsibilities toward the people of their States; let them levy the necessary taxes and let them cease making their States havens for tax dodgers and industrialists who seek to escape their social obligations.

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

Mr. MARCANTONIO. Excuse me; not just now.

When it is said that this bill is a snare and a delusion, that the old people are not going to get an additional penny, I say that the responsibility for the old people not getting an additional penny rests entirely on the States in which they reside. Let those States be fair with the United States Government, let them raise their required share, and their old people will get additional pensions. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW] for 2 minutes.

Mr. HINSHAW. Mr. Chairman, I have made bold to criticize this act. I have done so partly because it does not provide taxes to support the aged assistance program that is authorized in the act. I am amazed that of all committees, the Ways and Means Committee should bring out a bill that is not self-supporting.

The able chairman of the committee has even asked someone to suggest a tax to support this portion of the bill. I humbly offer to him and to the members of the committee that if they will put much the same kind of tax that is here levied against the one-third of the people covered by title II on the balance of the people, they will more than adequately support the old-age assistance program contained in this bill. They had an opportunity to work out such a bill when they failed to perfect H. R. 6466, and the Rules Committee chose to send us that bill under a gag rule so that it could not be amended. I claim that some such tax program as that offered in H. R. 6466, with suitable amendments, or even the tax program that is offered in this bill for a certain one-third of the people, if applied to everyone equitably, would adequately support the old-age assistance section and permit of liberalization to boot.

Mr. Chairman, we are in a great confusion here. We talk about social-security taxes when we mean compulsory old-age insurance premiums. I see no essential difference between these payments and those payments many of us made for war-risk insurance. If the majority of our people believe

that all of the people should be compelled to take out old-age risk insurance so that they will not become public charges if and when they reach old age, then the people have a right to so order in a democracy. We have already done so, but for one-third of our people only.

Furthermore, Mr. Chairman, this program of old-age risk insurance should be self-supporting and should not be considered as a part of the Federal Budget. Here we call it a tax for social security, but it is no more a tax than are the millions of insurance premiums that are regularly paid on the millions of ordinary life-insurance policies in force in this country. We fight against paying taxes, but we work to pay insurance premiums. This pending act would make princes of one-third of our people and paupers of all but a fortunate small percent of the other two-thirds. It contains some gross inequities and is ponderous and cumbersome in its administration. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. COLMER] for 3 minutes.

Mr. COLMER. Mr. Chairman, I am just as much interested in this amendment as I was in the amendment that I sponsored a moment ago. In fact, I consider it my amendment and the amendment of those of us who are interested in liberalizing this pension.

Now, it has been pointed out repeatedly today that this bill that is brought here does not liberalize the pensions of these aged people, because there is only one State in the Union that is now matching the \$15 that the Government offers. I just want to say in these 3 minutes you are either going to pass this liberalizing amendment or you are not going to pass anything. If you are not going to pass anything, let it be known to the aged needy people and the country at large, and say that this Congress is not in favor of increasing the pensions to the aged needy.

I was amazed that the gentleman from New York [Mr. MARCANTONIO], a man who would probably vote one hundred billions for the Workers Alliance, for the W. P. A., should get up here and oppose this proposition of 2 to 1 for these aged people.

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

Mr. COLMER. I am sorry, I have only a few minutes.

Mr. MARCANTONIO. The gentleman mentioned my name.

Mr. COLMER. Mr. Chairman, I decline to yield.

Mr. Chairman, either we are going to liberalize this bill with this amendment and give these people something, or we leave the question entirely unsettled and just put off the issue to a later time. I was not astonished at the action of the gentleman on the other side, he was running true to form; nor was I astonished when the minority defeated the amendment on the 4-to-1 proposal, but let me say to Republicans and Democrats alike that if you do not want to vote for this amendment, then you are in effect saying to the aged people that you are not going to give them anything. Oh, yes; there is another course, there is another body at the other end of the Capitol. When the bill gets over there it will be liberalized, but this is your test vote. We ask you to vote for it.

Mr. Chairman, we have made the best fight that we knew how to make in an effort to get a more liberal pension for the aged needy. I regret that many who had signified their desire to support this amendment are not here. I regret that under the rules of the House we are unable to get a record vote on this amendment and on the amendment which I offered and which was defeated on a teller vote. I was particularly disappointed in our colleagues on the Republican side of the aisle. There is no question but that, with few exceptions, they voted against the liberalizing amendment which we offered a few minutes ago. There is also no question but that the majority of the Democrats voted for it. Had our Republican friends come through as we expected them to do, this amendment would have been adopted. I hope that those who oppose these efforts which we are making to liberalize these pensions will not go before the country

next year and tell the people that they favor an adequate old-age pension.

Let me say in conclusion to my colleagues that this is the last stand. If you really favor a liberalization of the bill which the committee has reported, and which we have pointed out repeatedly means nothing because only one State is now matching the \$15 provision, then this is your opportunity to liberalize it. We have reason to believe that the Senate will liberalize the bill if we do not. Why should we not do so in the first instance? I appeal to you in the name of the thousands of the aged needy throughout the country, and particularly in our section, to support this amendment and no longer turn a deaf ear to the pleas of these aged needy people.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired, all time on this amendment has expired. Mr. TERRY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TERRY. As I understand it the first vote will be on my amendment as a substitute for the amendment offered by the gentleman from Michigan, will it not?

The CHAIRMAN. The gentleman is correct. The Chair was about to put the question.

The question is on the substitute amendment offered by the gentleman from Arkansas to the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. TERRY) there were—ayes 65, noes 131.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Michigan [Mr. WOODRUFF].

The question was taken; and on a division (demanded by Mr. WOODRUFF) there were—ayes 79, noes 142.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. KELLER: On page 3, in line 9, strike out "one-half" and insert "two-thirds"; in line 15, strike out "5 percent" and insert "4 percent."

Mr. BUCK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BUCK. Mr. Chairman, I make the point of order that this is practically the same amendment we just voted on.

The CHAIRMAN. In order for the point of order to be sustained the amendment would have to be identical to one which has already been voted on. This amendment is not identical.

The point of order is overruled.

The gentleman from Illinois is recognized for 5 minutes.

Mr. KELLER. Mr. Chairman, I call the attention of the Committee to the fact that we are going from one extreme to another. At the present time we ought to make progress slowly but surely. There is a great deal of merit in the 4-to-1 proposed which was rejected. The idea behind it was not wrong, but the extent of the proportion was wrong.

When the proposal of Federal old-age pensions first came up it was my great pleasure and honor to have introduced the original bill, which was the basis of the old-age assistance features of our social-security law. The present old-age assistance feature was put into the social-security law at that time. First I proposed a national old-age pension. On rewriting the bill I proposed that the contribution as between the Federal Government and the State governments should be 3 to 1, 3 parts being contributed by the Federal Government and 1 part by the States. That is exactly the proportion in Canada between the contribution of the Dominion Government and the provinces. After arguing the question with the President he finally insisted that we ought to start out on an even basis. I was, of course, compelled to give in to that, although I still held to my own opinion that there ought to be a difference.

We have tried out the 50-50 plan and we have found that the 50-50 plan does not give the relief we had a right to expect and which we hoped it would give when we wrote it

LXXXIV—437

into the law. Our own experience should teach us that there is a way of doing this. In foreign countries what happened was that they started at a certain rate of pension and a certain age, almost invariably 65, the same as we did. Little by little the pension was increased to what each country considered a normal amount. As time ran along they began to reduce the age limit from 65 to 62, and 60, and finally to 58 years. That is exactly the process that we probably will go through in this country.

That is the rational process, but we ought not to overlook the fact that we ought to be ready at the present time for the Federal Government to assume a larger proportion than one-half, for the simple reason that when this Government was first instituted the amount of money raised through real-estate taxes amounted to about 90 percent of the entire revenues of Government. At the present time it amounts to less than 15 percent; in other words, it has become a matter of taxing income. In Illinois as well as in other States the people are suffering from this mistake. For the purpose of providing our half of the old-age assistance we are taxing our property, the homes of people who are not able to pay these taxes. When you do that you are not going to get the right kind and the right distribution on the old-age pension. It is for this reason, in my judgment, that we ought to pass a 2-to-1 provision at the present time; then profit by that experience and see where we can go. Because the figures presently indicate that we should ultimately arrive at \$50 a month instead of \$40; but the \$40 is a step forward. We ought to make it 2 to 1 instead of 1 to 1, as at present.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. KELLER].

This amendment is substantially the same as the one just voted down.

Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. KELLER].

The amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 2, line 20, after the word "assistance", strike out the semicolon, insert a colon and the following: "Provided, That the term 'resources' shall not be deemed to include any sum or amount which, in the opinion of the State or any instrumentality thereof, might be obtained from children or relatives."

Mr. BUCK. Will the gentleman yield before he starts?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. BUCK. Does the gentleman's amendment read "shall not be deemed to include any sum or amounts received from children"?

Mr. DIRKSEN. It reads "That the term 'resources' shall not be deemed to include any sum or amount which in the opinion of the State or any instrumentality thereof might be obtained from children or relatives."

Mr. BUCK. Suppose allowances were made under other titles of this act?

Mr. DIRKSEN. They would have to be amended if this is adopted, in accordance with the substance of my amendment. Let me explain it first before my time is exhausted.

Mr. BUCK. I am trying to really understand what the gentleman has in mind.

Mr. DIRKSEN. If the gentleman will permit, I will explain it.

Mr. Chairman, let me take a hypothetical case. Let us assume that under the old-age assistance act of the State of Illinois one makes written application for old-age assistance. Normally he might be entitled to \$30 a month. That application goes to an investigator or to a social worker. That social worker calls on the applicant and after going into the matter of income and resources will say: "Have you any

children?" "Yes, two." "Sons or daughters?" "Two sons." "Who are they and where do they work? Are they married or are they single?" "Both of them are married. Both have families. Both have children." "Where do they work?" "One works in a canning factory, the other works in a shoe factory." "How much money do they earn in a week?" "Each one of them receives approximately \$25 per week." Now, then, if in the judgment of that investigator, which is affirmed by the old-age assistance division, the State decides that each one of these married sons should or could contribute \$2, \$3, or \$5 per month out of the pay check, that amount of money is going to be taken from the potential old-age assistance which will be given to the aged person. It is what is known in the State of Illinois as the relative clause. They have it also in New York and other States.

Mr. Chairman, it is one of those griping and distasteful things to the aged people of the country that sometimes makes this seem like bitter charity. There are many aged fathers and mothers who do not want to depend upon their sons and daughters, who have their own families and who have gone through lean years since 1929; yet, if in the opinion of the States and if in the opinion of the Attorney General, or if the old-age assistance division said that such son or daughter could contribute, then the amount of pension is going to be diminished by the sum total of that contribution.

The eligibility provision in our law in Illinois has a qualification for old-age assistance:

Has no children who in the opinion of the State department or the attorney general are legally responsible for the applicant's support.

Are we asking families to take care of the old-age assistance, or are we making this a matter for the States and for the Federal Government? I say it is a very unhappy provision that has crept into many State laws, and it has caused distaste everywhere among the aged. It seems to me one of the things we can do is to make certain that the word "resource" is qualified so that no case worker, no investigator, no attorney general, will be able to say that this son or daughter, whether they can afford it or not, could contribute \$2 or \$3 or \$5 toward the assistance of an aged person and then reduce the proposed amount by that much.

Mr. COOPER. Will the gentleman yield?

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

Mr. COOPER. Does not the gentleman think that his own State, if it wants to have a provision of that kind in its law with respect to money that that State pays out, ought to have a right to have it?

Mr. DIRKSEN. I may say to the gentleman from Tennessee that it is stated in the act:

Effective July 1, 1941, the State act must provide * * * that the State agency in determining need shall take into consideration income and resources.

What is a resource? Is it something that a son or daughter can contribute? Are you going to leave it as vague as that? We ought to have it stated definitely. It ought to be clarified. The amendment I have offered should be adopted.

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois.

May I call to the attention of the Committee that the other income and resources that are to be taken into consideration are specifically stated to be those of the individual claiming old-age assistance, and that does not include, in my opinion, any resources that his son or daughter or anyone else might have. If this statement will clarify the record for the benefit of the Illinois officials who administer their old-age law, I am very happy to make it.

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

Mr. BUCK. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I may say to the gentleman it is going to be a matter of administrative interpretation, and how

does the gentleman know or how do I know what they will say down in Springfield, Ill., or what they will say down in the Social Security Board as to what constitutes a resource?

Mr. BUCK. How can they go back of the language in this bill, if it becomes law, which states that the State agency shall take into consideration—I quote:

Any other income and resources of an individual claiming old-age assistance.

His children are certainly not claiming old-age assistance.

Mr. DIRKSEN. The fact is that this was not in the original law. Why should it be put in now?

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

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

Mr. COOPER. The gentleman from Illinois entirely misses the point involved in this provision in the bill. Under the present law old-age benefits under title II do not come into effect until 1942. Under these amendments those benefits are moved up and come into effect in 1940. Could the gentleman from Illinois or anybody else take the position that a person receiving an old-age benefit or annuity should also be entitled to an old-age pension or old-age assistance? The gentleman entirely misses the point with respect to the provision of the bill about which he is speaking.

Mr. DIRKSEN. If the gentleman will yield, the gentleman from Illinois has not missed the point. Do not be misled on that.

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

Mr. BUCK. I yield.

Mr. POAGE. May I say to the gentleman that this is the point I was raising yesterday, and that while clearly the point stated by the gentleman from Tennessee is well taken, the experience of my State, which had in its statute almost exactly word for word the provision this bill has in it, was that the investigators and supervisors from the Social Security Board at Washington enforced on our State the interpretation of a statute almost word for word like this that kept every person off the roll who had a child who had any means of self-support whatever.

Mr. BUCK. Yes; but I may say to the gentleman from Texas that here we are laying down a standard for the State to live up to, and in very definite words. The Social Security Board is not going to be involved in a question of interpretation of a State law. The "resources" are those of the old-age individual claiming assistance. If he can draw a benefit under title II, we propose it be taken into consideration.

Mr. POAGE. The State statute was almost exactly word for word what you are attempting to lay down here, and the Social Security Board has already interpreted that provision; it has done it already in the State of Texas, and I am sure it has in other States.

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

Mr. BUCK. I yield.

Mr. MAGNUSON. May I say to the gentleman and the Committee that this exact question arose in the State of Washington last January.

Mr. BUCK. Yes; but it arose not under a Federal statute.

Mr. MAGNUSON. I was going to sustain the gentleman's point. The Supreme Court knocked out all our old-age pension laws. The Social Security Board ruled that the question of what resources should be taken into consideration was entirely a matter for the State and that it was not mandatory to receive the Federal grant that children support the aged people.

Mr. BUCK. I thank the gentleman for the contribution. It was very valuable.

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

Mr. DOUGHTON. Mr. Chairman, I move that all debate on the pending amendment do now close.

The motion was agreed to.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN (Mr. PATMAN). The gentleman will state it.

Mr. DIRKSEN. Are we voting on the amendment or the motion to close debate?

Mr. HOOK. Mr. Chairman, are we voting on the motion to close debate?

The CHAIRMAN. The question was on the motion of the gentleman from North Carolina to close debate on the pending amendment. The Chair put the question, and the motion was agreed to.

The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was rejected.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRADLEY of Pennsylvania: On page 2, line 9, after the word "administration", strike out "other than those relating to selections, tenure of office, and compensation of personnel" and insert "including a civil-service merit system for employees, who shall be dismissed for cause only, and who shall have the right of appeal to the court or courts having jurisdiction in their respective States: *Provided also*, That in the event of a necessary curtailment of personnel no new employees shall be engaged in a similar classification until after those dismissed under such curtailment order shall be restored to duty, or shall have, in writing, declined such reinstatement."

Mr. BRADLEY of Pennsylvania. Mr. Chairman, when this Congress enacted the social-security law it inaugurated a great humanitarian experiment. I think everyone concedes that that legislation and this new legislation are desirable, but I feel that every man in this House should wish to place safeguards around the administration of such legislation, not only by the Federal Government but by the States, to the end that we will have an efficient and a just administration of the law.

We have heard on the floor of the House many statements regarding the introduction of politics into the administration of the W. P. A. We know that throughout the country in the local administrative forces there has been politics with regard to relief. I think these men and women who receive old-age pensions should be absolutely safeguarded so that they may not be submitted to exploitation on the part of any political machine, no matter of what party.

The Federal Government has established civil service for the employees engaged under the Federal Government. There may be those who say we have no right to interfere with the machinery of the States, but, after all, the Federal Government is contributing up to \$20 for every grant that is made by every State and if we do not establish the most rigid safeguards, sooner or later, regardless of what the political aspect may be in any State, we are going to see investigators and supervisors actively engaged in politics, and the social security legislation is going to be brought into discredit.

I hope that everyone who is sincerely interested in the matter of old-age pensions and social security will support this amendment so that we can be sure that the Congress of the United States has provided safeguards, not only in Federal administration, but in the States, because that is where you probably will need it more than you do here in Washington, and I hope the committee will support this amendment to insure an efficient civil service administration that will be free of politics no matter who might wish to bring pressure.

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

Mr. BRADLEY of Pennsylvania. I shall be pleased to yield to the gentleman.

Mr. RAMSPECK. I may say to the gentleman that I think his amendment is very fine. We know that in the State of Kentucky last year and in the gentleman's own State and in the State of Ohio, as well as in many other States, these employees were used by State political machines, and we ought to prohibit that, because we are paying part of the cost and we ought to make the States put them under a merit system.

Mr. BRADLEY of Pennsylvania. I thank the gentleman from Georgia and I am very glad he has made that statement, because I know that everyone in this House knows that, above all others, he is sincerely interested in the civil-service system, and when he feels that this is a desirable

amendment I think that should create a good impression upon the other members of the committee. [Applause.]

Mr. COOPER. Mr. Chairman, I am going to take just a moment or two to speak in opposition to the pending amendment.

This matter was thoroughly considered by your committee, not only during the consideration of the pending bill but in 1935, during the consideration of the present act. All in the world this means is that the Federal Government will say to the sovereign States of this Union whom they have to employ under their State program. As long as the States put up half of the money to provide these benefits and this assistance, they certainly should have a right to select the personnel and to handle the program in those States.

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

Mr. COOPER. I yield to the gentleman.

Mr. RAMSPECK. I know the gentleman does not want to wrongly state the amendment. It does not interfere with the right of the State to select the persons, but simply provides that they must be selected under a system of merit rather than political patronage.

Mr. COOPER. Certainly, the Federal Government says the State may select its personnel, but the State has to select it under a system prescribed or approved by the Federal Government. So what difference or distinction is there in the matter?

This amendment was voted down unanimously by the committee by members on both sides of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. BRADLEY].

The amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 2, line 20, after the word "assistance", insert "*Provided*, That whenever such other cash income is less than \$360 per year, such fact shall be prima facie proof of need."

Mr. VOORHIS of California. Mr. Chairman, the purpose of this amendment is to take a step in the direction of making it possible for such pensions as are paid under this act to be paid to people without compelling those people to go through a virtual pauperism test in order to qualify. In effect the amendment says that if an individual's cash income is less than \$360 a year, which certainly is little enough, then that person shall be deemed by the State agency to be eligible.

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

Mr. VOORHIS of California. Yes.

Mr. BUCK. This provides that if an individual has less than \$360 a year income he shall be eligible?

Mr. VOORHIS of California. Yes.

Mr. BUCK. Suppose he owns \$100,000 worth of land from which he does not get any income at all.

