

**SOCIAL SECURITY**

Mr. HARRISON. From the Committee on Finance I report back favorably with amendments the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, and I submit a report (No. 628) thereon.

The VICE PRESIDENT. The bill will be placed on the calendar.

OLD-AGE SECURITY—ADDRESS BY SENATOR HARRISON

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered over the radio on the 26th instant by the Senator from Mississippi [Mr. HARRISON] on the subject of "Old Age Security."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Among the major hazards of life which the President referred to in his historic message to Congress last June is the possibility of facing a penniless old age. It may happen to any person, no matter how careful he may be of his investments, and it is almost a certainty for many of our fellow citizens with meager incomes.

In response to the President's message, the members of his Committee on Economic Security, together with representatives of various groups of citizens and experts in pension systems, studied this problem for months, and then the Congressional committees entrusted with this legislation held weeks of hearings and thoroughly discussed the matter in extended executive sessions. Many plans have been submitted and subjected to the most painstaking examination.

The result of this careful labor is found in the old-age provisions of the pending social-security bill, which has passed the House of Representatives and is now before the Senate. It is the best solution which these groups of earnest workers can find to the problem of both alleviating, and to a large degree eliminating, the tragic spectacle of destitution among the aged.

The provisions of the bill with respect to security for the aged may be divided according to these two purposes, first, that of alleviating, and second, that of largely eliminating the sad prevalence of poverty in old age.

I shall first talk with you about the provisions intended to largely eliminate old-age dependence. This is a most important part of the bill, and is the part which is of direct interest to younger Americans. It offers them a secure old age, with an assured income built partly by their own efforts.

Beginning in 1937 the employees of the country—the regular workers in industry—will begin paying into the Federal Treasury a very small tax, which will be a minute percentage of their regular pay check. For every nickel that they pay their employers will likewise pay a nickel. Thus funds will be brought into the Federal Treasury which, in the course of time, will make it possible for all those employees to get regular monthly checks of anywhere from \$10 to \$85, after they reach the age of 65 and retire from regular employment. Under this Federal system the first regular benefits will begin in 1942. The amount which a man will receive will depend, of course, upon the amount of money which he earned during the years when he was employed and upon which he paid these taxes. The taxes that will be paid will gradually build up a sound reserve, which is to be invested, making it possible to continue these regular annuities without having to impose any other taxes to raise the money. If a person dies before reaching 65, his family receives the amount accumulated for him, and this is also true for persons who have contributed too short a time to build up any appreciable annuity.

This plan is expected to take care of a majority of our people in the future, but there are some groups necessarily omitted under this system, because of the fact that they are not employed by industry. It was thought proper, and the measure accordingly provides, that these groups, such as farmers and professional men, be also given the opportunity to build an annuity. Persons who desire, may, in very small installments or by lump-sum payment, purchase annuities from the Treasury, paying them up to \$100 per month after they reach 65.

There is yet a third group to consider, those who now, or in the future, face a dependent old age, and have not been able to secure either of the annuities which I have just mentioned. For a complete old-age program this group must also be considered. This is the second part of the plan—providing for those whose old-age dependency cannot be eliminated by these annuities.

As is natural and fitting for such legislation in our country, the movement for old-age pensions began in the several States of the Union. The State legislatures acted and the State governments and county governments administered the laws. Thirty-three States, as well as the Territories of Alaska and Hawaii, have enacted old-age-pension laws. In 1934 over \$30,000,000 was spent in these States for 230,000 pensioners, and the average pension paid to an aged person was about \$15.50 per month.

Under the social security bill the Federal Government will come to the assistance of the States in making payments under their old-age-pension laws. The average pension now paid by the States is about \$15 per person per month. Accordingly, up to \$15 a month, the Federal Government will match whatever the States appropriate. This Federal aid will be given immediately to each State with a satisfactory plan for the administration of old-age pensions within its borders. Thus, the Federal Government will share equally in the generous work of helping needy persons above the age of 65 years.

The administration of the State laws will be left to the States, with an absolute minimum of Federal participation other than in the actual granting of the money itself. It is right and proper for the States, where the old-age-pension laws began, to go on

administering those laws in their own way, for their own people whom they find to be in need.

To sum up, the social-security bill makes it possible for millions of persons to build a regular income for their old age during their productive period of life, and in addition to this, by matching State funds, assist the States to take care of those so unfortunate as to face old age without the annuities previously mentioned, or any other income of their own.

