

SECURITY MEASURE PASSED BY SENATE

**It Provides Old-Age Pensions,
Job Insurance and Aid to
Mothers and Children.**

PRIVATE SYSTEMS UPHELD

**Amendment Adopted Exempting
Some Concerns From Tax
—Bill Goes to Conference.**

By LOUIS STARK.

Special to THE NEW YORK TIMES.

WASHINGTON, June 19.—The New Deal's contribution to social security, called by some the most comprehensive measure of its kind ever adopted at any single session of any national Legislature in the world, was approved today in the Senate in the form of the Wagner-Lewis bill, by a vote of 76 to 6. The measure, in somewhat different form, has already passed the House.

Carrying with it a broad program designed to cover some 26,000,000 wage-earners, the "Omnibus" Security Bill covers old-age pensions to the indigent elderly, a system of Federal-State compulsory contributory old-age pensions, unemployment insurance, aid to dependent mothers and children and aid to the blind.

Federal contributions of about \$100,000,000 would be appropriated for the first year's operations of the entire program.

Parliaments in other countries have adopted piecemeal sections of social programs such as that passed by the Senate today, but the scope of the American bill was said to be wider than had ever before been attempted anywhere. Its very scope brought repeated and vigorous objections from its opponents, who fought to break it up into its component parts.

Warnings Ignored on Changes.

President Roosevelt had outlined his specific social security program five months ago and major provisions of the omnibus bill were approved by the Senate, but one amendment is said seriously to jeopardize the compulsory old age pension section.

This was a proposal sponsored by Senator Clark, permitting employers who maintain private pension plans to be exempted from the taxes set up in the bill. It was adopted by a vote of 51 to 35, despite warnings that it would encourage employers to restrict jobs to young people and to discharge them long before they reach the pension age.

The bill was further restricted by defeat of the section which would have permitted 22,000,000 workers, professional people and those self-employed, to buy voluntary annuities from the government.

Senator Costigan fought hard for this section, but went down to defeat at the hands of Senator Loneragan of Connecticut, who urged that the voluntary annuities feature be eliminated.

The bill now goes back to conference.

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ence with House spokesmen and hope was expressed by its advocates that President Roosevelt might urge the restoration of the old-age pension provision as originally proposed.

As passed by the Senate, the bill provides for old-age assistance to States with pension laws of their own. The government would contribute up to \$15 a month, or half of that set aside by any of the States in their own pension plans.

A last-minute amendment by Senator Russell of Georgia would allow the fifteen States without laws providing pensions to their aged indigent to obtain such assistance from the government up to \$15 a month for two years. Presumably at the end of that time these States will have adopted pension laws.

In addition, the other sections of the bill provide for unemployment insurance or benefits, aid to the blind and aid to dependent mothers and children.

Borah Proposal Defeated.

Senator Borah's attempt to "liberalize" Federal payments to States was defeated. He sponsored an amendment providing that a minimum of \$30 a month be guaranteed to persons over 65 years of age by the Federal Government which would add to the State pensions any amount necessary to round out the State grant to \$30.

In answer to a question by Senator Wagner, the Idaho member admitted that if a State decided to grant a dollar a month the Federal Government would add \$29 under his plan.

The Senate galleries were crowded when the Clark resolution was presented at noon. Secretary Perkins was among those present.

In the debate on the Clark amendment, Senator Barkley of Kentucky asserted that the old-age pension section of the bill would be unworkable if the government had to keep in touch with every single employee who terminated his employment.

The government, he said, would have to establish an "enormous bureaucracy" to keep track of the records in those cases where employees under private pension schemes left their employers and took jobs with other employers, who might be in the public scheme.

Amendment's Validity Questioned.

Mr. Barkley argued that the Clark proposal was unconstitutional because it was a tax which would not be uniform, being one thing for employers with pension plans of their own and another for employers covered by the government plan.

Senator Clark replied that he had had letters from seventy-five employers who said they had pension plans better than those proposed in the bill and wished to retain them. He held his amendment would make it certain that workers who left companies where private plans were in effect could be covered under the government law.

Senator La Follette read a letter from William Green, president of the American Federation of Labor, who declared that, by exempting employers from the government tax if they set up private old-age pensions, a premium would be placed on the dismissal of workers before they reached the retirement age.

At the same time, according to Mr. Green, the amendment would tend to discourage the employment of men after the age of 40 in order that the employing companies would be able to benefit by lower premium rates written by insurance companies.

The Senate adopted an amendment by Senator Black, aiming to discourage private corporations from being connected, through interlocking directorates, with insurance companies handling the old-age pension plans of those employers. It would make it unlawful for a company to put into effect any annuity plan written by a company in which its officers or directors or shareholders have an interest.

To prevent collusion between employers and insurance companies the amendment states that all books, records and accounts relating to pension plans shall be avail-

able for inspection by the public authorities.

Many other amendments were defeated.

Roll-Call on Passage.

The detailed vote on passage of the bill follows:

FOR THE BILL.—76.

Democrats—60.		
Adams	Dieterich	Neely
Ashurst	Donahay	O'Mahoney
Bachman	Duffy	Overton
Bailey	Fletcher	Pittman
Bankhead	George	Pope
Barkley	Gerry	Radcliffe
Bilbo	Guffey	Reynolds
Black	Harrison	Robinson
Bone	Hatch	Russell
Brown	Hayden	Schwellenbach
Bulkley	King	Sheppard
Bulow	Lewis	Thomas
Burke	Loneragan	(Okla.)
Byrnes	Long	Trammell
Caraway	Maloney	Truman
Chavez	McCarran	Van Nuys
Clark	McGill	Wagner
Connally	McKellar	Walsh
Coolidge	Minton	Wheeler
Copeland	Murphy	
Costigan	Murray	

Republicans—14.