Mr. VOORHIS of California. If he has no income, he would not be in very good shape would he? This amendment does not say that the State must under all circumstances make payment to an individual under those circumstances, but it does say that if that person is in receipt of less than \$360 income in a year that shall be regarded as prima facie evidence of eligibility on the part of that person. That means really and practically, without quibbling, that a person is not going to be compelled to give a lien on a little home to the county before he can qualify. It means that his sons and daughters, as pointed out previously by the gentleman from Illinois, are not going to be compelled to make a contribution, when they themselves are hard pressed, to the support of this particular individual. It means, in other words, that we are taking a step in the direction of making this what we claim it to be, namely, a payment made because it ought to be made and without the humiliating experience through which people now in many cases are compelled to go.

I feel very strongly on this point because of the experiences that we have had in our own State and in my own congressional district. I feel strongly on it because of what I know

has happened in so many cases. For example, I could point to cases where a man and wife, both together, each of whom draws a full pension, are living next door to a person who is holding onto a little home, but who has to give a lien against that home before he can qualify. My State tried to correct that particular situation and now permits real property up to \$3,000, I believe, to be owned by an individual without his being made ineligible; but it left a loophole, and that loophole was that it was provided that anybody who was a relative of an individual past 65 might be held responsible for their support, and through that method it has been possible for the same injustice to take place as between two individuals, one of whom receives the pension, while the other is denied on the ground that he has, for illustration, a son in Montana, with four or five children, making a very meager income, who can be asked to contribute—

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

Mr. VOORHIS of California. Yes.

Mr. POAGE. My State has corrected that, but if this bill goes through without the gentleman's amendment I am sure all the efforts of our legislatures will go for nothing.

Mr. VOORHIS of California. I think it will. In regard to people in receipt of payments under title II, it seems to me that if those same people will become eligible to payments under title II in 1940 it is all the more necessary for an amendment of this kind to be adopted. I do not believe that the members of the Ways and Means Committee themselves would want to see a person who had contributed under title II and was getting payment as a result of those contributions receive less than a person who had not contributed and who was receiving old-age assistance. Under this amendment that would be corrected, at least to a certain extent; and if the person received, say, \$10 under title II, he would not thereby be disbarred, as they might well be now under certain State laws, from the receipt of any other further consideration under title I.

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

Mr. BUCK. Mr. Chairman, I move that all debate upon the pending amendment be now closed.

The motion was agreed to.

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

The question was taken; and on a division (demanded by Mr. VOORHIS of California) there were—ayes 58, noes 109.

So the amendment was rejected.

Mr. TAYLOR of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Tennessee: On page 3, line 18, after the word "purpose", strike out the period, insert a colon and the following: "Provided, That no State will require any beneficiary under this section as a condition precedent, to convey by deed or otherwise, any property said recipient may possess."

Mr. TAYLOR of Tennessee. Mr. Chairman, I recognize that up until now this afternoon this Committee has had open season on amendments, but I believe this amendment possesses such outstanding merit that the majority of this body will support it.

In a number of the States, not in all of them by any means, before an old person is granted old-age assistance he is required to convey to the State whatever property he may possess, regardless of the insignificance of the value of such property. That proved to be a very serious deterrent to the old people. I know in my State it has been a deterrent to applicants for old-age assistance. When they come before the welfare board and find that before they can be considered for old-age assistance they must give a lien on the property or convey by deed their little home, in many instances a little hovel with an acre of garden, they simply walk away.

Mr. Chairman, I think it is beneath the dignity of a sovereign State to require, as a condition precedent, that those little homes, those little tracts of land that are worth from \$100 to \$200, should be conveyed to the State before application for old-age assistance will be granted.

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

Mr. TAYLOR of Tennessee. I yield.

Mr. LEAVY. I am in full accord with what the gentleman has said. To show you how varying the States are now, and how unfair it is, I have the figures for the various States. Twenty-seven States have no provision for recovery; 9 States have permissible recovery; and 15 States absolutely require a recovery.

Mr. TAYLOR of Tennessee. That is merely an argument in support of the amendment which I have offered.

Mr. LEAVY. Your amendment would put an end to this sort of thing?

Mr. TAYLOR of Tennessee. It would put an end to that sort of racket.

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

Mr. TAYLOR of Tennessee. I yield.

Mr. PITTENGER. Is your amendment retroactive? In Minnesota they have a law that puts a lien on the home—stead now.

Mr. TAYLOR of Tennessee. I think, if my amendment is adopted, it would cancel all of the liens that have been given as a condition for the granting of old-age assistance.

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

Mr. TAYLOR of Tennessee. I yield.

Mr. STEFAN. I am in full accord with your amendment. You will recall that yesterday I asked the chairman of the committee the question whether or not we could do anything to eliminate that terrible situation where an old man or an old lady had a little home and they could not get a pension unless they gave a lien on that little home to the State, but our chairman of our committee tells us we cannot do anything about it; that that is a matter for the States to determine.

Mr. TAYLOR of Tennessee. We certainly can legislate.

Mr. STEFAN. I am going to vote for your amendment.

Mr. TAYLOR of Tennessee. I appreciate the support of the gentleman.

I want to conclude, Mr. Chairman, by saying that I think it is a melancholy commentary that a sovereign State, before it will grant this old-age aid to indigent persons, must require the conveyance of a little home, in many instances perhaps not worth more than \$50 or \$75. But those old people have a sentimental attachment to their homes, and before they will comply with any such requirement they will walk away and refuse to pursue their application.

Mr. COOPER. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. COOPER. Is that not a much more pertinent question to ask in the State legislature than it is here?

Mr. TAYLOR of Tennessee. Well, I think we ought to do it here. We have an opportunity to do it now. It is a matter that ought not be referred to the States.

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

Mr. TAYLOR of Tennessee. I yield.

Mr. BUCK. Suppose we adopt your amendment and the State could not obtain a lien on the property, then would not the State pass a law saying that those people are not needy, and they never would get any relief?

Mr. TAYLOR of Tennessee. But they get no income whatever from these little homes.

Mr. BUCK. But you would not accomplish the purpose you are aiming at, in my opinion.

Mr. TAYLOR of Tennessee. If you will adopt my amendment, I will take the consequences.

Mr. MILLS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. MILLS of Louisiana. Will it not make the old people more content if your amendment is adopted?

Mr. TAYLOR of Tennessee. Of course. Naturally, the States would not grant pensions to people who have homes in the nature of mansions. It is only the small homes of practically no value that such an amendment as mine would cover. [Applause.]

[Here the gavel fell.]

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

The amendment of the gentleman from Tennessee has a very sentimental appeal. The gentleman says it is a "melancholy commentary" upon a State that would do that. Well, I do not want to characterize the great sovereign State of Tennessee as doing something on this occasion which constitutes "a melancholy commentary," but I will agree with the gentleman that I would dislike very much to see such a condition existing in Massachusetts. But we are sitting here as Members of the Congress of the United States. My friend from Tennessee is in effect asking us as Members of Congress to compel his State to do something that his State legislature will not do. His job rests with Tennessee, as I see it, and not with the Congress of the United States.

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

Mr. McCORMACK. I yield gladly.

Mr. TAYLOR of Tennessee. I have repeatedly appealed to the Legislature of Tennessee to repeal this requirement. I will say to the gentleman that as a Tennessean I am sorry that my State has written into its laws, in pursuance of this act of Congress, any such unfortunate provision as that.

Mr. McCORMACK. Will not my friend admit that it is a Tennessee problem?

Mr. TAYLOR of Tennessee. No; I think it is not.

Mr. McCORMACK. Let us keep in mind the fact, Mr. Chairman, that we have tried to make this law as broad as possible, giving to the States as broad jurisdiction as it is possible to give them to meet the old-age problem payable out of public funds in accordance with their own State conditions. If we start putting this condition in and that condition in, there is no reason in the world why we should not put in every condition that is not attractive or agreeable to every Member of Congress from every one of the 48 States of the Union. I join with my friend in his opinion that the Tennessee law should be changed, but I submit in all reason that we should not change the Tennessee law, or the Massachusetts law, or the New York law, or the Alabama law in Congress; this should be done by the legislatures of the respective States; it is a matter for the several States. My friend should go into Tennessee and mold public opinion, because public opinion is the controlling factor in a democracy.

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

Mr. McCORMACK. I yield. I would not oppose the gentleman's amendment if I were a member of the Tennessee Legislature, and if a bill along the lines he desired was pending before that body.

Mr. TAYLOR of Tennessee. I do not see how the gentleman can vote against my amendment after the eloquent appeal he has made in behalf of States' rights.

Mr. McCORMACK. As a Member of Congress, I say it is wrong for Congress to put into this law a basic requirement simply to meet a situation which exists in Tennessee. That is a question for the State of Tennessee to solve through its legislature. The Legislature of Tennessee should meet the problem instead of passing the buck to the Congress of the United States. [Applause.]

[Here the gavel fell.]

Mr. JONES of Ohio. Mr. Chairman, I had prepared an amendment similar to the one offered by the gentleman from Tennessee now under consideration. I rise in support of the amendment of the gentleman from Tennessee because I know that the time is about to be limited for further amendments to title I of the bill. My amendment addresses itself to the same evil that the amendment under consideration attempts to meet.

The amendment I have prepared is as follows:

Page 2, line 20, after semicolon, strike out the word "and", and on line 24, after the word "assistance", strike out the period and quotation marks and insert a semicolon and the following:

and (9) provide that the State, after January 1, 1940, for assistance furnished him under the plan, shall not require security, pledge, or encumbrance by mortgage, trust deed, or deposit of recipient's personal or real property for the repayment of any amounts for old-age assistance.

Briefly, the effect of my amendment would change the claim of the State and the Federal Government from a secured lien mortgage, or pledge upon the property of the old-age pensioner to a general claim against his estate.

The gentleman from Massachusetts has just said that the amendment attempts to direct the way the State shall legislate. In answer to his argument I believe the Federal Government owes a definite responsibility to all of the States because the Federal Government gave birth to this legislation, and in paragraph 7 of the original act I quote:

That if the State or any of its political subdivisions collects from the estate of a recipient of old-age assistance any amount with respect to the old-age assistance furnished him under the plan, one-half of the net amount so collected shall be promptly paid to the United States."

We have given birth to the thought, and we have accepted from the respective States one-half of the moneys collected from the estates of old-age recipients.

Let us examine the figures for the State of Ohio. Since February 11, 1936, \$36,648,000 has been paid by the Federal Government to the State of Ohio. During the same term the State of Ohio has paid to the Federal Government the sum of \$135,629 as the Federal Government's share of moneys realized from the estates of old-age recipients. One hundred thirty-five thousand six hundred and twenty-nine dollars is one-half of the net amount collected from the estates of old-age pensioners out of the proceeds of their life-insurance policies, bank deposits, and homesteads. The State has realized a net of an equal \$135,629. The Federal \$135,629 and the State \$135,629 gives us a total net sum of \$271,258. This is the net amount after court costs, receivers' fees, trustees' fees, and attorneys' fees have been deducted from the gross proceeds of the sale price of old-age pensioners' estates.

I am sure if we knew the total gross sale price of the properties of the old-age pensioners, there would not be one vote cast against this amendment. I am sure if we knew the total gross proceeds of old-age pensioners' estates before attorneys' fees, court costs, receivers' fees, and trustees' fees are deducted to give us the net amount collected, we would never let another day pass until we had enacted this amendment.

One hundred and thirty-five thousand six hundred and twenty-nine dollars recovered in comparison to \$36,648,000 paid to my State in old-age pensions in itself shows that the law is of no real benefit to the Government.

The States and the Federal Government can save these attorneys' fees, court costs, receivers' fees, and trustees' fees by passing this amendment and leaving the matter up to the States to legislate on the subject whether they will make the claim for old-age assistance a general claim against the estates of old-age recipients, or completely forbear any recovery for amounts advanced.

So long as the Federal Government encourages the States to put a lien upon the property of old-age recipients by accepting one-half of the net collected from their estates, just that long will old-age pensioners be compelled to give a blanket mortgage, a trust deed, or pledge of every bit of property that they own before they can get their pension. Many of these people have worked all of their lives to complete a contract of purchase of a homestead, or to pay out a small life-insurance policy, only to find when they reach the age of 65 without funds through no fault of their own perhaps, that the arm of their State says, "Before we will give you a pension you must give a mortgage on your property, deliver your insurance policy to secure the State and the Federal Government." Were the mortgage only for \$30 or \$20 or \$10, whatever the pension is for 1 month, and the average in my State is \$22 a month, giving a mortgage or delivering an insurance policy would not be so serious, but when an old-age pensioner gives a trust deed or delivers an insurance policy, he parts with a possession for future installments so long as he lives.

You can say to me that the State does not touch the old-age pensioner's property until he is dead, but the effect is just the same as if it were sold at the moment the mortgage was given, or the possession of the policy was parted with. From a practical standpoint a cloud is on the title to the homestead, indefinite in amount because the grocer,

the doctor, the hospital, the druggist does not know any more than you and I how long the old-age pensioner will live, and from the moment that the trust deed is delivered and the policy surrendered the old-age pensioner's credit is seriously harmed or completely gone.

No wonder there is dissatisfaction among the old people when they are compelled to part with their dearest possessions in order to receive a sum of money each month that will not keep and maintain them. When sickness strikes, when ill-health raps at the door, when a severe winter comes, when the roof leaks overhead, when clothing and shoes wear out, when teeth need fixing, and eyes fail, it is then that a clear title to a little home, possession of a small insurance policy would give more mental health to our dear friends on the pension rolls, who deserve your consideration and mine, than any empty promises in the future.

Do you want to enact a law that will make it possible for old-age pensioners to maintain their self-respect and self-reliance by handling their own property in their last days? They deserve a better answer from this Government who fathered this alleged humanitarian legislation, than the direction to go to the county pension director.

Somebody has suggested that this would give children an opportunity to avoid their obligation to the parents and later reap the benefit. That observation is made without consideration to this amendment, or the amendment that I have drafted, because the general creditor of an estate stands between the unfaithful son and daughter and his or her inheritance.

I urge that all of you support the amendment of the gentleman from Tennessee to give mental hope and a small portion of the more abundant life which this humanitarian law was recommended to be when passed. Remove the cloud on the title of the pensioners' properties, turn from the doors of these old-age pensioners those who would collect trustees' fees, attorneys' fees, court costs, and receivers' fees, because this group of people are the least able to pay them. Let the States collect, if they will, as general creditors for amounts advanced under this law.

Let us put the defenseless widow and her claim for widow's allowance and year's support and other exemptions ahead of the trustee, the receiver, and the foreclosure suit.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on the pending amendment and all amendments to this title do now close.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 102, noes 35.

So the motion was agreed to.

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

The question was taken; and on a division (demanded by Mr. TAYLOR of Tennessee) there were—ayes 42, noes 91.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. MAAS: On page 3, line 9, after the word "to", strike out "one-half" and insert "two-thirds for each one-third paid by any State, not to exceed \$30, to be paid by the Federal Government"; line 13, after the word "institution", insert a period and strike out the comma and the words "not count-"; on line 14, strike out all the words; on line 15, strike out the words "individual for any month as exceeds \$40, and" and add "Provided, however, That the total payment to any couple shall not exceed \$75 in any one month."

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

The amendment was rejected.

Mr. MAAS. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD and to include a table of payments in the various States.

The CHAIRMAN. The gentleman's request for inclusion of the table referred to will have to be secured in the House. Without objection, the gentleman's request to extend his own remarks in the RECORD at this point will be granted.

There was no objection.

Mr. MAAS. Mr. Chairman, this amendment provides that the Federal Government shall match State funds for old-age assistance on the basis of two dollars for one, up to a total of \$30 for the Federal Government contribution. This would make possible a payment of \$45 a month as the maximum, as against the present \$30 or the \$40 proposed in the committee bill. The committee proposal is really useless, because \$15 is the practical limit that States can afford to contribute. Only about seven or eight States are now paying even the full \$15. The average for both State and Federal contributions is about \$19. In Minnesota, where \$15 can be paid, very few get the full amount. The average total there is about \$20 per month.

This is not security for old age, nor will it induce the older employed people to retire and make way for younger people to get their jobs.

Yet only seven States and Alaska could take advantage of the \$20 proposal, because the rest of the States cannot contribute over \$15, and therefore the increase could not be matched. In reality the committee bill's so-called increase is no increase at all, since practically no States can obtain it; certainly not until their legislatures meet again and increase the various States' limits.

My amendment will make it possible to increase the old-age assistance in every State without any change in State laws anywhere.

The 2-for-1 proposal will make possible a practical and reasonable old-age payment which would provide security and would permit older employed people to give up their jobs. This would create a considerable relief in the unemployment situation for younger workers.

Incomes are on a national basis today. They are no longer local. The local communities are drained financially into a few large centers. Therefore the Federal Government should and must contribute on the basis of 2 to 1.

It is possible to live upon \$45 per month, where it is not upon \$30. A couple could draw up to \$90, where the State took full advantage of the maximum.

We must either have a reasonable old-age assistance system or none.

We have voted large increases for the Army and Navy. They are essential for national defense. Congress voted hundreds of millions for farm parity. We must also vote adequate pensions to the older people.

This does not mean fantastic schemes, but my proposal is a sound, liberal, workable plan.

I am attaching hereto a list showing payments made in each State under the present social-security system and payments which automatically would be made under my plan:

Maximum amount authorized	Average amount being paid at present	Average amount under my amendment	States affected by \$5 increase, committee bill
Alabama, \$30.....	\$9.51	\$14.26	
Arizona, \$30.....	26.10	39.15	
Arkansas, no limit.....	6.15	9.23	
California, \$35.....	32.53	47.53	California.
Colorado, \$45.....	29.99	44.99	Colorado.
Connecticut, \$7 per week.....	26.66	39.99	
Delaware, \$25.....	10.84	16.26	
Florida, \$30.....	13.84	20.76	
Georgia, \$30.....	8.76	13.24	
Idaho, \$30.....	21.75	32.63	
Illinois, \$30.....	18.52	27.78	
Indiana, \$30.....	16.53	24.80	
Iowa, \$25.....	19.82	29.73	
Kansas, no limit.....	19.62	29.43	Kansas.
Kentucky, \$15.....	8.73	13.10	
Louisiana, no limit.....	10.26	15.39	Louisiana.
Maine, \$30.....	20.71	31.09	
Maryland, \$30.....	17.51	26.27	
Massachusetts, \$30.....	28.56	42.84	
Michigan, \$30.....	17.11	25.67	
Minnesota, \$30.....	20.32	30.48	
Mississippi, \$15.....	6.92	10.88	
Missouri, \$30.....	18.48	27.72	
Montana, no limit.....	20.58	30.87	Montana.
Nebraska, \$30.....	17.12	25.68	
Nevada, \$30.....	26.46	39.69	
New Hampshire, \$30.....	23.08	34.62	

Maximum amount authorized	Average amount being paid at present	Average amount under my amendment	States affected by \$5 increase, committee bill
New Jersey, \$30.....	\$19.32	\$28.98	New Mexico. New York.
New Mexico, no limit.....	11.15	16.73	
New York, no limit.....	24.18	36.29	
North Carolina, \$30.....	9.36	14.04	
North Dakota, \$30.....	17.38	26.09	
Ohio, \$30.....	23.01	34.52	
Oklahoma, \$30.....	19.94	29.91	
Oregon, \$30.....	21.30	32.95	
Pennsylvania, \$30.....	21.19	31.78	
Rhode Island, \$30.....	18.78	28.17	
South Carolina, \$240 per year.....	7.40	11.10	
South Dakota, \$30.....	20.04	30.06	
Tennessee, \$25.....	13.23	19.85	
Texas, \$30.....	13.84	20.76	
Utah, \$30.....	20.45	30.68	
Vermont, \$30.....	14.47	21.71	
Virginia, \$20.....	9.54	14.31	
Washington, \$30.....	22.10	33.15	
West Virginia, \$30.....	13.79	20.68	
Wisconsin, \$1 per day.....	20.78	31.17	
Wyoming, \$30.....	21.62	32.43	
Alaska, \$45.....	27.51	41.26	Alaska.