The necessity of the bill making this twofold attack upon destitution in old age can be readily appreciated when one realizes the terrific cost of trying to meet the problem by merely helping the States to pay gratuitous pensions. The number of needy old people is steadily increasing. The average length of life is getting longer; industrial civilization has made it harder for the young to care for their parents. For these reasons, if all we did was grant aid to the States for old-age pensions, the cost would grow enormously. The actuaries say that if this was the only way of taking care of the aged needy people, by 1960 the total annual cost of pensions, to the State, Federal, and local governments would be as much as \$2,000,000,000. In writing the social-security bill, therefore, it was found necessary to look around for additional means of meeting this problem; and the thing that has been proposed and sponsored by the President is the national system of old-age annuities which I have already described, and which will not begin at once, but which will be self-supporting and paid for in large part by the very people who will get the benefits.

By inaugurating this system—and this is very important—we will be saving ourselves a vast amount of money, for this new national system will make it possible to cut in half the costs which we would otherwise have to bear in paying the old-age pensions under the State laws. I have said that the actuaries figured that in the absence of any all-embracing Federal system the cost by 1960 for State old-age pensions would be \$2,000,000,000. With the self-supporting Federal system in existence, however, the annual cost by 1960 for the State old-age pensions would almost certainly be less than \$1,000,000,000. This Federal system, therefore, would mean a saving of over a billion dollars a year.

It is well worth while to remember this tremendous saving, for it makes insignificant the small burden which industry will have to assume under this uniform national system. The tax on employers, under this system, does not begin until 1937, and even when it reaches its maximum in 1949 it will amount, on the average, to only something like 1 percent of the regular selling price of the employers' product. This is indeed a small amount to pay for a system which will save the country over a billion dollars a year, and will bring assurance of a small but regular income to more than one-half of our working people.

Besides the saving to the Nation as a whole, the annuity system will give to the worker the satisfaction of knowing that he himself is providing for his old age.

The social-security bill is the nearest approach to the ideal that could be reached after months of patient study. It is within the financial ability of our Government and achieves in the largest measure found possible the ideal of our great President of banishing the gaunt specter of need in old age.

President Roosevelt, his Committee on Economic Security, the House of Representatives, and the United States Senate are making these efforts to establish a sound and far-reaching method of dealing with the problem of destitution in old age. In taking this great forward step we cannot expect perfection all at once; but in the social-security bill we have an instrument which inaugurates a program that is at once economical and humane, and which will be a legislative landmark in the history of the efforts of the Congress to carry out its constitutional duty of promoting the general welfare of the men and women of the United States.

SOCIAL SECURITY—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. BACHMAN. Mr. President, on Friday last the distinguished Senator from Utah [Mr. THOMAS] delivered over the radio a brief but very interesting address on the broad phases of the social-security program. I ask unanimous consent that his address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In responding to this invitation of the National Broadcasting Co. to discuss social security it will not be my purpose to defend or talk concerning the social-security act which is pending in Congress. I wish to discuss social security in its broad aspects as a political concept. Anything which will better the condition of the men, women, and children, who live in a given country, and which will enable men, women, and children to live a broader, better, and more abundant life may be justified as a proper governmental function. To justify it under our American Constitution may be relatively difficult, but surely it has a place when consideration is given to the general-welfare clause of our Constitution's preamble.

As a sound economic principle the theory of social security used as a political concept is merely the taking over into politics of the social and economic idea of insurance. The economic theory behind insurance is that many people donate a little for a long time that some few may enjoy the fruits of that donation for a little time. Or to make the theory apply to the individual as it does in case of life insurance, small premiums paid over a long period make it possible for beneficiaries to receive large sums. Insurance is merely finance used socially. Much of our financial organization is socialized finance.

A social-security program is very much larger and more comprehensive than a recovery program. In order to become effective in our country it will be necessary for the program to meet the requirements of our constitutional scheme; that is, it must meet both Federal and State requirements.

This in itself is an aspect of social politics because it develops the partnership idea between the Federal and the State Governments and emphasizes what every citizen of the United States has known since the adoption of the fourteenth amendment, that American citizens have a dual citizenship; that is, they are citizens of the United States and of the State in which they reside.