Barbour	Frazier	Morris
Borah	Gibson	Schall
Capper	Johnson	Vandenberg
Davis	Keyes	White
Dickinson	McNary	

Farmer-Labor—1.

Shipstead

Progressive—1.

La Follette

AGAINST THE BILL.—6.

Democrat—1.

Moore

Republicans—5.

Austin	Hastings	Townsend
Hale	Metcalf	

Paired—For the bill: McAdoo, Democrat, and Nye, Republican. Against the bill: Byrd and Glass, Democrats. Present but not voting: Gore and Tydings, Democrats. Absent and not paired—Logan, Smith, Thomas (Utah), Democrats; Carey, Couzens, Norbeck, Steiwer, Republicans.

Roll-Call on Amendment.

The detailed Senate roll-call on the Clark amendment follows:

FOR THE AMENDMENT.—51.

Democrats—35.		
Adams	Dieterich	McGill
Bachman	Duffy	McKellar
Bailey	George	Moore
Bulkley	Gerry	O'Mahoney
Bulow	Gore	Pittman
Burke	Hatch	Pope
Byrd	King	Russell
Caraway	Lewis	Smith
Chavez	Logan	Truman
Clark	Loneragan	Tydings
Coolidge	Long	Van Nuys
Copeland	Maloney	

Republicans—16.

Austin	Hale	Steiwer
Barbour	Hastings	Townsend
Borah	Keyes	Vandenberg
Capper	McNary	White
Dickinson	Metcalf	
Gibson	Schall	

AGAINST THE AMENDMENT.—35.

Democrats—30.		
Ashurst	Fletcher	Robinson
Bankhead	Guffey	Schwellenbach
Barkley	Harrison	Sheppard
Bilbo	Hayden	Thomas
Black	Minton	(Okla.)
Bone	Murphy	Trammell
Brown	Murray	Wagner
Byrnes	Neely	Walsh
Connally	Overton	Wheeler
Costigan	Radcliffe	
Donahey	Reynolds	

Republicans—3.

Frazier	Johnson	Norris
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Progressive—1.

La Follette

Farmer-Labor—1.

Shipstead
Pairs: For the amendment—Glass, Democrat, and Carey, Republican; against the amendment—Thomas (Utah), Democrat, and Nye, Republican.

President Roosevelt outlined his major proposal for social security on Jan. 18 after he had received a report of the Committee on Economic Security headed by Secretary Perkins.

Chief Features of Bill.

The main provisions of the bill are as follows:

Federal-State Pensions—The government will allot \$49,750,000 and as much as may be needed annually thereafter to States mak-

ing old-age pension grants to the indigent who have reached the age of 65. The government contribution will be half of that made by the State, but in no case more than \$15 a month. It is hoped that most of the States will grant \$30 a month in the form of these free pensions.

Compulsory Old-Age Pensions—This feature is designed to cover all groups of wage-earners receiving up to \$3,000 a year except casual and agricultural labor, domestic servants, workers for Federal and State governments, and for religious, scientific, charitable, literary and educational organizations.

Employers' Tax—Beginning in 1937 employers will pay to the government a payroll tax of 1 per cent. A similar tax will be paid by the employee. These taxes will be increased 0.5 per cent each three years until in 1949 it reaches a total contribution of 3 per cent from each side.

Annuities—Employees would be entitled to annuities at the age of 65, and if they have paid tax on total wages of \$2,000 or more, earned during five or more years after 1936. They must retire at the age of 65 to obtain the benefits.

Returns to Beneficiaries—A person who paid taxes into the fund for five years up to the age of 65 and whose earning averaged \$100 a month would receive \$17.50 a month in pension. He would receive \$22.50 if contributions were made for ten years, \$32.50 if taxes were paid for twenty years, \$42.50 if taxes were paid for thirty years and \$51.25 for forty years of tax payments.

Unemployment Insurance—Employers of four or more persons are to pay an excise tax beginning in January, 1937, with no employee contributions. The levy is 1 per cent of the payroll the first year, 2 per cent the second year and 3 per cent the third and subsequent years. The employer would be credited up to 90 per cent of his payment to a State unemployment insurance fund. This arrangement was made to encourage the States to provide their own job insurance laws.

Aid to States—A Federal appropriation of \$4,000,000 in 1936 and \$49,000,000 annually thereafter was provided to help the States meet the administrative costs of the plan.

Aid to Blind, Dependent Mothers and Children—In 1936 the government would contribute \$3,000,000 and such sums as may be necessary thereafter for pensions to those who are totally blind. A fund of \$24,750,000 was set aside for 1936 for allocation to States with approved plans of assistance to dependent children, the government bearing one-third of the cost, but in no case more than \$6 a month where there is one dependent child, and \$4 a month for each additional child.

Crippled Children—The government would appropriate \$2,850,000 annually to assist States in caring for crippled children and \$3,850,000 annually for paternal and infant care on a fifty-fifty basis with the States.

Under the Senate bill, the social security program would be administered by a social security board of three members, the board being placed in the Department of Labor. The House bill would have the board an independent agency.