8 States less than \$10 per month, 8 States pay between \$10 and \$15, 12 States pay between \$15 and \$20, 14 States pay between \$20 and \$25, 6 States pay between \$25 and \$30, 1 State pays over \$30, which is California. Largest average amount of \$32.53.

Mr. HOOK. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOOK: On page 3, in line 9, after the comma, insert "equal to \$15 per month to each individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution, and in addition thereto an amount."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOOK].

The amendment was rejected.

Mr. PITTINGER. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PITTINGER: On page 3, line 12, strike out the word "sixty-five" and insert in lieu thereof "sixty."

On line 13, after the word "institution", strike out the comma and the words "not counting" and insert in lieu thereof a period and the words "Any married person having title under this section and the wife not having title the rate shall be increased 50 percent more than that of a single person, with an additional 10 percent of the base pension for each minor child not self-supporting."

On line 14, strike out all the language, and on line 15 strike out the following language: "individual for any amount as exceeds \$40 and."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PITTINGER].

The amendment was rejected.

Mr. PITTINGER. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. PITTINGER]?

There was no objection.

Mr. PITTINGER. Mr. Chairman, the amendment that I have offered in connection with the pending bill, H. R. 6635, ought to be adopted because the amendment will strengthen the bill and make it more fair to people entitled to old-age assistance. The amendment makes people at the age of 60 years entitled to the benefits of the act. The present law requires a person to attain the age of 65 before becoming eligible for old-age assistance. I think the age limit should be lowered.

Then the amendment further provides that a married man, whose wife is not entitled to the benefits of the act, shall receive 50 percent more than a single person, and in addition 10 percent of his base pension for every minor child not self-supporting. It ought to require no argument to convince you that a married man should receive more than a single person, and this amendment would provide for that result.

Several other worth-while amendments have been offered today. I refer, for example, to the amendment by the gentleman from Tennessee [Mr. TAYLOR], which would forbid the States from putting liens upon the homesteads of aged persons who apply for assistance. That amendment should have been adopted. Likewise, other amendments should have

had favorable consideration. Evidently those in control of this pending legislation do not want any amendments. I think that is a mistaken viewpoint.

I want to say to the Members of the House that the present social-security law is wholly inadequate, and in my opinion it is not working out satisfactorily. I believe that old-age assistance should be national and uniform in its scope. The present act is neither. The debate on the floor of the House today indicates clearly that in some States proper legislation is enacted so that the State set-up makes certain grants and these, of course, are matched by Federal contributions. On the other hand, some States fail to set up the necessary machinery or to make proper appropriations of money so as to get Federal aid.

I want to be fair, and I will admit that the present bill does liberalize the existing law. But it does not go far enough. It leaves too much discretion to the various States. If the States do not take advantage of the Federal law, then the aged people who need assistance will have to suffer.

The people who framed the original social-security law were well intentioned, but I do not believe that they realized that this was a national problem, and not one for solution by the States. I do not think old-age pensions should be based on State lines. Neither do I think that the States should be made the basis for determining the revenue or the disbursements to be made to those entitled to a pension.

I speak from observation when I say that in my district the payments are inadequate, and that there is real distress in spite of the small help that comes from the revenue provided by the present law.

I hope that the Ways and Means Committee will look with favor upon the amendment that I have proposed, as well as upon other worth-while amendments that have for their purpose the liberalization of the present bill to the end that the aged people of the United States may be given adequate assistance.

Mr. THILL. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. THILL: Page 3, line 15, after "exceeds", strike out "\$40" and insert "\$60."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. THILL].

The question was taken; and on a division (demanded by Mr. SCHAFFER of Wisconsin) there were—ayes 13, noes 81.

So the amendment was rejected.

Mr. THILL. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. THILL]?

There was no objection.

Mr. THILL. Mr. Chairman, debates and arguments have continued for some time on this section of the bill. My amendment simply provides for increasing the total amount of old-age assistance benefits from \$30 to \$60 per month. Some say that this amendment is innocuous; others contend that the adoption of my amendment will be an inducement to the States to take advantage of the greater financial aid to be provided by the Federal Government.

Many needy aged cannot possibly live decently on \$30 a month. It is altogether proper and fitting that we take care of our old people and keep them in some semblance of comfort, providing them with needed food, clothing, and shelter.

It has been estimated that an increase in old-age assistance grants from \$30 to \$40 per month will cost between \$5,000,000 and \$10,000,000. Increasing the grants from \$30 to \$60 per month will, according to the estimates, cost less than \$30,000,000. How can anyone interested in the plight of our old people have any objection to this amendment?

Mr. HOOK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOOK: On page 2, in line 8, after the semicolon, strike out all down to and including the semicolon in line 12 and insert "(5) Provide such methods of administration as are found by the Board to be necessary for the efficient

operation of the plan: *Provided, however,* That the selection, tenure of office, and compensation of personnel shall be approved by the Board."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Hook].

The amendment was rejected.

Mr. GEYER of California. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GEYER of California: On page 3, line 12, strike out the words "sixty-five" and all the remainder of the paragraph, down to and including line 18 on the same page, and in lieu thereof insert the following: "60 years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds \$60, except that such amount shall equal at least \$15 for each month during such quarter with respect to each such individual receiving not less than \$22.50 during such month, and (2) 5 percent of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. GEYER].

The amendment was rejected.

Mr. GEYER of California. Mr. Chairman, I have but 5 minutes. These amendments would lower the age of the recipient from 65 to 60. Surely those of 60 who have been thrown on the scrap heap are entitled to care as a matter of right. I wish I had time to develop this point.

The plan I propose also allows the Federal Government to match the State below \$7.50, but, above that, up to \$15 contribution by the State, the Federal Government will contribute \$15. This would allow the poor State, on paying \$7.50, to get a pension of \$22.50. Surely this is not too much.

This amendment also allows the State to contribute, if it cares to, \$30, which the Federal Government will match, allowing the recipient to receive "60 at 60." Above that amount of \$60 per month the State alone must pay the excess.

I am proud to offer this amendment. I am anxious to care for our senior citizens.

Some will say, "Where are we going to get the money?" To this I answer: The same place we get the money for battleships with which to destroy lives we will get the money to save precious lives. It will cost about the same amount as one of these giant instruments of death. This bill that we are considering allows my State but \$5 more per month and keeps the age at 65 without my amendment. Of course, I will vote for this pittance, but I hope my amendment will pass, making our old-age feature of the Social Security Act really much better rather than a mockery.

Mr. HOBBS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 3, line 15, after "(2)", insert "to each such State in which the total old-age assistance paid each recipient for any quarter heretofore did not exceed \$30, a second or additional amount, which shall be used exclusively as old-age assistance, equal to one-half of such total of the sums expended during such quarter as old-age assistance under the State plan with respect to each needy individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution; and (3)."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

Mr. HOBBS. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

Mr. HOBBS. Mr. Chairman, this amendment will, if adopted, be of benefit to eight States only. Those prospective beneficiaries are North Carolina, Virginia, Kentucky, Alabama, Georgia, Mississippi, South Carolina, and Arkansas.

The reason upon which this proposal is based was set forth as best I could in the limited time allowed me in the general debate last Tuesday. It is, simply, the story of the widow's mite. They have each done their best, and, out of their meager revenues, have appropriated every cent they could,

but still their needy aged eligibles have received as a monthly pension less than \$10.

The President, the Social Security Board, and the Ways and Means Committee have repeatedly said that the minimum pension should be \$15 a month.

Try to live on \$15 a month and see if you think that too much.

Yet not one of these States has been able to reach even \$10. These States have strained themselves and exhausted every means at their command. The Social Security Board knows that this is true. Is it too much to ask of Uncle Sam, who created the hope and urged its reasonableness, that he help to satisfy that hope? His nieces and nephews live in these eight States as well as in the richer Commonwealths.

Two dollars of Federal money for every one of the first \$5 paid by any one of these eight States will assure a pension of \$15 a month, approximately.

This House has said by its vote on other amendments today that we should not do much more. Should we do nothing?

May I not plead with you to rise at least to this level of unselfishness and give the aged poor in these eight States these crumbs which should be allowed to fall from the Nation's table?

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 3, strike out lines 3 to 18 and insert in lieu thereof the following:

"PAYMENT TO STATES

"SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing January 1, 1940, (1) an amount, which shall be used exclusively as old-age assistance, equal to the sum of the following proportions of the amounts expended during such quarter as old-age assistance under the State plan with respect to each needy individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution:

"(A) Five-eighths of such expenditures, not counting so much thereof with respect to any individual for any month as exceeds \$15, plus

"(B) One-half of the amount by which such expenditures exceed the amount which may be counted under paragraph (A), not counting so much thereof with respect to any individual for any month as exceeds \$40, plus

"(2) Five percent of the amount of the payment under clause (1) of this subsection, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

On page 4, line 6, strike out "one-half" and insert in lieu thereof "the State's proportionate share."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The question was taken; and on a division (demanded by Mr. FISH) there were—ayes 21, noes 87.

So the amendment was rejected.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: Page 3, line 15, strike out "\$40" and insert "\$75."

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

The question was taken; and on a division (demanded by Mr. THILL) there were—ayes 10, noes 117.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—AMENDMENT TO TITLE II OF THE SOCIAL SECURITY ACT
Sec. 201. Effective January 1, 1940, title II of such act is amended to read as follows:

"TITLE II—FEDERAL OLD-AGE AND SURVIVOR INSURANCE BENEFITS
"FEDERAL OLD-AGE AND SURVIVOR INSURANCE TRUST FUND

"SEC. 201. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Federal Old-Age and Survivor Insurance Trust Fund' (hereinafter in this title called the 'trust fund'). The trust fund shall consist of the securities held by the Secretary of the Treasury for the Old-Age Reserve Account and the amount standing to the credit of the Old-Age Reserve Account on the books of the Treasury

on January 1, 1940, which securities and amount the Secretary of the Treasury is authorized and directed to transfer to the trust fund, and, in addition, such amounts as may be appropriated to the trust fund as hereinafter provided. There is hereby appropriated to the trust fund for the fiscal year ending June 30, 1941, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 percent of the taxes (including interest, penalties, and additions to the taxes) received under the Federal Insurance Contributions Act and covered into the Treasury.

"(b) There is hereby created a body to be known as the Board of Trustees of the Federal Old-Age and Survivor Insurance Trust Fund (hereinafter in this title called the 'Board of Trustees') which Board of Trustees shall be composed of the Secretary of the Treasury, the Secretary of Labor, and the Chairman of the Social Security Board, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this title called the 'Managing Trustee'). It shall be the duty of the Board of Trustees to—

"(1) Hold the trust fund;
 "(2) Report to the Congress on the first day of each regular session of the Congress on the operation and status of the trust fund during the preceding fiscal year and on its expected operation and status during the next ensuing 5 fiscal years;

"(3) Report immediately to the Congress whenever the Board of Trustees is of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-fiscal-year period, and whenever the Board of Trustees is of the opinion that the amount of the trust fund is unduly small."

The report provided for in paragraph (2) above shall include a statement of the assets of, and the disbursements made from, the trust fund during the preceding fiscal year, an estimate of the expected future income to, and disbursements to be made from, the trust fund during each of the next ensuing 5 fiscal years, and a statement of the actuarial status of the trust fund.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the trust fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Managing Trustee determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

"(d) Any obligations acquired by the trust fund (except special obligations issued exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such special obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"(f) The Managing Trustee is directed to pay each month from the trust fund into the Treasury the amount estimated by him and the Chairman of the Social Security Board which will be expended during the month by the Social Security Board and the Treasury Department for the administration of title II and title VIII of this act, and the Federal Insurance Contributions Act. Such payments shall be covered into the Treasury as miscellaneous receipts. If it subsequently appears that the estimates in any particular month were too high or too low, appropriate adjustments shall be made by the Managing Trustee in future monthly payments.

"(g) All amounts credited to the trust fund shall be available for making payments required under this title.

"OLD-AGE AND SURVIVOR INSURANCE BENEFIT PAYMENTS

"Primary insurance benefits

"SEC. 202. (a) Every individual, who (1) is a fully insured individual (as defined in section 209 (g)) after December 31, 1939, (2) has attained the age of 65, and (3) has filed application for primary insurance benefits, shall be entitled to receive a primary insurance benefit (as defined in section 209 (e)) for each month, beginning with the month in which such individual becomes so entitled to such insurance benefits and ending with the month preceding the month in which he dies.

"Wife's insurance benefits

"(b) (1) Every wife (as defined in section 209 (i)) of an individual entitled to primary insurance benefits, if such wife (A) has attained the age of 65, (B) has filed application for wife's insurance benefits, (C) was living with such individual at the time such application was filed, and (D) is not entitled to receive primary

insurance benefits, or is entitled to receive primary insurance benefits each of which is less than one-half of a primary insurance benefit of her husband, shall be entitled to receive a wife's insurance benefit for each month, beginning with the month in which she becomes so entitled to such insurance benefits, and ending with the month immediately preceding the first month in which any of the following occurs: she dies, her husband dies, they are divorced a vinculo matrimonii, or she becomes entitled to receive a primary insurance benefit equal to or exceeding one-half of a primary insurance benefit of her husband.

"(2) Such wife's insurance benefit for each month shall be equal to one-half of a primary insurance benefit of her husband, except that, if she is entitled to receive a primary insurance benefit for any month, such wife's insurance benefit for such month shall be reduced by an amount equal to a primary insurance benefit of such wife.

"Child's insurance benefits

"(c) (1) Every child (as defined in section 209 (k)) of an individual entitled to primary insurance benefits, or of an individual who died a fully or currently insured individual (as defined in section 209 (g) and (h)) after December 31, 1939, if such child (A) has filed application for child's insurance benefits, (B) at the time such application was filed was unmarried and had not attained the age of 18, and (C) was dependent upon such individual at the time such application was filed, or, if such individual has died, was dependent upon such individual at the time of such individual's death, shall be entitled to receive a child's insurance benefit for each month, beginning with the month in which such child becomes so entitled to such insurance benefits, and ending with the month immediately preceding the first month in which any of the following occurs: such child dies, marries, is adopted, or attains the age of 18.

"(2) Such child's insurance benefit for each month shall be equal to one-half of a primary insurance benefit of the individual with respect to whose wages the child is entitled to receive such benefit, except that, when there is more than one such individual such benefit shall be equal to one-half of whichever primary insurance benefit is greatest.

"(3) A child shall be deemed dependent upon a father or adopting father, or to have been dependent upon such individual at the time of the death of such individual, unless, at the time of such death, or, if such individual was living, at the time such child's application for child's insurance benefits was filed, such individual was not living with or contributing to the support of such child and—

"(A) such child is neither the legitimate nor adopted child of such individual, or

"(B) such child had been adopted by some other individual, or

"(C) such child, at the time of such individual's death, was living with and supported by such child's stepfather.

"(4) A child shall be deemed dependent upon a mother, adopting mother, or stepparent, or to have been dependent upon such individual at the time of the death of such individual, only if, at the time of such death, or, if such individual was living, at the time such child's application for child's insurance benefits was filed, no parent other than such individual was contributing to the support of such child and such child was not living with its father or adopting father.

"Widow's insurance benefits

"(d) (1) Every widow (as defined in section 209 (j)) of an individual who died a fully insured individual after December 31, 1939, if such widow (A) has not remarried, (B) has attained the age of 65, (C) has filed application for widow's insurance benefits, (D) was living with such individual at the time of his death, and (E) is not entitled to receive primary insurance benefits, or is entitled to receive primary insurance benefits each of which is less than three-fourths of a primary insurance benefit of her husband, shall be entitled to receive a widow's insurance benefit for each month, beginning with the month in which she becomes so entitled to such insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to receive a primary insurance benefit equal to or exceeding three-fourths of a primary insurance benefit of her husband.

"(2) Such widow's insurance benefit for each month shall be equal to three-fourths of a primary insurance benefit of her deceased husband, except that, if she is entitled to receive a primary insurance benefit for any month, such widow's insurance benefit for such month shall be reduced by an amount equal to a primary insurance benefit of such widow.

"Widow's current insurance benefits

"(e) (1) Every widow (as defined in section 209 (j)) of an individual who died a fully or currently insured individual after December 31, 1939, if such widow (A) has not remarried, (B) is not entitled to receive a widow's insurance benefit, and is not entitled to receive primary insurance benefits, or is entitled to receive primary insurance benefits each of which is less than three-fourths of a primary insurance benefit of her husband, (C) was living with such individual at the time of his death, (D) has filed application for widow's current insurance benefits, and (E) at the time of filing such application has in her care a child of such deceased individual entitled to receive a child's insurance benefit, shall be entitled to receive a widow's current insurance benefit for each month, beginning with the month in which she becomes so entitled to such current insurance benefits and ending with the month immediately preceding the first month

in which any of the following occurs: no child of such deceased individual is entitled to receive a child's insurance benefit, she becomes entitled to receive a primary insurance benefit equal to or exceeding three-fourths of a primary insurance benefit of her deceased husband, she becomes entitled to receive a widow's insurance benefit, she remarries, she dies.

"(2) Such widow's current insurance benefit for each month shall be equal to three-fourths of a primary insurance benefit of her deceased husband, except that, if she is entitled to receive a primary insurance benefit for any month, such widow's current insurance benefit for such month shall be reduced by an amount equal to a primary insurance benefit of such widow.

"Parent's insurance benefit"

"(f) (1) Every parent (as defined in this subsection) of an individual who died a fully insured individual after December 31, 1939, leaving no widow and no unmarried surviving child under the age of 18, if such parent (A) has attained the age of 65, (B) was wholly dependent upon and supported by such individual at the time of such individual's death and filed proof of such dependency and support within 2 years of such date of death, (C) has not married since such individual's death, (D) is not entitled to receive any other insurance benefits under this section, or is entitled to receive one or more of such benefits for a month, but the total for such month is less than one-half of a primary insurance benefit of such deceased individual, and (E) has filed application for parent's insurance benefits, shall be entitled to receive a parent's insurance benefit for each month, beginning with the month in which such parent becomes so entitled to such parent's insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: Such parent dies, marries, or becomes entitled to receive for any month an insurance benefit or benefits (other than a benefit under this subsection) in a total amount equal to or exceeding one-half of a primary insurance benefit of such deceased individual.

"(2) Such parent's insurance benefit for each month shall be equal to one-half of a primary insurance benefit of such deceased individual, except that, if such parent is entitled to receive an insurance benefit or benefits for any month (other than a benefit under this subsection), such parent's insurance benefit for such month shall be reduced by an amount equal to the total of such other benefit or benefits for such month. When there is more than one such individual with respect to whose wages the parent is entitled to receive a parent's insurance benefit for a month, such benefit shall be equal to one-half of whichever primary insurance benefit is greatest.

"(3) As used in this subsection, the term 'parent' means the mother or father of an individual, a stepparent of an individual by a marriage contracted before such individual attained the age of 16, or an adopting parent by whom an individual was adopted before he attained the age of 16.