The social-security program must be all-embracing because each of four great factors related to the social-security program is related to the other three, that is, the old-age-pension idea to become effective, must be thought of as part of the whole scheme instead of a scheme by itself, because the old-age pension must come after years of planning if it is ever to succeed properly. It has the aspect of retirement, and that, too, honorable retirement. The thought is not just to make the aged people independent in their old age; it is also to take the responsibility for caring for the old off the shoulders of the young. This, of course, makes for better and happier young lives as well as better and happier old ones.

The program, too, should provide for early retirement in order that men may fill the responsible positions of life at an earlier time.

You see, therefore, old-age insurance is related to unemployment; it is related to the idea of economic independence not only for those who are insured but also for those related to them, and it makes the insured the agent for his Government in making for better and broader living. That the persons to be benefited must contribute goes without saying, because any good which comes carries with it a responsibility. Then, too, we want old-age benefits to be honorable. The persons who are to receive pensions should be encouraged to feel free in taking them, and free from the thought they are singled out by a paternal state as helpless individuals. Our whole public-school system would fall if a mother of many children ever thought it wrong to send all of them to school because her neighbor, perhaps, has only one or none to be trained. My point there is that no one now questions the right of a child to be educated. Just so, the time must come when no one shall question the right of those who are past the earning age to live a life free from the ordinary economic worries. All must contribute for the good of all. Public attention to social security will result in persons taking for themselves private annuity policies to augment the public ones.

The partnership idea is the one that I would stress. Partnership between the Federal Government and the States; partnership between the old and the young; partnership between the employer and the employee; partnership between those out of a job and those who are working; and partnership between public and private insurance institutions. All will be benefited. The prime fact of man's interdependence with other men should be brought into our political and social life and made part of our thinking. Too long we have left this to the church institutions.

American democracy can be preserved only by preserving the individual in that democracy. An American must remember that he is one in a group of 125,000,000 others. He must never fuse himself into a fraction and think of himself as one-one hundred twenty-five millionth of the whole. The individual as a political entity will last only so long as private property and private ownership last. Social security will teach the individual throughout his whole life the notion of interdependence and in addition to that it will teach the value of ownership. In the past we have tried to attain these ideals by stressing, in our teaching of the children, thrift and competition. The real lesson of life will come when men realize that they cannot be happy while their neighbors are sad.

## SOCIAL AIMS OF ADMINISTRATION

Mr. LEWIS. Mr. President, I submit for publication in the RECORD a brief article appearing in the Washington Star of June 10, 1935, entitled "Roosevelt Explains Social Aims at Press Conference", together with a definition of the new deal by the junior Senator from Nebraska [Mr. BURKE].

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star of June 10, 1935]

## ROOSEVELT EXPLAINS SOCIAL AIMS AT PRESS CONFERENCE

By J. Russell Young

President Roosevelt today in a brief and extemporaneous statement at his press conference explained the social objectives of his administration.

"The social objective, I should say, remains just what it was, which is to do what any honest government of any country would do—to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them more of the good things of life; to give them a greater distribution not only of wealth in the narrow terms but of wealth in the wider terms; to give them places to go in the summertime—recreation; to give them assurance that they are not going to starve in their old age; to give honest business a chance to go ahead and make a reasonable profit and to give everyone a chance to earn a living.

"It is a little difficult to define it, and I suppose this is a very offhand definition, but unless you go into a long discussion it is hard to make it more definite. And I think, however, that we are getting somewhere toward our objective."

His remarks were in reply to a question.

## DEFINITION OF THE NEW DEAL

By Senator EDWARD R. BURKE, of Nebraska

The new deal is an old deal—as old as the earliest aspirations of humanity for liberty and justice and good life. It is old as Christian ethics, for basically its ethics are the same. It is new as the Declaration of Independence was new, and the Constitution of the United States.

Its motives are the same; it voices the deathless cry of good men and good women for the opportunity to live and work in freedom, the right to be secure in their homes and in the fruits of their labor, the power to protect themselves against the ruthless and the cunning.

It recognizes that man is indeed his brother's keeper, insists that the laborer is worthy of his hire, demands that justice shall rule the mighty as well as the weak.

It seeks to cement our society—rich and poor, manual workers and brain workers—into a voluntary brotherhood of free men, standing together, striving together, for the common good of all.

## SOCIAL SECURITY

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of House bill 7260, the so-called "social-security bill." I desire to state that if the motion shall be agreed to, we will not proceed with the bill today, but will do so tomorrow.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, which had been reported from the Committee on Finance with amendments.