"Lump-sum death payments"

"(g) Upon the death, after December 31, 1939, of an individual who died a fully or currently insured individual leaving no surviving widow, child, or parent who would, on filing application in the month in which such individual died, be entitled to a benefit for such month under subsection (b), (c), (d), (e), or (f) of this section, an amount equal to six times a primary insurance benefit of such individual shall be paid in a lump-sum to the following person (or if more than one, shall be distributed among them) whose relationship to the deceased is determined by the Board, and who is living on the date of such determination: To the widow or widower of the deceased; or, if no such widow or widower be then living, to any child or children of the deceased and to any other person or persons who are, under the intestacy law of the State where the deceased was domiciled, entitled to share as distributees with such children of the deceased, in such proportions as is provided by such law; or if no widow or widower and no such child and no such other person be then living, to the parent or parents of the deceased and to any other person or persons who are entitled under such law to share as distributees with the parents of the deceased, in such proportions as is provided by such law. A person who is entitled to share as distributee with an above-named relative of the deceased shall not be precluded from receiving a payment under this subsection by reason of the fact that no such named relative survived the deceased or of the fact that no such named relative of the deceased was living on the date of such determination. If none of the persons described in this subsection be living on the date of such determination, such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of the deceased. No payment shall be made to any person under this subsection, unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of 2 years after the date of death of such individual.

"APPLICATION"

"(h) An individual who would have been entitled to a benefit under subsections (b), (c), (d), (e), or (f) for any month had he filed application therefor prior to the end of such month, shall be entitled to such benefit for such month if he files application therefor prior to the end of the third month immediately succeeding such month.

"REDUCTION AND INCREASE OF INSURANCE BENEFITS"

"SEC. 203. (a) Whenever the benefit or total of benefits under section 202, payable for a month with respect to an individual's

wages, exceeds (1) \$85, or (2) an amount equal to twice a primary insurance benefit of such individual, or (3) an amount equal to 80 percent of his average monthly wage (as defined in section 209 (f)), whichever of such three amounts is least, such benefit or total of benefits shall, prior to any deductions under subsections (d), (e), or (h), be reduced to such least amount.

"(b) Whenever the benefit or total of benefits under section 202 (or as reduced under subsection (a)), payable for a month with respect to an individual's wages, is less than \$10, such benefit or total of benefits shall, prior to any deductions under subsections (d), (e), or (h), be increased to \$10.

"(c) Whenever a decrease or increase of the total of benefits for a month is made under subsection (a) or (b) of this section, each benefit shall be proportionately decreased or increased, as the case may be.

"(d) Deductions shall be made from any payment under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits for any month in which such individual:

"(1) rendered services for wages of not less than \$15; or

"(2) if a child under 18 and over 16 years of age, failed to attend school regularly and the Board finds that attendance was feasible; or

"(3) if a widow entitled to a widow's current insurance benefit, did not have in her care a child of her deceased husband entitled to receive a child's insurance benefit.

"(e) Deductions shall be made from any wife's or child's insurance benefit to which a wife or child is entitled, until the total of such deductions equals such wife's or child's insurance benefit or benefits for any month in which the individual, with respect to whose wages such benefit was payable, rendered services for wages of not less than \$15.

"(f) If more than one event occurs in any 1 month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefit shall be deducted.

"(g) Any individual whose benefits are subject to deduction under subsection (d) or (e), because of the occurrence of an event enumerated therein, shall report such occurrence to the Board prior to the receipt and acceptance of an insurance benefit for the second month following the month in which such event occurred. Any such individual having knowledge thereof, who fails to report any such occurrence, shall suffer an additional deduction equal to that imposed under subsection (d) or (e).

"(h) Deductions shall also be made from any primary insurance benefit to which an individual is entitled, or from any other insurance benefit payable with respect to such individual's wages, until such deductions total the amount of any lump sum paid to such individual under section 204 of the Social Security Act in force prior to the date of enactment of the Social Security Act amendments of 1939.

"OVERPAYMENTS AND UNDERPAYMENTS"

"SEC. 204. (a) Whenever an error has been made with respect to payments to an individual under this title (including payments made prior to January 1, 1940), proper adjustment shall be made, under regulations prescribed by the Board, by increasing or decreasing subsequent payments to which such individual is entitled. If such individual dies before such adjustment has been completed, adjustment shall be made by increasing or decreasing subsequent benefits payable with respect to the wages which were the basis of benefits of such deceased individual.

"(b) There shall be no adjustment or recovery by the United States in any case where incorrect payment has been made to an individual who is without fault (including payments made prior to January 1, 1940), and where adjustment or recovery would defeat the purpose of this title or would be against equity and good conscience.

"(c) No certifying or disbursing officer shall be held liable for any amount certified or paid by him to any person where the adjustment or recovery of such amount is waived under subsection (b), or where adjustment under subsection (a) is not completed prior to the death of all persons against whose benefits deductions are authorized.

"EVIDENCE, PROCEDURE, AND CERTIFICATION FOR PAYMENT"

"SEC. 205. (a) The Board shall have full power and authority to make rules and regulations and to establish procedures, not inconsistent with the provisions of this title, which are necessary or appropriate to carry out such provisions, and shall adopt reasonable and proper rules and regulations to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits hereunder.

"(b) The Board is directed to make findings of fact, and decisions as to the rights of any individual applying for a payment under this title. Whenever requested by any such individual or whenever requested by a wife, widow, child, or parent who makes a showing in writing that his or her rights may be prejudiced by any decision the Board has rendered, it shall give such applicant and such other individual reasonable notice and opportunity for a hearing with respect to such decision, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing, affirm, modify, or reverse its findings of fact and such decision. The Board is further authorized, on its own motion, to hold such hearings and to conduct such investigations and other proceedings as it may deem necessary or proper for the administration of this title. In the course of any hearing, investigation, or other proceeding, it may administer oaths and affirmations, examine witnesses, and re-

ceive evidence. Evidence may be received at any hearing before the Board even though inadmissible under rules of evidence applicable to court procedure.

"(c) (1) On the basis of information obtained by or submitted to the Board, and after such verification thereof as it deems necessary, the Board shall establish and maintain records of the amounts of wages paid to each individual and of the periods in which such wages were paid and, upon request, shall inform any individual, or after his death shall inform the wife, child, or parent of such individual, of the amounts of wages of such individual and the periods of payments shown by such records at the time of such request. Such records shall be evidence, for the purpose of proceedings before the Board or any court, of the amounts of such wages and the periods in which they were paid, and the absence of an entry as to an individual's wages in such records for any period shall be evidence that no wages were paid such individual in such period.

"(2) After the expiration of the fourth calendar year following any year in which wages were paid or are alleged to have been paid an individual, the records of the Board as to the wages of such individual for such year and the periods of payment shall be conclusive for the purposes of this title, except as hereafter provided.

"(3) If, prior to the expiration of such fourth year, it is brought to the attention of the Board that any entry of such wages in such records is erroneous, or that any item of such wages has been omitted from the records, the Board may correct such entry or include such omitted item in its records, as the case may be. Written notice of any revision of any such entry, which is adverse to the interests of any individual, shall be given to such individual, in any case where such individual has previously been notified by the Board of the amount of wages and of the period of payments shown by such entry. Upon request in writing made prior to the expiration of such fourth year, or within 60 days thereafter, the Board shall afford any individual, or after his death shall afford the wife, child, or parent of such individual, reasonable notice and opportunity for hearing with respect to any entry or alleged omission of wages of such individual in such records, or any revision of any such entry. If a hearing is held, the Board shall make findings of fact and a decision based upon the evidence adduced at such hearing and shall revise its records as may be required by such findings and decision.

"(4) After the expiration of such fourth year, the Board may revise any entry or include in its records any omitted item of wages to conform its records with tax returns or portions of tax returns (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act or the Federal Insurance Contributions Act or under regulations made under authority thereof. Notice shall be given of such revision under such conditions and to such individuals as is provided for revisions under paragraph (3) of this subsection. Upon request, notice and opportunity for hearing with respect to any such entry, omission, or revision, shall be afforded under such conditions and to such individuals as is provided in paragraph (3) hereof, but no evidence shall be introduced at any such hearing except with respect to conformity of such records with such tax returns and such other data submitted under such title VIII or the Federal Insurance Contributions Act or under such regulations.

"(5) Decisions of the Board under this subsection shall be reviewable by commencing a civil action in the district court of the United States as provided in subsection (g) hereof.

"(d) For the purpose of any hearing, investigation, or other proceeding authorized or directed under this title, or relative to any other matter within its jurisdiction hereunder, the Board shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question before the Board. Such attendance of witnesses and production of evidence at the designated place of such hearing, investigation, or other proceeding may be required from any place in the United States or in any Territory or possession thereof. Subpoenas of the Board shall be served by anyone authorized by it (1) by delivering a copy thereof to the individual named therein, or (2) by registered mail addressed to such individual at his last dwelling place or principal place of business. A verified return by the individual so serving the subpoena setting forth the manner of service, or, in the case of service by registered mail, the return post-office receipt therefor signed by the individual so served, shall be proof of service. Witnesses so subpoenaed shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(e) In the case of contumacy by, or refusal to obey a subpoena duly served upon, any person, any district court of the United States for the judicial district in which said person charged with contumacy or refusal to obey is found or resides or transacts business, upon application by the Board, shall have jurisdiction to issue an order requiring such person to appear and give testimony, or to appear and produce evidence, or both; any failure to obey such order of the court may be punished by said court as contempt thereof.

"(f) No person so subpoenaed or ordered shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no person shall be prosecuted or subjected to any penalty or forfeiture for, or on account of, any transaction, matter, or thing concerning which he

is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(g) Any individual, after any final decision of the Board made after a hearing to which he was a party, irrespective of the amount in controversy, may obtain a review of such decision by a civil action commenced within 60 days after the mailing to him of notice of such decision or within such further time as the Board may allow. Such action shall be brought in the district court of the United States for the judicial district in which the plaintiff resides, or has his principal place of business, or, if he does not reside or have his principal place of business within any such judicial district, in the District Court of the United States for the District of Columbia. As part of its answer the Board shall file a certified copy of the transcript of the record including the evidence upon which the findings and decision complained of are based. The court shall have power to enter, upon the pleadings and transcript of the record, a judgment affirming, modifying, or reversing the decision of the Board, with or without remanding the cause for a rehearing. The findings of the Board as to any fact, if supported by substantial evidence, shall be conclusive, and where a claim has been denied by the Board or a decision is rendered under subsection (b) hereof which is adverse to an individual who was a party to the hearing before the Board, because of failure of the claimant or such individual to submit proof in conformity with any regulation prescribed under subsection (a) hereof, the court shall review only the question of conformity with such regulations and the validity of such regulations. The court shall, on motion of the Board made before it files its answer, remand the case to the Board for further action by the Board, and may, at any time, on good cause shown, order additional evidence to be taken before the Board, and the Board shall, after the case is remanded, and after hearing such additional evidence, if so ordered, modify or affirm its findings of fact or its decision, or both, and shall file with the court any such additional and modified findings of fact and decision, and a transcript of the additional record and testimony upon which its action in modifying or affirming was based. Such additional or modified findings of fact and decision shall be reviewable only to the extent provided for review of the original findings of fact and decision. The judgment of the court shall be final except that it shall be subject to review in the same manner as a judgment in other civil actions.

"(h) The findings and decision of the Board after a hearing shall be binding upon all individuals who were parties to such hearing. No findings of fact or decision of the Board shall be reviewed by any person, tribunal, or governmental agency except as herein provided. No action against the United States, the Board, or any officer or employee thereof shall be brought under section 24 of the Judicial Code of the United States to recover on any claim arising under this title.

"(i) Upon final decision of the Board, or upon final judgment of any court of competent jurisdiction, that any person is entitled to any payment or payments under this title, the Board shall certify to the Managing Trustee the name and address of the person so entitled to receive such payment or payments, the amount of such payment or payments, and the time at which such payment or payments should be made, and the Managing Trustee, through the Division of Disbursement of the Treasury Department, and prior to any action thereon by the General Accounting Office, shall make payment in accordance with the certification of the Board: *Provided*, That where a review of the Board's decision is or may be sought under subsection (g) the Board may withhold certification of payment pending such review. The Managing Trustee shall not be held personally liable for any payment or payments made in accordance with a certification by the Board.

"(j) When it appears to the Board that the interest of an applicant entitled to a payment would be served thereby, certification of payment may be made, regardless of the legal competency or incompetency of the individual entitled thereto, either for direct payment to such applicant, or for his use and benefit to a relative or some other person.

"(k) Any payment made after December 31, 1939, under conditions set forth in subsection (j), any payment made before January 1, 1940, to, or on behalf of, a legally incompetent individual, and any payment made after December 31, 1939, to a legally incompetent individual without knowledge by the Board of incompetency prior to certification of payment, if otherwise valid under this title, shall be a complete settlement and satisfaction of any claim, right, or interest in and to such payment.

"(l) The Board is authorized to delegate to any member, officer, or employee of the Board designated by it any of the powers conferred upon it by this section, and is authorized to be represented by its own attorneys in any court in any case or proceeding arising under the provisions of subsection (e).

"(m) No application for any benefit under this title filed prior to 3 months before the first month for which the applicant becomes entitled to receive such benefit shall be accepted as an application for the purposes of this title.

"(n) The Board may, in its discretion, certify to the Managing Trustee any two or more individuals of the same family for joint payment of the total benefits payable to such individuals.

"REPRESENTATION OF CLAIMANTS BEFORE THE BOARD

"SEC. 206. The Board may prescribe rules and regulations governing the recognition of agents or other persons, other than attorneys as hereinafter provided, representing claimants before the Board, and may require of such agents or other persons, before

being recognized as representatives of claimants that they shall show that they are of good character and in good repute, possessed of the necessary qualifications to enable them to render such claimants valuable service, and otherwise competent to advise and assist such claimants in the presentation of their cases. An attorney in good standing who is admitted to practice before the highest court of the State, Territory, District, or insular possession of his residence or before the Supreme Court of the United States or the inferior Federal courts, shall be entitled to represent claimants before the Board upon filing with the Board a certificate of his right to so practice from the presiding judge or clerk of any such court. The Board may, after due notice and opportunity for hearing, suspend or prohibit from further practice before it any such person, agent, or attorney who refuses to comply with the Board's rules and regulations or who violates any provision of this section for which a penalty is prescribed. The Board may, by rule and regulation, prescribe the maximum fees which may be charged for services performed in connection with any claim before the Board under this title, and any agreement in violation of such rules and regulations shall be void. Any person who shall, with intent to defraud, in any manner willfully and knowingly deceive, mislead, or threaten any claimant or prospective claimant or beneficiary under this title by word, circular, letter, or advertisement, or who shall knowingly charge or collect directly or indirectly any fee in excess of the maximum fee, or make any agreement directly or indirectly to charge or collect any fee in excess of the maximum fee prescribed by the Board, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall for each offense be punished by a fine not exceeding \$500 or by imprisonment not exceeding 1 year, or both.

"ASSIGNMENT

"Sec. 207. The right of any person to any future payment under this title shall not be transferable or assignable, at law or in equity, and none of the moneys paid or payable or rights existing under this title shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

"PENALTIES

"Sec. 208. Whoever, for the purpose of causing an increase in any payment authorized to be made under this title, or for the purpose of causing any payment to be made where no payment is authorized under this title, shall make or cause to be made any false statement or representation (including any false statement or representation in connection with any matter arising under the Federal Insurance Contributions Act) as to the amount of any wages paid or received or the period during which earned or paid, or whoever makes or causes to be made any false statement of a material fact in any application for any payment under this title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such an application, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

"DEFINITIONS

"Sec. 209. When used in this title—

"(a) The term 'wages' means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

"(1) That part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer with respect to employment during such calendar year;

"(2) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance, or into a fund, to provide for any such payment), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability;

"(3) The payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code or (B) of any payment required from an employee under a State unemployment compensation law;

"(4) Dismissal payments which the employer is not legally required to make; or

"(5) Any remuneration paid to an individual prior to January 1, 1937.

"(b) The term 'employment' means any service performed after December 31, 1936, and prior to January 1, 1940, which was employment as defined in section 210 (b) of the Social Security Act prior to such date (except service performed by an individual after he attained the age of 65), and any service, of whatever nature, performed after December 31, 1939, by an employee for the person employing him, irrespective of the citizenship or residence of either, (A) within the United States, or (B) on or in connection with an American vessel under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, if the employee is employed on and in connection with such vessel when outside the United States, except—

"(1) Agricultural labor (as defined in subsection (1) of this section);

"(2) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

"(3) Casual labor not in the course of the employer's trade or business;

"(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 in the employ of his father or mother;

"(5) Service performed on or in connection with a vessel not an American vessel by an employee, if the employee is employed on and in connection with such vessel when outside the United States;

"(6) Service performed in the employ of the United States Government, or of an instrumentality of the United States which is (A) wholly owned by the United States, or (B) exempt from the tax imposed by section 1410 of the Internal Revenue Code by virtue of any other provision of law;

"(7) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions; and any service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 1410 of the Internal Revenue Code;

"(8) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation;

"(9) Service performed by an individual as an employee or employee representative as defined in section 1532 of the Internal Revenue Code;

"(10) (A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101 of the Internal Revenue Code, if—

"(i) the remuneration for such service does not exceed \$45, or

"(ii) such service is in connection with the collection of dues or premiums for a fraternal beneficiary society, order, or association, and is performed away from the home office, or is ritualistic service in connection with any such society, order, or association, or

"(iii) such service is performed by a student who is enrolled and is regularly attending classes at a school, college, or university;

"(B) Service performed in the employ of an agricultural or horticultural organization;

"(C) Service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents, if (i) no part of its net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (ii) 85 percent or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses;

"(D) Service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents or designated beneficiaries, if (i) admission to membership in such association is limited to individuals who are employees of the United States Government, and (ii) no part of the net earnings of such association inures (other than through such payments) to the benefit of any private shareholder or individual;

"(E) Service performed in any calendar quarter in the employ of a school, college, or university, not exempt from income tax under section 101 of the Internal Revenue Code, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university, and the remuneration for such service does not exceed \$45 (exclusive of room, board, and tuition);

"(11) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

"(12) Service performed in the employ of an instrumentality wholly owned by a foreign government—

"(A) if the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

"(B) if the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

"(13) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an interne in the employ of a hospital by an individual who has completed a 4-years' course in a medical school chartered or approved pursuant to State law.

"(c) If the services performed during one-half or more of any pay period by an employee for the person employing him constitute employment, all the services of such employee for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an employee for the person employing him do not constitute employment, then none of the services of such employee for such period shall be deemed to be employment. As used in this subsection the term 'pay period' means a period (of not more than 31 consecutive

days) for which a payment of remuneration is ordinarily made to the employee by the person employing him. This subsection shall not be applicable with respect to services performed for an employer in a pay period, where any of such service is excepted by paragraph (9) of subsection (b).

"(d) The term 'American vessel' means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

"(e) The term 'primary insurance benefit' means an amount equal to the sum of the following—

"(1) (A) 40 percent of the amount of an individual's average monthly wage if such average monthly wage does not exceed \$50, or (B) if such average monthly wage exceeds \$50, 40 percent of \$50, plus 10 percent of the amount by which such average monthly wage exceeds \$50, and

"(2) an amount equal to 1 percent of the amount computed under paragraph (1) multiplied by the number of years in which \$200 or more of wages were paid to such individual.

"(f) The term 'average monthly wage' means the quotient obtained by dividing the total wages paid an individual before the year in which he died or became entitled to receive primary insurance benefits, whichever first occurred, by 12 times the number of years elapsing after 1936 and before such year in which he died or became so entitled, excluding any year prior to the year in which he attained the age of 22 during which he was paid less than \$200 of wages; but in no case shall such total wages be divided by a number less than 36.

"(g) The term 'fully insured individual' means any individual with respect to whom it appears to the satisfaction of the Board that—

"(1) (A) he attained age 65 prior to 1940, and

"(B) he has not less than 2 years of coverage, and

"(C) the total amount of wages paid to him was not less than \$600; or

"(2) (A) within the period of 1940-45, inclusive, he attained the age of 65 or died before attaining such age, and

"(B) he had not less than 1 year of coverage for each two of the years specified in clause (C), plus an additional year of coverage, and

"(C) the total amount of wages paid to him was not less than an amount equal to \$200 multiplied by the number of years elapsing after 1936 and up to and including the year in which he attained the age of 65 or died, whichever first occurred; or

"(3) (A) the total amount of wages paid to him was not less than \$2,000, and

"(B) he had not less than 1 year of coverage for each two of the years elapsing after 1936, or after the year in which he attained the age of 21, whichever year is later, and up to and including the year in which he attained the age of 65 or died, whichever first occurred, plus an additional year of coverage, and in no case had less than 5 years of coverage; or

"(4) he had at least 15 years of coverage.

"As used in this subsection, the term 'year' means calendar year, and the term 'year of coverage' means a calendar year in which the individual has been paid not less than \$200 in wages. When the number of years specified in clause (2) (C) or clause (3) (B) is an odd number, for purposes of clause (2) (B) or (3) (B), respectively, such number shall be reduced by one.

"(h) The term 'currently insured individual' means any individual with respect to whom it appears to the satisfaction of the Board that he has been paid wages of not less than \$50 for each of not less than 6 of the 12 calendar quarters, immediately preceding the quarter in which he died.

"(i) The term 'wife' means the wife of an individual who was married to him prior to January 1, 1939, or if later, prior to the date upon which he attained the age of 60.

"(j) The term 'widow' (except when used in section 202 (g)) means the surviving wife of an individual who was married to him prior to the beginning of the twelfth month before the month in which he died.

"(k) The term 'child' (except when used in section 202 (g)) means the child of an individual, and the stepchild of an individual by a marriage contracted prior to the date upon which he attained the age of 60 and prior to the beginning of the twelfth month before the month in which he died, and a child legally adopted by an individual prior to the date upon which he attained the age of 60 and prior to the beginning of the twelfth month before the month in which he died.

"(l) The term 'agricultural labor' includes all service performed—

"(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, feeding, and management of livestock, bees, poultry, and fur-bearing animals.

"(2) In the employ of the owner or tenant of a farm, in connection with the operation, management, or maintenance of such farm, if the major part of such service is performed on a farm.

"(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton.

"(4) In handling, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"As used in this subsection, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

"(m) In determining whether an applicant is the wife, widow, child, or parent of a fully insured or currently insured individual for purposes of this title, the Board shall apply such law as would be applied in determining the devolution of intestate personal property by the courts of the State in which such insured individual is domiciled at the time such applicant files application, or, if such insured individual is dead, by the courts of the State in which he was domiciled at the time of his death, or if such insured individual is or was not so domiciled in any State, by the courts of the District of Columbia. Applicants who according to such law would have the same status relative to taking intestate personal property as a wife, widow, child, or parent shall be deemed such.

"(n) A wife shall be deemed to be living with her husband if they are both members of the same household, or she is receiving regular contributions from him toward her support, or he has been ordered by any court to contribute to her support; and a widow shall be deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or she was receiving regular contributions from him toward her support on such date, or he had been ordered by any court to contribute to her support."

Mr. DOUGHTON (interrupting the reading of title II). Mr. Chairman, I ask unanimous consent that the further reading of this title be dispensed with.

Mr. TREADWAY. Reserving the right to object, Mr. Chairman, this will not preclude anyone from offering an amendment to this title?

Mr. DOUGHTON. No; not at all.

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

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. HAVENNER: Page 36, line 13, strike out beginning with the comma after the word "home" down through the word "sorority" in line 15.

Mr. HAVENNER. Mr. Chairman, this is one of a series of amendments to the pending bill which have been proposed by the American Federation of Labor in the belief that the coverage of old-age benefits and unemployment compensation should be extended rather than limited, as is the case in certain sections of the bill now before us.

The American Federation of Labor, in common with all other advocates of adequate social security in America, is convinced that certain provisions of this bill, which at first glance might appear relatively unimportant, as a matter of fact constitute a grave threat to the preservation of our newly established American system of social security.

We are apprehensive, in other words, that the exclusion of certain workers provided for by this bill is the first thrust of the camel's nose under the tent of social-security coverage which may eventually topple over that vitally important social structure.

In this belief we have the unqualified support of the Advisory Council on Social Security, a body of experts representing labor, employers, and the public, appointed by the United States Senate to study the advisability of amending the Social Security Act. In its report to the Senate, of December last, the Advisory Council urged in the strongest terms that the coverage of social-security benefits be extended and not diminished, and emphasized the fact that the Social Security Act was written primarily for the protection of the workers of America.

One of the effects of the definitions in sections 209, 1426, and 1607 is to exclude from coverage domestic workers employed in a local college club, or a local chapter of a fraternity or sorority. The amendment which I have submitted strikes

out these exemptions, but leaves domestic service in a private home still exempt.

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

Mr. HAVENNER. I would prefer to complete my statement before yielding.

Mr. BUCK. I would like to know just how far the gentleman's amendment goes. I did not hear it read; I am very sorry.

Mr. HAVENNER. It merely strikes out everything in that exemption following the word "home."

Mr. BUCK. Is that subdivision (2)?

Mr. HAVENNER. It is on page 36, line 13. I am not sure about the number of the subdivision.

Mr. BUCK. I thank the gentleman. I wanted to find out what the gentleman is offering.

Mr. HAVENNER. I have been a member of a college fraternity for 35 years and am very much devoted to its ideals and associations, but I can think of no good reason why a domestic worker who earns his living as a cook, waiter, or house boy in a fraternity house should be deprived of the social-security credits to which he would be entitled if he were employed in a similar capacity in a hotel or public boarding house.

The persons who work for college clubs, fraternal and benefit associations, and students who work for schools or colleges while they are in attendance at such institutions should, even though their earnings are small and the employing unit not a profit-making organization, be entitled to the security of old age and unemployment insurance provided they meet the general eligibility tests established in respect to their total earnings or period of work and length of time employed. Each year of a person's working life should help contribute to the security of his old age. Coverage of the act when changed should be toward a larger inclusion. No backward steps should be taken which reduce the number of persons entitled to security.

The purpose of this amendment is to keep under the provisions of the Social Security Act workers who are now covered and who would be excluded under the provisions of this bill. Workers who have already contributed from their salaries for old-age insurance would hereafter be excluded under those provisions and would lose the security they had begun to build up.

If this amendment is adopted, as in justice to a large number of employees throughout the country I believe it should be, I shall offer a similar amendment to section 1426 and section 1607 so that the same exemptions may be stricken out of those sections.

I urge all those who are interested in preserving the integrity of our new social-security program for the benefit of our American workers to support this amendment. Its defeat would mean an initial encroachment upon the scope of social-security coverage in America, which we have fought so hard to establish. [Applause.]

[Here the gavel fell.]

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

If I understand the amendment offered by the gentleman from California, on page 36, he is referring to employment in a local college club or a local chapter of a college fraternity or sorority. He wants that item stricken out of the bill.

We had extensive hearings, Mr. Chairman, on the subject of employment of college students. It was the unanimous view at the hearings before the Committee on Ways and Means and of the committee itself that fraternity employment should be excluded from coverage under the Social Security Act. Under existing law there is a distinction between the employment of college students by the college, which was exempt, and employment by a fraternity, which was included. The idea of the committee was simply to put them on an equal basis. I believe it would be very detrimental to the well-being of college students and college fraternities if this subdivision were stricken out.

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

Mr. TREADWAY. I yield.

Mr. McCORMACK. One of the main and compelling reasons was that most of these boys are working to get an education. If they cannot get work in these fraternity houses they will be unable to get an education. The work is purely incidental to the primary purpose of obtaining an education.

Mr. TREADWAY. The gentleman is absolutely correct. This is simply another method of support. The boys work not for the actual dollars and cents payment in cash but for their board or room.

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

Mr. TREADWAY. I yield.

Mr. COOPER. I am sure the gentleman will also recall that the boys who are working their way through school by working for a dormitory operated by the school are exempt, but if they work for a fraternity they are not exempt. The purpose of this provision is to try to equalize the situation and make it fair to all the boys attending school.

Mr. TREADWAY. The purpose of the committee is to show no discrimination between students, whether they are working for the college or for a fraternity. The exemption of educational institutions takes care of the boys if they are working for the college, but not if they are working for a club or fraternity.

Mr. Chairman, I trust the amendment offered by the gentleman from California will be voted down. [Applause.]

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, here is a piece of legislation with good in it and bad in it.

The relief which it gives to employees and employers in reducing their pay-roll taxes for the years 1940, 1941, and 1942 is most commendable. Likewise, the repeal of the provision for a large reserve fund, with the savings it makes and the additional benefits it permits, together with the limitation of pay-roll taxes on incomes not exceeding \$3,000.

Nor shall I quarrel with the objectives sought in this bill under titles I and V. I do contend, however, that this is bad legislation, because there is no provision for raising the money to pay for these extra costs. No one in this House can honestly take exception to this view. I am certain the folks back home feel the same way about it.

Even the beneficiaries of this legislation would not expect us to provide an increase in their pension allowances without providing the taxes to pay for them.

This legislation is bad in other respects. No one in this House knows, or has any way of knowing, what the additional costs are going to be under title I, whether they will be \$5,000,000, \$100,000,000, or several hundred million. If no changes in State laws are made, we are told the extra cost will be only \$5,000,000. The principal argument for the amendment to this title is that it increases the amount by that sum only.

Now, if no change is made in the Ohio law, our aged will receive no benefits from this legislation, while at the same time our State will be taxed to pay pension benefits to States that can take advantage of it. That obviously would be an injustice.

It is to be expected, of course, that some States will change their laws. This is, in my opinion, shortsighted and slipshod legislation, in that it does not contemplate this contingency.

Even if the additional cost were to be only \$5,000,000, this legislation is defective in not providing taxes to meet this sum. But when the cost may conceivably run up to \$100,000,000 or more, then its defectiveness becomes so clear that it should not be overlooked.

I cannot see any enduring social security in legislation of this sort. I can see in it only social insecurity if not economic chaos. It is one thing to provide public pensions for the aged on a pay-as-you-go basis but it is quite another to borrow money and add to an already dangerously excessive national debt to pay for them. In the end all social security must depend upon the economic health of our Nation, for which a highly solvent Government is one of the first essentials. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAVENNER].

The amendment was rejected.

Mr. HAVENNER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. HAVENNER: On page 38, strike out lines 4 to 26, inclusive, and on page 39, strike out lines 1 to 22, inclusive.

Mr. HAVENNER. Mr. Chairman, increasing the number of exclusions from the provisions of the Social Security Act is directly contrary to the recommendations of the Advisory Council on Social Security, the committee of experts appointed by the United States Senate to which I referred in my previous remarks. This committee, incidentally, included as far as labor is concerned representatives of both the American Federation of Labor and the C. I. O.

Mr. BUCK. Mr. Chairman, I ask unanimous consent that the amendment may be again reported without taking it out of the gentleman's time.

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

There was no objection.

The Clerk again reported the Havenner amendment.

Mr. HAVENNER. The Advisory Council specifically recommended that employees of private nonprofit religious, charitable, and educational institutions should be brought under coverage immediately. The report of the Advisory Council contained an emphatic declaration that all changes in coverage should be in the direction of including more workers and that effort should be made toward that goal in the near future. I am authorized to say that the American Federation of Labor concurs in that recommendation.

In the amendment now before you, which has been prepared by the American Federation of Labor, the exemptions in section 209, subsection 10, would be stricken out. These include the following classes of service performed in the employ of any organization exempt from income tax under section 101 of the Internal Revenue Code:

Cases where the remuneration for service does not exceed \$45 in any calendar quarter.

When the service is in connection with the collection of dues or premiums for a fraternal beneficiary society and is performed away from the home office, or is ritualistic service in connection with any such society.

When the service is performed by a student enrolled and regularly attending classes at a school, college, or university.

When the service is performed in the employ of an agricultural or horticultural organization.

When the service is performed in the employ of a voluntary employees beneficiary association.

When the service is performed in the employ of a school, college, or university not exempt from income tax when the student is enrolled and regularly attending classes and the remuneration does not exceed \$45.

I quote to you now the recommendation of the Advisory Council on Social Security with respect to the exemptions which would be stricken out with this amendment:

The employees of private nonprofit religious, charitable, and educational institutions now excluded from coverage under titles II and VIII should immediately be brought into coverage under the same provisions of these titles as affect other covered groups.

The council believes that there is no justification in social policy for the exclusion of the employees of such organizations from the protection afforded by the insurance program here recommended. Further, no special administrative difficulties exist in the coverage of the employees of such organizations under the system.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAVENNER].

The amendment was rejected.

Mr. HAVENNER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. HAVENNER: On page 40, line 15, strike out lines 15 to 22, inclusive.

Mr. HAVENNER. Mr. Chairman, one of the principal arguments against retaining student nurses within the coverage of this bill is that their earnings are so small that it is a nuisance to collect the tax and imposes an unjustifiable amount of work in compiling the records upon the Federal and State agencies and the employers. This argument entirely overlooks the fact that the law was written for the benefit of the workers and not primarily for the convenience of their employers. These young girls who work as student nurses are fully entitled to some credit in their youth for the long and arduous labor which they perform, and to deny them the right to build up a wage record during their service as students is an absolute injustice.

In my State of California this same argument was advanced and became the motif of a long, bitter fight in the State legislature years ago when the 8-hour law for women was under consideration. There humane considerations prevailed, and when the law was finally passed student nurses were given the protection of the 8-hour law limitation. The American Federation of Labor stands squarely behind this amendment, and I earnestly hope that Congress will give to these girl workers the recognition which they deserve.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from California.

The amendment was rejected.

Mr. HAVENNER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. HAVENNER: On page 45, strike out lines 3 to 25, inclusive, and on page 46, strike out lines 1 to 6, inclusive, and insert in lieu thereof the following:

"(L) The term 'agricultural labor' means only the services of a farmhand employed by a farmer to do the ordinary work connected with a bona fide farm. It does not include services performed on farms whose scale or nature of operations makes them industrial in character. In no case does it include more than the first processing of products which is incidental to the farming operations."

Mr. HAVENNER. Mr. Chairman, the definition of the term "agricultural labor" proposed by H. R. 6635, is broader than that which has been used by the Bureau of Internal Revenue in determining coverage. Therefore workers who have already contributed to the old-age pension fund would not be protected in the future and many would be barred. The purpose of the exclusion of agricultural labor when the Social Security Act was passed was to avoid a difficult administrative problem of including hired hands on many small and separated farms. The difficulty was believed to be similar to that of covering domestic workers in private homes. However, the Advisory Council on Social Security and the Social Security Board have urged that coverage be extended to farm laborers as soon as administratively feasible. The whole purpose of social-security laws is to increase the security of workers of our Nation. Coverage should be made broader as administrative techniques function more smoothly. At no time should coverage be narrowed with the result that classes of people once included are later excluded.

Both the Advisory Council on Social Security and the American Federation of Labor believe that reduction in coverage is contrary to the public interest and that agricultural labor should continue to be defined narrowly until such date as all agricultural laborers are covered. To include as agricultural labor persons engaged in handling, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or market any agricultural and horticultural commodities, not even confining such operations to the first processing will remove security from many workers now covered. Large farms which carry on many such processes are really industrial in character and their employees should not suffer this discrimination.

I appreciate the efforts of the representatives of the agricultural districts to protect the small farmer from undue taxation, and in common with many other representatives of the urban population I have repeatedly voted to extend Federal aid to the farming communities. However, we who live in the cities cannot find any social or economic justification for exempting the farmer from taxation for skilled industrial work performed on his farm by carpenters, painters,

and so forth, when we city dwellers would be liable for taxation of work of an identical character if it were performed in our own home.

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment. I would not do so, and I do not desire to take up the time of the Committee unduly, but I feel it necessary to call the attention of the Committee to the fact that yesterday, in the remarks to be found on page 6864 of the RECORD, I discussed this proposed amendment somewhat extensively and showed why the committee unanimously had agreed upon the language submitted in the bill which the gentleman from California [Mr. HAVENNER] would strike out. All I desire to do is to add this statement. After the question came before the committee and when the committee had unanimously decided to continue the exclusion of agricultural labor, employees of religious and charitable institutions, and so forth, and the question was directly put to Dr. Altmeyer, he said, at page 2329 of the hearings:

I want to make it clear that the Board does not take issue with this committee on its decision on a matter of policy * * *. As a matter of public policy we agree with the committee it is unwise to legislate in advance of further study of the situation.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from California.

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. KEAN: Page 8, line 10, after the word "acquired", strike out all following down through line 4, page 9, and substitute the following: "Only by purchase of outstanding obligations at the market price and may be acquired only on such terms as to provide an investment yield of not less than the average rate of interest, computed as of the end of the calendar month next preceding the acquisition, borne by all interest-bearing obligations of the United States then forming a part of the public debt, except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of obligations purchased may be a multiple of one-eighth of 1 percent next lower than such average rate. If no such obligations can be purchased at such an investment yield, obligations of a less yield which have been outstanding for at least 1 year may be purchased and thereupon shall be exchanged for original issues at par of special obligations having an investment yield not less than the yield which would be required if obligations of the required yield were purchased in the open market. The purpose for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund."

Mr. KEAN. Mr. Chairman, this amendment would compel the board of trustees created by this act to set up a real trust fund. There is no need of discussing the merits of the question now, as it has been fully discussed not only in the debates on the floor on the bill but also before the country during the last election campaign.

The amendment provides that investments can be made only in United States Government bonds which have been outstanding for at least 1 year, and that if the return on these bonds is too low, for the purposes of the fund, they may be exchanged at the Treasury for securities with a yield of not less than the average rate of interest borne by all interest-bearing obligations of the United States.

In my opinion only by the adoption of such an amendment can we prevent the present practice of using old-age taxes for current expenses.

The fact that such an amendment is needed seems to have been recognized by the committee in the proposed changes to this section; but to my mind these changes do not sufficiently restrict the authority of the trustees—as they allow the purchase of either original issues at par or special Treasury obligations, the purchase of either of which would result in the use of the funds for current expenses.

The amendment offered, permitting only the purchase of securities already outstanding, would make this impossible and provide a real trust fund.

Let us keep faith with the contributors to this fund.

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment. The provisions by which the investment of the money under the old-age reserve account at the present time held by the trustees and the future investment of funds to

be of the proposed trust fund are quite similar. The procedure is standard and has been used for many years. It was adopted originally by Secretary Mellon in connection with the civil-service retirement fund and the adjusted-service certificate fund. I call attention to what Secretary Mellon said would follow the adoption of the policy suggested by the gentleman who last spoke. I quote from what Secretary Mellon said (annual report to Congress, 1926):

If the Treasury were in the Government bond market on the 1st of January in each year to buy \$100,000,000 of its securities, the purchases could not be made in 1 day, nor could such a large order be filled without unduly increasing the market price which the fund would have to pay. If, also, the Treasury in the course of the year was required to sell securities to provide the fund with cash, the tendency would then be to depress Government securities on the market. So if the practice of buying and selling on the open market were used, the Treasury would be continually purchasing on a high market.

Mr. Chairman, the adoption of this amendment would entirely defeat the purpose of conserving and preserving the assets of the trust fund for its future beneficiaries. I ask that the amendment be defeated.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from New Jersey.

The amendment was rejected.

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CREAL. Mr. Chairman, I move to strike out the last two words. As gentlemen are well aware, this is the first time that I have addressed the House this year. It is to be presumed that the king is always right; when in a courthouse it is to be presumed that the court is always right. Likewise when the committee has a bill, and when the committee opposes amendments to that bill, it is the usual custom to presume that the committee is always right. But not always. One amendment here this afternoon was defeated that ought to have been adopted, and somewhere in this bill before we finish, at some proper place and time, it will come up again in a different form though practically it will be the same thing. I have reference to the amendment offered by the gentleman from Tennessee [Mr. TAYLOR]. A number of States which at first thought that old-age pensions were a bonanza and everybody was going to live forever and did not need any property, and those States passed laws immediately compelling the conveyance of homesteads to the State. We have such a law in Kentucky. The amendment that was defeated undertook to take care of that situation. The amendment will be offered somewhere, somehow, and will provide that the property shall be used and occupied as a homestead only.

Let me illustrate. Here is a man who is 65 years of age, who is drawing an old-age pension. He leaves a widow who is 49 years old. He deeds the property to the State, and after he is dead, and has been hauled away, where is the widow going to stay and what is she going to do? She is the widow of a pauper. What is she going to do? That home may have been worth \$2,500 or \$75, it may be just a half acre place, a place to raise chickens, a place to sleep in, a place in which to keep warm. What is that property worth to the State, where the party is going to be highly eligible for an old-age pension. What is it worth? Then again, that party needs something to bury him, and burial expenses in most States come in as preferred claims to the property before it can be passed out to the heirs.

My good friend the gentleman from Massachusetts [Mr. McCORMACK] talked loud and long, and vociferously about the Federal Government legislating and telling the States what they could do and what they could not do. We have many laws, hundreds of them, where we have appropriated money, where we have attached conditions down to a gnat's capacity, of what to do and how to do it.

They will make you tear up a Federal road for a mile because it has something in it that does not belong to it, and do it all over again. On your educational grants the Smith-Hughes Act and others, all of your New Deal acts, where the town has to furnish the house, or a certain part of

the machinery—what is it that we have done, I ask you? It will reach 95 percent of all the money the Federal Government appropriates where you tell the States you have to do it this way in order to get the money. By telling the States, "In order to administer this old-age pension matter you cannot do it this way or that way," is perfectly fair. It is an oversight in taking over the homestead and it ought to be restored. [Applause.]

[Here the gavel fell.]

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to extend my own remarks and include some figures on social security.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. CARLSON: On page 36, line 4, strike out the words "irrespective of the citizenship."

Mr. CARLSON. Mr. Chairman, I want to call attention to some new language that is going into the Social Security Act; that is, if this amendment is adopted. The committee wrote into this bill that this act shall apply irrespective of the citizenship. That is not in the original act. Someone will ask why is it placed in this bill at the time when we are considering largely our American citizens? In other words, this bill is now open to aliens. Now, that is true of the present act, but this particular amendment is put in here for a specific reason, and that is to care for a new group.

I want to call your attention to page 41. We are going to analyze this and see what this amendment does. I do not believe the committee wants to do it after we get into it, and I do not believe the Congress should do this.

On page 41, line 13—I wish you would follow me, because when this is done you will hear some criticism. It deals with the inclusion of seamen, but it does not say "American seamen." It says "the term American vessel may mean any vessel documented or numbered under the laws of the United States"——

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

Mr. CARLSON. Yes; I yield.

Mr. BUCK. Will the gentleman go back, if he does not mind, and read, on page 36, the covering service on or in connection with an American vessel?

Mr. CARLSON. I will be glad to leave that to the gentleman from California. I would like to discuss the effect of this amendment to this section. I intend to discuss the other one later, because I intend to offer an amendment to strike it also.

A vessel does not need to be documented under the flag of the United States or any country. It can belong to a group of foreign citizens. It can be manned by a foreign crew, not an American sailor on it; and if we leave these words in that bill, we put them under this act, under the old-age insurance. I do not believe this House wants to do that.

Here is a concrete case of why this was written in:

We hire Greek ships, owned and manner by Greek citizens, for sponge fisheries off the coast of Florida.

I do not believe it is the intention of this Congress to cover Greek sailors who man that boat.

Now, we have heard a lot about the Japanese vessels fishing for salmon in the Northwest. Notice what this particular section says:

If its crew is employed solely by one or more citizens or residents of the United States or corporations.

Now, the crew on this boat need not be Americans. The boat need not be documented under any flag. The crew can be absolutely foreign. These Japanese fishing boats that fish for salmon can be hired by a corporation or an individual citizen of the United States, and we American citizens are going to put them under this act and give them old-age insurance.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. CARLSON. I yield.

Mr. JENKINS of Ohio. It would be entirely possible, would it not, for a Japanese boat, complemented with Japanese people, from the captain on down——

Mr. CARLSON. There need not be an American seaman on any of these boats. I, for one, am not going to let this amendment go through this House without giving you an opportunity to vote on removing it from this bill. The only reason these particular words were put in this bill was to care for this section and another section, and those words "irrespective of the citizenship" are not in this act.

I hope you will vote to take them out.

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

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

Mr. Chairman, at the present time seamen are not covered under the Social Security Act. It is proposed to put them under coverage as far as old-age insurance is concerned. Every employee in covered employment in the United States, whether he is a citizen or an alien, working, let us say for the Ford Motor Co. or any other manufacturing industry, is covered. He is also covered even though his employer be an alien.

What we want to do is to have the seamen covered on the same basis. On yesterday I put into the RECORD the actual figures which show that American maritime employment is 90.1 percent performed by American citizens at the present time. Most of the remainder of those employed on American vessels have already taken out their first papers, and it seems to me it is begging the question to say that a man working on land for the Ford Motor Co., for instance, may be an alien and receive all the protection of the Social Security Act but a similar man working in maritime employment may not.

There is no opposition from either employers or employees to the inclusion of seamen under this act.

The inclusion of the phrase "irrespective of citizenship" to which the gentleman from Kansas has objected is necessary in the case of seamen, for the reason that most of the services performed on maritime vessels with respect to which the social-security taxes will apply will be performed outside of the United States. The courts might consider the levying of such taxes to be beyond the normal, usual exercise of the taxing power and give the statute otherwise a narrower construction unless we express the intent specifically. In this connection I call attention to a quotation I put in the RECORD yesterday from the case of the *United States v. Goelet* (232 U. S. 293). In that case the Court held that the tax levied by the Federal Government did not apply to a citizen having a permanent residence and domicile abroad. The tax was an excise tax on yachts; the yacht was a foreign-built yacht.

In view of the statements that were contained in that decision of the Supreme Court, it seemed wise to us to include the phrase that we put in here in the definition of employment for purposes of old-age insurance provisions of the law since it is our intent to levy the taxes on services performed outside the United States on American vessels.

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

Mr. BUCK. I yield.

Mr. JOHNSON of Oklahoma. I assume that the gentleman from California heard the statement of the gentleman from Kansas with reference to a Greek vessel or a Japanese vessel that might be fishing off or near our American coasts, but actually operated by foreigners. Some of us have been waiting for the gentleman, who is a distinguished member of the committee, to answer that particular argument raised by the gentleman from Kansas. I am certain none of us wish to vote for anything that will permit such a condition. Will the gentleman elaborate on that at this time?

Mr. BUCK. The coverage, of course, as the gentleman from Oklahoma knows, provides only that the crew is covered if it is employed solely by one or more citizens of the

United States or residents of the United States, or corporations organized under the laws of the United States or of any State. As far as that is concerned, I think the laws of every State require that at least a majority of the stock of a corporation must be held by citizens of the United States.

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

Mr. BUCK. I yield.

Mr. JENKINS of Ohio. I want to ask the gentleman a question. If I understood the gentleman's argument correctly, it was that in the case of an alien working for Henry Ford the alien was entitled to the benefit of our social-security laws—and he ought to be.

Mr. BUCK. The gentleman does not deny that, does he?

Mr. JENKINS of Ohio. No; for I have always maintained that when an alien is working right alongside of others on the same machine or similar machines, on similar lathes, and he ought not to have the same privileges as his fellow workers; but in that case the owner of the property, or the corporation owner, the factory owner is an American.

Mr. BUCK. Will the gentleman let me reply to his statement? If the employer were an alien, the employee would still be protected.

Mr. JENKINS of Ohio. Let us see if he would.

Mr. BUCK. That is apparent.

Mr. JENKINS of Ohio. Even if he were an alien operating in our country, he would be under the supervision of the local police forces, and all that, and he would be in a different category from some of those to which this language under discussion applies. Why would not the gentleman agree to this sort of amendment: Change the language on page 36 where it says "by an employer for the person employing him irrespective of citizenship of either," if we are going to let these sailors, these Japanese, and so on, come under the provisions of our law; why not take out the word "either"?

Mr. BUCK. Just a minute. I cannot yield all my time to the gentleman.

[Here the gavel fell.]

Mr. BUCK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. BUCK. Mr. Chairman, I yield to the gentleman from Ohio to complete his statement.

Mr. JENKINS of Ohio. Instead of leaving the language on page 36, line 4, as it is, "by an employee for the person employing him, irrespective of the citizenship or residence of either," why does not the gentleman make some provision so that these Japanese sailors, Greek sailors, Chinese sailors, or whatever they may be, shall be employed by an American or an American company? Will not the gentleman go that far?

Mr. BUCK. Now, will the gentleman let me explain? If the gentleman will turn to page 41 he will find definitions. In the first place, let me say that the covered employment of a seaman must be in connection with an American vessel.

Then we define an American vessel, on page 41, to mean any vessel, documented or numbered under the laws of the United States, or not documented elsewhere, if its crew is employed solely by one or more citizens or residents of the United States. I think that answers the gentleman's objection.

Mr. JENKINS of Ohio. That does not cover the provision on page 36 and that is what I want to do. If you can make page 36 cover that then you have a good basis for your argument.

Mr. BUCK. If the gentleman does not want to take as sound the case of United States against Golet, which I cited as the law, that might be all right, but we are up against a practical proposition. These services are performed outside the United States. The gentleman knows that has all been threshed out in the committee. The gentleman knows very

well we had this up and discussed it thoroughly. This is the opinion of the majority, if not the unanimous opinion of the committee.

Mr. McCORMACK. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. And the services performed outside the United States are not for persons living in foreign countries. It is men employed by either American citizens or persons who are subject to the laws of the United States, who are within the United States. So that the situation of a Japanese vessel, which, of course, alarms some people, does not apply. It has no application to a vessel coming from Japan and going into the fishing trade. An inference is left with reference to some Greek vessel coming from Greece, but there is no justification for that. One has to be a citizen of the United States, employing others, or one who is a resident of the United States, just the same as any other business activity.

Mr. DINGELL. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Michigan.

Mr. DINGELL. Is it not true that if we tamper with this we are going to put the American seamen at a disadvantage? The Great Lakes are interested in this. I remember this matter coming up in committee. May I ask the gentleman from Kansas how many sailors and seamen he has in Kansas? I may also say to the gentleman from Oklahoma that he has not any out there either. We are interested in this and we are protecting the American seamen.

Mr. BUCK. I thank the gentleman from Massachusetts and the gentleman from Michigan for their contributions.

Mr. Chairman, I feel the objections that have been raised by the gentleman from Ohio and the gentleman from Kansas, and I know they are both sincere, go to matters that are not fundamental. There is no danger to American labor or capital. If there was anything to worry about so far as Japanese seamen are concerned, I think the gentleman from California who is speaking would be concerned about it.

Mr. SIROVICH. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. SIROVICH. For the benefit of the Members of Congress, I just called the gentleman from Virginia [Mr. BLAND], chairman of the Committee on Merchant Marine and Fisheries. Due to the late hour, for it is now approximately 6 o'clock, unfortunately his office is closed and he is not in. As the next ranking member of that committee may I call the attention of my colleague to the fact that we protected through the medium of the ship subsidy bill recently enacted every man and woman who works upon an American ship and provided that every man and woman who works upon an American ship operating in foreign countries must be a 100 percent American citizen.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I said awhile ago, I do not want to emasculate this bill. I think this is an oversight and ought to be corrected. On page 41 is where we treat the problem of the seamen. I am not disclosing any secret when I say we had a battle over this. We agreed on the proposition largely upon the argument made by the gentleman, to which I subscribed. I say that when an alien is working across a lathe from an American citizen in an American factory he ought to have exactly the same rights and the same protection as his fellow workers; but when you get into an industry like that employing seamen, the situation is different. The situs of the employment in one case is fixed while in the other it is shifting, taking the employee often into foreign lands and over the Seven Seas. That is the occupation that gives us the most trouble from an immigration and labor standpoint. They go from place to place and have no home. The question of the administration of this law to take care of them will be tremendously different from the administration of a law that takes care of the man who works in Detroit for Mr. Ford or somebody else.

Let us look at page 36. You cannot lose anything if a few words are inserted in there. Let me read the amendment that I think will solve this problem and see if the gentleman will not agree with me. If he does not agree with me, of course, I realize that we might not be able to win our contention, because the policy is to not emasculate this bill and I shall adhere to that. Still it is unwise to be so prideful as not to yield to an amendment that will manifestly improve the bill.

What would the gentleman say if we struck out the words in the third line on page 36, "for the person", and inserted the following: "of an American citizen"? And in line 4, struck out the words "irrespective of citizenship or residence of either", so that the language would be in lines 3 and 4, on page 36?—

December 31, 1939, by an employee of an American citizen or corporation or partnership employing him (A).

I would be perfectly willing to recede from my objection if the gentleman would accept an amendment like that. Let him be an American employer, so we will have a truthful and proper report made to our Social Security Board in Washington, and so that we may have somebody that we can hold responsible. Then let the crew be whatever it may be. Why not put that in?

Mr. BUCK. Will the gentleman yield?

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

Mr. BUCK. The effect of the amendment which the gentleman suggests would be to prohibit any employee now in covered employment, who is working for an alien inside the United States as well as on a ship from receiving any benefits under this act.

Mr. JENKINS of Ohio. I do not agree with the gentleman.

Mr. BUCK. It would. That covers both provisions.

Mr. McCORMACK. I know the sincerity of my friend on the committee. I am fearful, however, if an amendment like that is adopted you are going to give the alien in the United States operating ships an advantage over an American operating ship because the American operator will have to pay the pay-roll tax and the other fellow will not.

Mr. JENKINS of Ohio. This is the point I am trying to cover, and I will leave it with you again. Here is a man in New York who is an importer. He is an importer of fish or something that comes from the waters of Australia or way out in midocean in the Pacific. He can employ a Japanese or a Portuguese or anybody else in the world to operate a ship out there, who will have an exclusive Japanese crew, and he can employ them for years and years and maybe never see them or know anything about them except that they are catching fish for his boats which come along periodically and accept their catch, or he may employ nobody but Japs.

Mr. BUCK. Now, wait a minute.

Mr. JENKINS of Ohio. He might involve us by his far-flung activities in all kinds of trouble, war troubles maybe, and fishing boundary troubles, and many other controversies.

Mr. BUCK. He cannot. The gentleman knows very well that under the maritime acts that is impossible. The number of aliens that can be employed is strictly limited, and the number is decreasing all the time; there is no question about that.

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

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

Mr. CARLSON. That is the point I am trying to make, and this section does not cover that. An American citizen can hire a crew that is 100 percent foreign, I do not care what nationality it may be.

Mr. SIROVICH. He cannot do that according to the law.

Mr. CARLSON. Read the bill.

Mr. SIROVICH. Let me tell the gentleman something. I know a lot more about the law than the gentleman does.

Mr. JENKINS of Ohio. The gentleman cannot be right.

Mr. SIROVICH. Let me explain.

Mr. JENKINS of Ohio. I know what the gentleman has in mind, but the gentleman cannot be right when he says that

every man that works on a registered boat is an American citizen, because that is not right.

Mr. BUCK. Is the gentleman referring to me?

Mr. JENKINS of Ohio. No; I meant the gentleman from New York.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. CARLSON].

The question was taken; and on a division (demanded by Mr. CARLSON) there were—ayes 24, noes 59.

So the amendment was rejected.

Mr. ALEXANDER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

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

The Clerk read as follows:

Amendment offered by Mr. CARLSON: On page 41, beginning in line 13, strike out lines 13 to 20, inclusive.

Mr. CARLSON. Mr. Chairman, I hesitate to take the time of the Committee so late in the afternoon, but I ask anyone—I ask the gentleman from California or anyone else—to deny the fact that American citizens, individually, collectively, or as a corporation, can hire a foreign-owned ship with a 100 percent foreign crew, with not an American sailor on it, and that these men will come under the old-age insurance provisions of this act?

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

Mr. CARLSON. I yield.

Mr. DINGELL. I would like to ask the gentleman whether he would want an American citizen—

Mr. CARLSON. Wait a minute.

Mr. DINGELL. Just let me answer the gentleman's question.

Mr. CARLSON. Then answer it.

Mr. DINGELL. An American citizen has the privilege of hiring a foreign vessel now.

Mr. CARLSON. Surely. I am for it. Let him hire all he wants.

Mr. DINGELL. The gentleman wants to bring them into competition with American vessels whose seamen come under the act. If he does that, he will be helping to destroy our merchant marine.

Mr. CARLSON. I am opposed to the United States putting these foreigners under the old-age insurance provisions, and these foreigners are being hired now.

Mr. DINGELL. You cannot stop them from hiring foreign vessels.

Mr. JENKINS of Ohio. If the gentleman's amendment is adopted, you will stop it.

Mr. CARLSON. If you adopt this amendment, you will take this section out, and it will be all right. That is what the Congress ought to do.

Mr. DINGELL. You will destroy the American merchant marine if you do that.

Mr. CARLSON. The section in which the gentleman is interested is on page 36. If you will strike this out, I will not move to strike that out. This section ought to come out, and I say that in all seriousness.

I ask the gentleman from California [Mr. BUCK] if he will not tell the House if I have not stated the facts on this amendment?

Mr. BUCK. Of course, the gentleman realizes the fact that vessels that are documented or numbered under the laws of any foreign country—

Mr. CARLSON. Or without any country.

Mr. BUCK. Without any country? The number of those is so negligible that it does not amount to anything, in the first place. Second, you have the competitive situation to consider in there. The people who are brought under this act, if they are brought under it, will be paying the pay-roll tax.

Mr. CARLSON. I just want to say that no one has yet taken the floor and said that I have not stated the facts.

As long as we have millions of American citizens who are not under this old-age insurance provision and receiving the protection of this Government, I for one will absolutely not stand on this floor and permit this bill to go through without my vote being cast against it. If this Congress does what I believe it ought to do, it will strike this section out.

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

Mr. CARLSON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I think the gentleman will agree with me on this proposition, that neither of us who have been taking the burden of this responsibility here is opposed to any of these programs.

Mr. CARLSON. No.

Mr. JENKINS of Ohio. Why cannot these astute gentlemen on the majority side come in tomorrow with an amendment that will clarify this situation? Let us take care of it and see to it that nobody in this country can employ an entirely foreign outfit. That is liable to involve us in anything.

You cannot tell what they will do. What is the use of putting our liberties and lives and the safety of our Republic in the hands of somebody we do not know a thing about and somebody that does not owe us any allegiance whatever.

[Here the gavel fell.]

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

Mr. Chairman, this proposal was thoroughly and completely threshed out in committee. This is a rather poor time to be again dragging this matter out when in the maze of all the discussions of the past many of the members of the committee are somewhat handicapped to give the proper kind of reply to statements made at this time, but I will say to the gentleman that insofar as this provision is concerned, the committee has considered the matter very thoroughly, and it was decided that the American merchant marine and the American worker and the American businessman in the merchant marine business would suffer a handicap if this provision were not made.

Now, I think some of us along the Great Lakes and along the seacoast are interested in the seamen and we are interested in shipowners, and I do not believe we are trying to sell these people "down the river."

It is not necessary that someone from Kansas or Oklahoma protect the maritime interests of this country.

This matter has been thoroughly and completely threshed out, and so far as I am concerned it is a closed matter. I am ready to vote on it right now without taking any chances with my people back home.

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

Mr. DINGELL. Yes; I yield.

Mr. BUCK. I may say that the ranking majority member of the Merchant Marine Committee, the gentleman from New York [Mr. SROVICH], has just endorsed the bill as the committee reported it, and I want to call the attention of my Republican friends to the fact that yesterday one of the ranking minority members, Mr. CULKIN, in interrogating me said:

May I say that I concur heartily in the gentleman's conclusions and statements? I know of nothing that will stabilize the offshore marine industry to a greater extent than their placement under social security. I think the gentleman's committee has done a splendid job in this particular and I agree with the gentleman's reasoning in full.

The gentleman from New York [Mr. CULKIN] is the ranking Republican member on the Merchant Marine Committee next to the gentleman from California [Mr. WELCH], and I may say that this is not a partisan proposition. It is a question of trying to build up and make secure our workmen who are in the maritime industry.

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

Mr. DINGELL. I yield.

Mr. McCORMACK. The gentleman from Kansas [Mr. CARLSON] places himself in a rather embarrassing position. If his amendment is agreed to and this paragraph is stricken out, it means that an American or a resident of the United

States can obtain, through negotiations or otherwise, a foreign vessel and not pay the pay-roll tax. That foreign vessel is under his control and that is permissible by maritime law.

This is a condition we have to meet with ways and means, because that vessel is competing with American vessels, vessels owned by Americans and manned by Americans, and competing for the transportation of goods, and yet we are giving that man, a resident of the United States, a competitive advantage over other Americans, and this provision, of necessity, is aimed at meeting that situation.

I have no controversy with my friend about what he has in mind, but that condition must be met by other legislation. We are confronted with a condition and in order to meet that condition so that one will not be given an advantage over another, we have to draft this particular paragraph, and the elimination of the paragraph would work to the disadvantage of the Americans who are subject to the law.

[Here the gavel fell.]

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Kansas [Mr. CARLSON].

The question was taken; and on a division (demanded by Mr. CARLSON) there were—ayes 39, noes 50.

So the amendment was rejected.

Mr. ALEXANDER. Mr. Chairman, I suggest the absence of a quorum in view of the fact we have only 89 Members voting, and I make the point of order there is not a quorum present.

The CHAIRMAN. The gentleman from Minnesota makes the point of order there is not a quorum present. The Chair will count. [After counting.] One hundred and ten Members are present, a quorum.

Mr. HALL. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

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

There was no objection.

Mr. HALL. Mr. Chairman, many proposals have been put forward here today to increase Federal contributions on considerations and arguments that appeal strongly to the heart—the more rapid amelioration of the condition of the aged by making it possible for them to receive more in the way of old-age assistance under State plans than they are now getting.

But the philosophy of such proposals goes beyond its bare objective. While the direct and immediate effect would only be to force a greater contribution by the Federal Government for every dollar paid out by the States for the assistance of the aged, we would be inaugurating a marked departure in the policy we have been following in grants-in-aid to the States, covering not only social-security items but a vast number of other subjects.

The field of Federal subsidies to the States is ever enlarging. The 50-50 matching principle, while admittedly without any scientific basis, nevertheless operates on those things which at least up to the present time are conceded to be responsibilities and duties and subjects of State government. It has been applied generally to those adventures in Federal aid to the States which seem to be persuaded as worth while and wholesome cooperative steps. That in the main is the theory although in its application there are great shortcomings and evils which I hope some day will be corrected as part of a study that will be given to the whole policy of the Federal grant-in-aid system and its results.

These aids to the States, until the advent of the Social Security Act, have generally not covered social objectives with the exception of such items as maternity and infancy care, and social-hygiene extension. Their cost, with the exception of the highway construction program, has not been great in comparison with the sort of appropriation figures to which we have now become accustomed. In the main, these grants-in-aid items have been limited to such things as building forest trails, highway construction, vocational and rehabilitation work, employment services, agricultural-extension work, and so forth. In general they have not been directed to the redressing of social conditions.

But with the advent of the Social Security Act the field of Federal grants-in-aid has become greatly broadened, and these programs now run into the hundreds of millions of dollars.

In enlarging the Federal-aid field, however, we have straight along insisted that the States match furrow with furrow; that for every dollar contributed by the Federal Treasury a dollar be contributed by the treasury of the State.

The proposals to increase the Federal contribution would scuttle that principle. It would force farther open the door of Federal participation until we reach the day when the Federal Treasury would be assuming the entire expense for assistance to the aged and where the States would not be paying a dime for the care and support of the aged in their own borders.

This amendment is urged on the plea of poverty of the States. We are told that they are unable to give the aged peoples within their borders more than they are now giving and that therefore the Federal Government must come to their rescue. They are holding out the tin cup.

But it is not alone the destruction of the 50-50 matching principle in the case of old-age assistance that is involved. If we adopt the principle in this instance, it will not be long before we shall be asked, also in the name of poverty of the States, to apply it to every other instance of existing and future grant-in-aid policy. Establish a precedent, give it some age, and you establish wisdom!

If we adopt any matching principle other than the present 50-50 plan, where will we finally land? Surely we can confidently expect that it will be applied to vocational and rehabilitation grants-in-aid; that it will be applied to highway construction, that the greater Federal contribution will be given to our cooperative programs touching all of the subjects now on the 50-50 matching basis.

I admit that the States alone are not to blame for the rapid extension of the grants-in-aid policy.

Much of the stimulus for it has been supplied by the National Government, particularly in the last 7 years. Whether done under the guise of national emergency or whether we like to admit or not, the process has been one of steady nationalization of local governmental functions, of control by Washington. Wherever the Federal dollar has gone there has been attached to it a promissory note for the States to sign, that in consideration of that dollar they will do as they are told to do.

In those cases of national stimulus of the policy, in the extension of the bribe dollar to the States, the latter have shown little reluctance in resisting the imposition of the Federal controls that accompanied it. They have eagerly reached out for more and more and discounted the evils that would follow.

We are pauperizing the States, pauperizing their sovereignties, through the bribe of the Federal matching dollar. For the gold they can get seemingly many are willing to barter their rights and to submit meekly to the dictation of an ever-growing bureaucracy in Washington. The Federal matching dollar has tickled their palates and they are coming back for more and more.

With respect to the general subject before us, of assistance to the aged, I am in favor of a \$20 contribution by the Federal Government but only on the condition that the States match dollar for dollar. If we are to get in time a maximum of \$40 monthly for old-age assistance we will only get it by the insistence that the States match the Federal contribution dollar for dollar.

As I view this proposition, the adoption of any other matching principle would mark the beginning of a break-down all along the line of the present 50-50 principle. It is vital that this tendency be resisted, in view not only of the cooperative arrangements now on the statute books but of the costly schemes that have been presented to the Congress touching the public education and national public health programs, which would commit the Federal Government, on a cooperative basis, to the expenditure of hundreds and hundreds of millions of dollars.

If we do not resist further encroachments on the Treasury under the matching provisions, the bureaucracy of Washington will absorb not only State duties and responsibilities but the sovereignty of the States will be ravished and we shall be contributing to the complete break-down of our present Federal system.

The Clerk read as follows:

TITLE III—AMENDMENTS TO TITLE III OF THE SOCIAL SECURITY ACT
Sec. 301. Section 302 (a) of such act is amended to read as follows:

"(a) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State which has an unemployment compensation law approved by the Board under the Federal Unemployment Tax Act, such amounts as the Board determines to be necessary for the proper and efficient administration of such law during the fiscal year for which such payment is to be made. The Board's determination shall be based on (1) the population of the State; (2) an estimate of the number of persons covered by the State law and of the cost of proper and efficient administration of such law; and (3) such other factors as the Board finds relevant. The Board shall not certify for payment under this section in any fiscal year a total amount in excess of the amount appropriated therefor for such fiscal year."

Sec. 302. Section 303 (a) of such act is amended to read as follows:

"(a) The Board shall make no certification for payment to any State unless it finds that the law of such State, approved by the Board under the Federal Unemployment Tax Act, includes provision for—

"(1) Such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be reasonably calculated to insure full payment of unemployment compensation when due; and

"(2) Payment of unemployment compensation solely through public employment offices or such other agencies as the Board may approve; and

"(3) Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied; and

"(4) The payment of all money received in the unemployment fund of such State (except for refunds of sums erroneously paid into such fund and except for refunds paid in accordance with the provisions of section 1606 (b) of the Federal Unemployment Tax Act), immediately upon such receipt, to the Secretary of the Treasury to the credit of the unemployment trust fund established by section 904; and

"(5) Expenditure of all money withdrawn from an unemployment fund of such State, in the payment of unemployment compensation, exclusive of expenses of administration, and for refunds of sums erroneously paid into such fund and refunds paid in accordance with the provisions of section 1606 (b) of the Federal Unemployment Tax Act; and

"(6) The making of such reports, in such form and containing such information, as the Board may from time to time require, and compliance with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and

"(7) Making available upon request to any agency of the United States charged with the administration of public works or assistance through public employment, the name, address, ordinary occupation, and employment status of each recipient of unemployment compensation, and a statement of such recipient's rights to further compensation under such law; and

"(8) Effective July 1, 1941, the expenditure of all moneys received pursuant to section 302 of this title solely for the purposes and in the amounts found necessary by the Board for the proper and efficient administration of such State law; and

"(9) Effective July 1, 1941, the replacement, within a reasonable time, of any moneys received pursuant to section 302 of this title, which, because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by the Board for the proper administration of such State law."

TITLE IV—AMENDMENTS TO TITLE IV OF THE SOCIAL SECURITY ACT

Sec. 401. (a) Clause (5) of section 402 (a) of such act is amended to read as follows: "(5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the proper and efficient operation of the plan."

(b) Effective July 1, 1941, section 402 (a) of such act is further amended by inserting before the period at the end thereof a semicolon and the following new clauses: "(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of any child claiming aid to dependent children; and (8) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of aid to dependent children."

Sec. 402. (a) Effective January 1, 1940, subsection (a) of section 403 of such act is amended by striking out "one-third" and inserting in lieu thereof "one-half", and paragraph (1) of subsection (b) of such section is amended by striking out "two-thirds" and inserting in lieu thereof "one-half."

(b) Effective January 1, 1940, paragraph (2) of section 403 (b) of such act is amended to read as follows:

"(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, (A) reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Board, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to aid to dependent children furnished under the State plan; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter."

Sec. 403. Section 406 (a) of such act is amended to read as follows:

"(a) The term 'dependent child' means a needy child under the age of 16, or under the age of 18 if found by the State agency to be regularly attending school, who has been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, step-sister, uncle, or aunt, in a place of residence maintained by one or more of such relatives as his or their own home;".

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. RAYBURN having assumed the chair as Speaker pro tempore, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6635, and had directed him to report that it had come to no resolution thereon.

NATIONAL YOUTH ADMINISTRATION

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to address the House for half a minute and to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COLLINS. Mr. Speaker, the National Youth Administration is giving part-time work to over 600,000 young people at a yearly cost per young person helped of \$125. This is one of the finest things that the Government is doing. Everybody knows that there are young people in every community who are living day after day in idleness because they cannot find work. This is neither good for these young people nor for the Nation.

When the National Government established the National Youth Administration it took one of the wisest steps it has taken in this whole depression period, and the work which this agency has been able to perform has more than proved the wisdom of Congress in establishing it.

This year the President has asked for \$125,000,000 for the National Youth Administration and the Budget Bureau has sent that amount to the Congress as the Budget estimate. Rumor has it that there is a disposition in certain circles to reduce this amount to \$81,000,000. If this is true, it is one of the most unfortunate things that has happened this year, for with this relatively small sum of money—\$125,000,000—I am informed that they will be able to give work to over a million young people. I think Congress should take into consideration the very great amount of good which this comparatively small sum of money will be able to accomplish. Under this arrangement it is possible for \$125 to take a youth off of the streets and place him in profitable employment, where he is given experience and training which will later make it possible for him to enter private industry. I should like to call to the attention of the Members of Congress the fact that the National Youth Administration, through its programs, has placed well over a quarter of a million young people in private employment.

Not only is this work good, and efficiently and economically run but it is extremely popular in every section of the country. I do not know of anything that the Federal Government is doing that is more popular than the work of the National

Youth Administration, and it is unthinkable that Congress would cut the Budget estimate which has been submitted to it. Before the Members of Congress vote to do this, I think it would be well for them to read carefully the following record of employment of young people in their respective States, which I am attaching to this statement. I have also asked for a record of the school and project employment of the National Youth Administration by counties, which it is my intention to place in the RECORD prior to the vote upon this measure.

The following is a break-down of the N. Y. A. operations for the student-aid program and the works program in each State, the District of Columbia, and New York City, and gives the total fund allotment for the present fiscal year, the employment on the works program and the student-aid program for March 1939, and the number of participating institutions in the student-aid program:

Alabama:	
Fund allotments, fiscal year 1939.....	\$1,600,440
Total employment.....	13,929
Works program.....	6,842
All student-aid program.....	7,087
School aid.....	5,276
College and graduate aid.....	1,811
Total number of participating institutions.....	999
Schools.....	972
Colleges.....	27
Arizona:	
Fund allotments, fiscal year 1939.....	\$340,085
Total employment.....	2,438
Works program.....	898
All student-aid program.....	1,540
School aid.....	1,037
College and graduate aid.....	503
Total number of participating institutions.....	81
Schools.....	76
Colleges.....	5
Arkansas:	
Fund allotments, fiscal year 1939.....	\$1,634,702
Total employment.....	9,959
Works program.....	4,549
All student-aid program.....	5,410
School aid.....	4,338
College and graduate aid.....	1,072
Total number of participating institutions.....	606
Schools.....	582
Colleges.....	24
California:	
Fund allotments, fiscal year 1939.....	\$2,893,007
Total employment.....	24,076
Works program.....	7,458
All student-aid program.....	16,618
School aid.....	8,438
College and graduate aid.....	8,180
Total number of participating institutions.....	548
Schools.....	466
Colleges.....	82
Colorado:	
Fund allotments, fiscal year 1939.....	\$857,234
Total employment.....	7,846
Works program.....	3,066
All student-aid program.....	4,780
School aid.....	3,564
College and graduate aid.....	1,216
Total number of participating institutions.....	382
Schools.....	365
Colleges.....	17
Connecticut:	
Fund allotments, fiscal year 1939.....	\$856,469
Total employment.....	4,910
Works program.....	2,357
All student-aid program.....	2,553
School aid.....	1,775
College and graduate aid.....	778
Total number of participating institutions.....	154
Schools.....	135
Colleges.....	19
Delaware:	
Fund allotments, fiscal year 1939.....	\$85,745
Total employment.....	679
Works program.....	305
All student-aid program.....	374
School aid.....	256
College and graduate aid.....	118
Total number of participating institutions.....	46
Schools.....	44
Colleges.....	2

District of Columbia:			
Fund allotments, fiscal year 1939	-----	\$386,157	
Total employment	-----	2,296	
Works program	-----	768	
All student-aid program	-----	1,528	
School aid	-----	506	
College and graduate aid	-----	1,022	
Total number of participating institutions	-----	38	
Schools	-----	27	
Colleges	-----	11	
Florida:			
Fund allotments, fiscal year 1939	-----	\$1,086,849	
Total employment	-----	9,177	
Works program	-----	4,667	
All student-aid program	-----	4,510	
School aid	-----	3,384	
College and graduate aid	-----	1,126	
Total number of participating institutions	-----	576	
Schools	-----	561	
Colleges	-----	15	
Georgia:			
Fund allotments, fiscal year 1939	-----	\$1,711,377	
Total employment	-----	16,590	
Works program	-----	5,994	
All student-aid program	-----	10,596	
School aid	-----	7,969	
College and graduate aid	-----	2,627	
Total number of participating institutions	-----	813	
Schools	-----	761	
Colleges	-----	52	
Idaho:			
Fund allotments, fiscal year 1939	-----	\$516,997	
Total employment	-----	3,489	
Works program	-----	1,269	
All student-aid program	-----	2,220	
School aid	-----	1,520	
College and graduate aid	-----	700	
Total number of participating institutions	-----	194	
Schools	-----	185	
Colleges	-----	9	
Illinois:			
Fund allotments, fiscal year 1939	-----	\$4,361,270	
Total employment	-----	34,211	
Works program	-----	12,735	
All student-aid program	-----	21,476	
School aid	-----	15,258	
College and graduate aid	-----	6,218	
Total number of participating institutions	-----	1,104	
Schools	-----	1,030	
Colleges	-----	74	
Indiana:			
Fund allotments, fiscal year 1939	-----	\$1,704,951	
Total employment	-----	15,126	
Works program	-----	4,991	
All student-aid program	-----	10,135	
School aid	-----	6,984	
College and graduate aid	-----	3,151	
Total number of participating institutions	-----	753	
Schools	-----	715	
Colleges	-----	38	
Iowa:			
Fund allotments, fiscal year 1939	-----	\$940,041	
Total employment	-----	9,287	
Works program	-----	2,639	
All student-aid program	-----	6,648	
School aid	-----	3,805	
College and graduate aid	-----	2,843	
Total number of participating institutions	-----	920	
Schools	-----	855	
Colleges	-----	65	
Kansas:			
Fund allotments, fiscal year 1939	-----	\$1,438,486	
Total employment	-----	15,346	
Works program	-----	5,780	
All student-aid program	-----	9,566	
School aid	-----	6,886	
College and graduate aid	-----	2,680	
Total number of participating institutions	-----	753	
Schools	-----	708	
Colleges	-----	45	
Kentucky:			
Fund allotments, fiscal year 1939	-----	\$1,861,171	
Total employment	-----	15,156	
Works program	-----	6,376	
All student-aid program	-----	8,780	
School aid	-----	6,945	
College and graduate aid	-----	1,835	
Total number of participating institutions	-----	785	
Schools	-----	753	
Colleges	-----	32	
Louisiana:			
Fund allotments, fiscal year 1939	-----	\$1,765,979	
Total employment	-----	11,207	
Works program	-----	5,713	
All student-aid program	-----	5,494	
School aid	-----	3,175	
College and graduate aid	-----	2,319	
Total number of participating institutions	-----	707	
Schools	-----	684	
Colleges	-----	23	
Maine:			
Fund allotments, fiscal year 1939	-----	\$684,601	
Total employment	-----	3,106	
Works program	-----	1,252	
All student-aid program	-----	1,854	
School aid	-----	1,293	
College and graduate aid	-----	561	
Total number of participating institutions	-----	206	
Schools	-----	190	
Colleges	-----	16	
Maryland:			
Fund allotments, fiscal year 1939	-----	\$477,805	
Total employment	-----	4,445	
Works program	-----	1,332	
All student-aid program	-----	3,113	
School aid	-----	1,858	
College and graduate aid	-----	1,255	
Total number of participating institutions	-----	192	
Schools	-----	165	
Colleges	-----	27	
Massachusetts:			
Fund allotments, fiscal year 1939	-----	\$2,309,943	
Total employment	-----	16,350	
Works program	-----	5,799	
All student-aid program	-----	10,551	
School aid	-----	7,404	
College and graduate aid	-----	3,147	
Total number of participating institutions	-----	394	
Schools	-----	342	
Colleges	-----	52	
Michigan:			
Fund allotments, fiscal year 1939	-----	\$2,833,453	
Total employment	-----	20,453	
Works program	-----	6,898	
All student-aid program	-----	13,555	
School aid	-----	9,357	
College and graduate aid	-----	4,198	
Total number of participating institutions	-----	827	
Schools	-----	785	
Colleges	-----	42	
Minnesota:			
Fund allotments, fiscal year 1939	-----	\$1,780,623	
Total employment	-----	15,133	
Works program	-----	6,188	
All student-aid program	-----	8,945	
School aid	-----	5,922	
College and graduate aid	-----	3,023	
Total number of participating institutions	-----	587	
Schools	-----	552	
Colleges	-----	35	
Mississippi:			
Fund allotments, fiscal year 1939	-----	\$1,326,530	
Total employment	-----	11,221	
Works program	-----	5,392	
All student-aid program	-----	5,829	
School aid	-----	3,891	
College and graduate aid	-----	1,948	
Total number of participating institutions	-----	752	
Schools	-----	715	
Colleges	-----	37	
Missouri:			
Fund allotments, fiscal year 1939	-----	\$1,940,715	
Total employment	-----	18,519	
Works program	-----	6,861	
All student-aid program	-----	11,658	
School aid	-----	8,672	
College and graduate aid	-----	2,986	
Total number of participating institutions	-----	941	
Schools	-----	883	
Colleges	-----	58	
Montana:			
Fund allotments, fiscal year 1939	-----	\$545,311	
Total employment	-----	4,349	
Works program	-----	1,433	
All student-aid program	-----	2,916	
School aid	-----	2,237	
College and graduate aid	-----	679	
Total number of participating institutions	-----	209	
Schools	-----	199	
Colleges	-----	10	

Nebraska:			
Fund allotments, fiscal year 1939	-----	\$847,752	
Total employment	-----	8,460	
Works program	-----	3,753	
All student-aid program	-----	4,707	
School aid	-----	3,153	
College and graduate aid	-----	1,554	
Total number of participating institutions	-----	594	
Schools	-----	571	
Colleges	-----	23	
Nevada:			
Fund allotments, fiscal year 1939	-----	\$64,929	
Total employment	-----	390	
Works program	-----	162	
All student-aid program	-----	228	
School aid	-----	137	
College and graduate aid	-----	91	
Total number of participating institutions	-----	35	
Schools	-----	34	
Colleges	-----	1	
New Hampshire:			
Fund allotments, fiscal year 1939	-----	\$355,777	
Total employment	-----	1,920	
Works program	-----	786	
All student-aid program	-----	1,134	
School aid	-----	618	
College and graduate aid	-----	516	
Total number of participating institutions	-----	104	
Schools	-----	96	
Colleges	-----	8	
New Jersey:			
Fund allotments, fiscal year 1939	-----	\$2,385,610	
Total employment	-----	14,460	
Works program	-----	6,365	
All student-aid program	-----	8,095	
School aid	-----	6,410	
College and graduate aid	-----	1,685	
Total number of participating institutions	-----	294	
Schools	-----	264	
Colleges	-----	30	
New Mexico:			
Fund allotments, fiscal year 1939	-----	\$580,188	
Total employment	-----	3,271	
Works program	-----	2,067	
All student-aid program	-----	1,204	
School aid	-----	862	
College and graduate aid	-----	342	
Total number of participating institutions	-----	148	
Schools	-----	141	
Colleges	-----	7	
New York City:			
Fund allotments, fiscal year 1939	-----	\$4,063,287	
Total employment	-----	29,164	
Works program	-----	10,007	
All student-aid program	-----	19,157	
School aid	-----	12,790	
College and graduate aid	-----	6,367	
Total number of participating institutions	-----	244	
Schools	-----	194	
Colleges	-----	50	
New York State:			
Fund allotments, fiscal year 1939	-----	\$3,739,847	
Total employment	-----	25,489	
Works program	-----	11,366	
All student-aid program	-----	14,123	
School aid	-----	10,884	
College and graduate aid	-----	3,239	
Total number of participating institutions	-----	859	
Schools	-----	804	
Colleges	-----	55	
North Carolina:			
Fund allotments, fiscal year 1939	-----	\$1,577,780	
Total employment	-----	16,035	
Works program	-----	7,579	
All student-aid program	-----	8,456	
School aid	-----	5,232	
College and graduate aid	-----	3,224	
Total number of participating institutions	-----	856	
Schools	-----	802	
Colleges	-----	54	
North Dakota:			
Fund allotments, fiscal year 1939	-----	\$793,949	
Total employment	-----	7,250	
Works program	-----	3,108	
All student-aid program	-----	4,142	
School aid	-----	3,119	
College and graduate aid	-----	1,023	
Total number of participating institutions	-----	457	
Schools	-----	445	
Colleges	-----	12	
Ohio:			
Fund allotments, fiscal year 1939	-----	\$3,458,430	
Total employment	-----	26,963	
Works program	-----	8,216	
All student-aid program	-----	18,747	
School aid	-----	13,160	
College and graduate aid	-----	5,587	
Total number of participating institutions	-----	1,203	
Schools	-----	1,137	
Colleges	-----	66	
Oklahoma:			
Fund allotments, fiscal year 1939	-----	\$2,057,328	
Total employment	-----	22,013	
Works program	-----	7,875	
All student-aid program	-----	14,138	
School aid	-----	11,509	
College and graduate aid	-----	2,629	
Total number of participating institutions	-----	991	
Schools	-----	948	
Colleges	-----	43	
Oregon:			
Fund allotments, fiscal year 1939	-----	\$493,102	
Total employment	-----	4,564	
Works program	-----	1,263	
All student-aid program	-----	3,301	
School aid	-----	1,916	
College and graduate aid	-----	1,385	
Total number of participating institutions	-----	251	
Schools	-----	228	
Colleges	-----	23	
Pennsylvania:			
Fund allotments, fiscal year 1939	-----	\$5,314,730	
Total employment	-----	41,932	
Works program	-----	12,437	
All student-aid program	-----	29,495	
School aid	-----	22,583	
College and graduate aid	-----	6,912	
Total number of participating institutions	-----	1,316	
Schools	-----	1,230	
Colleges	-----	86	
Rhode Island:			
Fund allotments, fiscal year 1939	-----	\$471,421	
Total employment	-----	3,074	
Works program	-----	1,521	
All student-aid program	-----	1,553	
School aid	-----	970	
College and graduate aid	-----	583	
Total number of participating institutions	-----	62	
Schools	-----	56	
Colleges	-----	6	
South Carolina:			
Fund allotments, fiscal year 1939	-----	\$1,205,518	
Total employment	-----	10,297	
Works program	-----	4,390	
All student-aid program	-----	5,907	
School aid	-----	4,401	
College and graduate aid	-----	1,506	
Total number of participating institutions	-----	785	
Schools	-----	750	
Colleges	-----	35	
South Dakota:			
Fund allotments, fiscal year 1939	-----	\$826,934	
Total employment	-----	9,579	
Works program	-----	3,708	
All student-aid program	-----	5,871	
School aid	-----	5,159	
College and graduate aid	-----	712	
Total number of participating institutions	-----	393	
Schools	-----	377	
Colleges	-----	16	
Tennessee:			
Fund allotments, fiscal year 1939	-----	\$1,573,946	
Total employment	-----	14,652	
Works program	-----	6,037	
All student-aid program	-----	8,615	
School aid	-----	6,431	
College and graduate aid	-----	2,184	
Total number of participating institutions	-----	637	
Schools	-----	593	
Colleges	-----	44	
Texas:			
Fund allotments, fiscal year 1939	-----	\$3,368,853	
Total employment	-----	27,757	
Works program	-----	11,870	
All student-aid program	-----	15,887	
School aid	-----	10,427	
College and graduate aid	-----	5,460	
Total number of participating institutions	-----	2,247	
Schools	-----	2,163	
Colleges	-----	84	

Utah:	
Fund allotments, fiscal year 1939.....	\$547,237
Total employment.....	5,391
Works program.....	1,831
All student-aid program.....	3,560
School aid.....	2,132
College and graduate aid.....	1,428
Total number of participating institutions.....	114
Schools.....	104
Colleges.....	10
Vermont:	
Fund allotments, fiscal year 1939.....	\$156,322
Total employment.....	1,417
Works program.....	388
All student-aid program.....	1,029
School aid.....	552
College and graduate aid.....	477
Total number of participating institutions.....	95
Schools.....	83
Colleges.....	12
Virginia:	
Fund allotments, fiscal year 1939.....	\$1,318,178
Total employment.....	10,910
Works program.....	4,813
All student-aid program.....	6,097
School aid.....	4,007
College and graduate aid.....	2,090
Total number of participating institutions.....	809
Schools.....	767
Colleges.....	42
Washington:	
Fund allotments, fiscal year 1939.....	\$960,802
Total employment.....	8,070
Works program.....	2,409
All student-aid program.....	5,661
School aid.....	3,775
College and graduate aid.....	1,886
Total number of participating institutions.....	331
Schools.....	308
Colleges.....	23
West Virginia:	
Fund allotments, fiscal year 1939.....	\$1,491,490
Total employment.....	12,253
Works program.....	5,410
All student-aid program.....	6,843
School aid.....	5,526
College and graduate aid.....	1,317
Total number of participating institutions.....	370
Schools.....	349
Colleges.....	21
Wisconsin:	
Fund allotments, fiscal year 1939.....	\$2,022,458
Total employment.....	16,694
Works program.....	5,807
All student-aid program.....	10,887
School aid.....	7,540
College and graduate aid.....	3,347
Total number of participating institutions.....	629
Schools.....	551
Colleges.....	78
Wyoming:	
Fund allotments, fiscal year 1939.....	\$154,667
Total employment.....	1,401
Works program.....	773
All student-aid program.....	628
School aid.....	451
College and graduate aid.....	177
Total number of participating institutions.....	87
Schools.....	86
Colleges.....	1

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. I yield.

Mr. JOHNSON of Oklahoma. Is it not now proposed to cut the N. Y. A. appropriation by about \$42,000,000 and thereby cripple it?

Mr. COLLINS. That is the current rumor.

EXTENSION OF REMARKS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a table of payments to various States?

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEGISLATIVE APPROPRIATION BILL—CONFERENCE REPORT

Mr. RABAUT. Mr. Speaker, I present a conference report and statement upon the bill (H. R. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes, for printing under the rule.

CIVIL FUNCTIONS OF WAR DEPARTMENT

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6260) making appropriations for the fiscal year ending June 30, 1940, for civil functions administered by the War Department, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill H. R. 6260, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. SNYDER, Mr. TERRY, Mr. STARNES of Alabama, Mr. COLLINS, Mr. KERR, Mr. POWERS, Mr. ENGEL, and Mr. BOLTON.

EXTENSION OF REMARKS

Mr. MALONEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a letter from Mr. Powell, of New Orleans, on the sugar question.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech I delivered on the floor of the House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this measure.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at the point where I offered my amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD made this afternoon.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include a statement of Mr. A. A. Berle, Assistant Secretary of State, before the Temporary National Economic Committee.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a letter from the Pako Corporation of Minneapolis.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to insert figures relating to social-security payments and income.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

GRASSHOPPER CONTROL

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, the Northwest is facing a crisis today. I have received a number of letters that the grasshopper control station in Minneapolis is forced to close tomorrow for lack of funds. For that reason I have introduced an emergency appropriation for \$2,500,000. I ask you to join with me in urging the Committee on Appropriations to take immediate action to meet that desperate emergency caused by the grasshopper invasion of the Northwest. [Applause.]

[Here the gavel fell.]

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I want to join with the gentleman from South Dakota [Mr. MUNDT] in asking the Members of this House to do what they can toward hastening this emergency appropriation for \$2,500,000 to continue in office the Minneapolis bureau which has for its purpose the care of the entire Northwest so far as grasshopper control is concerned.

If any of you know anything about farming, you know this is the time when grasshoppers are beginning to hatch. I have information that today or tomorrow that office must close unless it is provided with funds. I take this occasion again to urge upon you to urge the Appropriations Committee to approve this appropriation. [Applause.]

[Here the gavel fell.]

SENATE CONCURRENT RESOLUTION AND BILL REFERRED

A concurrent resolution and bill of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 19. Concurrent resolution authorizing the printing of additional copies of House Document No. 272, current session, entitled "Message From the President of the United States Transmitting a Report of the Bureau of Public Roads on the Feasibility of a System of Transcontinental Toll Roads and a Master Plan for Free Highway Development"; to the Committee on Printing.

S. 591. An act to amend the United States Housing Act of 1937, and for other purposes; to the Committee on Banking and Currency.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1031. An act to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof; and

S. 1243. An act to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the

President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 286. Joint resolution to provide for the lending to the Virginia Military Institute of the equestrian portrait of Gen. Winfield Scott now stored in the Capitol.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Saturday, June 10, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs (executive session) in the committee rooms, Capitol, at 10 a. m. Monday, June 12, 1939, for the consideration of House Joint Resolution 306, Neutrality Act of 1939.

COMMITTEE ON THE JUDICIARY

On Monday, June 12, 1939, beginning at 10 a. m., there will be continued a public hearing before the Committee on the Judiciary on the bill (H. R. 6369) to amend the act entitled, "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to create a Railroad Reorganization Court; and for other purposes.

There will be continued a public hearing before subcommittee No. 3 of the Committee on the Judiciary on Wednesday, June 21, 1939, at 10 a. m., on the bill (H. R. 2318) to divorce the business of production, refining, and transporting of petroleum products from that of marketing petroleum products. Room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Tuesday, June 13, 1939, on H. R. 1011, drydock facilities for San Francisco (WELCH); H. R. 2870, drydock facilities for Los Angeles (THOMAS F. FORD); H. R. 3040, drydock facilities for Los Angeles (GEYER of California); and H. R. 5787, drydock facilities for Seattle, Wash. (MAGNUSON).

The hearing originally scheduled by the Committee on Merchant Marine and Fisheries for Thursday, June 8, 1939, on H. R. 6042, requiring numbers on undocumented vessels (KRAMER), and H. R. 5837, alien owners and officers of vessels (KRAMER), has been postponed until Tuesday, June 13, and will come up on the same list as those bills named directly above.

On Thursday, June 15, 1939, on House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

On Friday, June 16, 1939, on H. R. 5611, district commanders' bill (U. S. Coast Guard).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, House Office Building, at 10:30 a. m. Tuesday, June 13, 1939, for the continuation of hearings on House Joint Resolution 165 and House Joint Resolution 168.

There will be a meeting of the Committee on Immigration and Naturalization in room 445, House Office Building, at 10:30 a. m. Wednesday, June 14, 1939, for the consideration of H. R. 5838 (KRAMER) and unfinished business.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

837. A letter from the Chairman, United States Memorial Commission to Thomas Jefferson, transmitting a report of

progress of the memorial to Thomas Jefferson in the city of Washington, D. C.; to the Committee on the Library.

838. A letter from the Acting Secretary of the Interior, transmitting the draft of proposed legislation to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects; to the Committee on Irrigation and Reclamation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. NICHOLS: Committee on the District of Columbia. H. R. 6577. A bill to provide revenue for the District of Columbia, and for other purposes; with amendment (Rept. No. 808). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3654. A bill to provide for probationary appointments of officers in the Regular Army; with amendment (Rept. No. 809). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 272. Joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the settlement of the city of Gallipolis, Ohio; without amendment (Rept. No. 810). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 6767. A bill to provide additional compensation for employees killed or injured while performing work of a hazardous nature incident to law-enforcement activity, and for other purposes; to the Committee on the Judiciary.

By Mr. JONES of Texas:

H. R. 6768. A bill to promote farm ownership by amending the Bankhead-Jones Farm Tenant Act to provide for Government-insured loans to farmers; to encourage sale of farms held by absentee owners to farm tenants; and to enable tenant farmers to become owners of farm homes through long-term, low-interest-rate loans on farms; and for other purposes; to the Committee on Agriculture.

By Mr. DIMOND:

H. R. 6769. A bill to provide for the establishment of a fishery products laboratory in the Territory of Alaska in cooperation with the government of the Territory of Alaska; to the Committee on Merchant Marine and Fisheries.

By Mr. KRAMER:

H. R. 6770. A bill to amend Revised Statutes 4311 (U. S. C. 251); to the Committee on Merchant Marine and Fisheries.

By Mr. MUNDT:

H. R. 6771. A bill making an appropriation for control of incipient and emergency outbreaks of insect pests; to the Committee on Appropriation.

By Mr. HENDRICKS:

H. R. 6772. A bill to authorize a survey for a national parkway from the Augusta terminus of the Oglethorpe National Trail and Parkway Survey to the Blue Ridge Parkway at Tennessee Bald, N. C., and for an extension of the Blue Ridge Parkway to the vicinity of St. Augustine, Fla., by way of Stone Mountain and Atlanta, Ga.; to the Committee on the Public Lands.

By Mr. WHITE of Idaho:

H. R. 6773. A bill to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. JOHNSON of Oklahoma:

H. R. 6774. A bill to promote farm ownership by amending the Bankhead-Jones Farm Tenant Act to provide for Government-insured loans to farmers; to encourage sale of farms held by absentee owners to farm tenants; and to enable tenant farmers to become owners of farm homes through long-term, low-interest-rate loans on farms; and for other purposes; to the Committee on Agriculture.

By Mr. PIERCE of Oregon:

H. R. 6775. A bill authorizing the Secretary of War to convey to the Port of Cascade Locks, Oreg., certain lands for municipal purposes; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDMISTON:

H. R. 6776. A bill granting a pension to Emma Stewart; to the Committee on Invalid Pensions.

H. R. 6777. A bill for the relief of the National Guard of West Virginia; to the Committee on Claims.

By Mr. KENNEDY of Maryland:

H. R. 6778. A bill granting an increase of pension to Charles L. Cook; to the Committee on Pensions.

By Mr. KING:

H. R. 6779. A bill for the relief of Olaf Oswald; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3610. By Mr. ENGLEBRIGHT: Assembly Joint Resolution No. 13, relative to memorializing Congress to enact legislation limiting the number of cars in trains; to the Committee on Interstate and Foreign Commerce.

3611. Also, Senate Resolution No. 115, relative to the construction and maintenance of a veterans' general facility and hospital in Humboldt County, Calif.; to the Committee on World War Veterans' Legislation.

3612. Also, resolution of the Grand Parlor of the Native Sons of the Golden West, declaring that they are banded together, among other things, for patriotic purposes, and owe their undivided allegiance to the flag of the United States of America and to the Republic for which it stands; to the Committee on the Judiciary.

3613. By Mr. GROSS: Resolution of the Pennsylvania Bankers' Association, opposing House bill 5535, to broaden the field of operation of Federal savings and loan associations; to the Committee on Banking and Currency.

3614. By Mr. MICHAEL J. KENNEDY: Memorial of the United Federal Workers of America, Local No. 52, urging that the chairman of the Civil Service Committee place House bill 960 on the House Calendar as early as possible; to the Committee on the Civil Service.

3615. Also, memorial of the Brotherhood of Railroad Trainmen, approving Senate resolution 126, appropriating an additional \$100,000 for the La Follette committee and Senate bill 1970, outlawing strikebreakers and labor spies; to the Committee on Appropriations.

3616. By Mr. LUDLOW: Petition of sundry citizens of Elwood, Ind., requesting the enactment of House Joint Resolution 4, prohibiting the manufacture and sale of rum by the Virgin Islands Co. or by any other activity that is financed in whole or in part by funds from the United States; to the Committee on Ways and Means.

3617. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring full United States citizenship to aliens who served in the military or naval forces

of the United States during the World War and who were honorably discharged from such services; to the Committee on Immigration and Naturalization.

3618. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, memorializing the Congress in favor of the granting of full United States citizenship to aliens who served in the Military or Naval Establishments of the United States during the World War and were honorably discharged from such service; to the Committee on Immigration and Naturalization.

3619. By Mr. MERRITT: Petition of the General Welfare Federation of America, petitioning the Seventy-sixth Con-

gress to enact House bill 5620, the improved General Welfare Act; to the Committee on Ways and Means.

3620. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of the granting of full United States citizenship to aliens who served in the Military or Naval Establishments of the United States during the World War and were honorably discharged from such service; to the Committee on Immigration and Naturalization.

3621. By Mr. SHAFER of Michigan: Resolution of the Michigan Retail Grocers and Meat Dealers Association, endorsing House bill 1; to the Committee on Ways and Means.