

## SOCIAL SECURITY BILL

JULY 16, 1935.—Ordered to be printed

Mr. DOUGHTON, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 7260]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 6, 7, 8, 10, 11, 12, 13, 14, 15, 18, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 40, 41, 42, 43, 44, 61, 65, 70, 75, 76, 77, 78, 79, 80, 81, 86, 90, 92, 105, and 108.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 9, 16, 20, 21, 28, 39, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 60, 62, 63, 64, 66, 69, 71, 72, 82, 88, 89, 93, 94, 95, 96, 97, 98, 102, 103, and 109, and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: : *Provided, That the State plan, in order to be approved by the Board, need not provide for financial participation before July 1, 1937, by the State, in the case of any State which the Board, upon application by the State and after reasonable notice and opportunity for hearing to the State, finds is prevented by its constitution from*

*providing such financial participation; and the Senate agree to the same.*

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *or such other agencies as the Board may approve; and the Senate agree to the same.*

Amendment numbered 59:

That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows:

On page 8 of the Senate engrossed amendments strike out line 12 and insert in lieu thereof the following: *welfare services (hereinafter in this section referred to as "child-welfare services") for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent and a comma; and the Senate agree to the same.*

Amendment numbered 73:

That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *If the tax is not paid when due, there shall be added as part of the tax interest (except in the case of adjustments made in accordance with the provisions of sections 802 (b) and 805) at the rate of one-half of 1 per centum per month from the date the tax became due until paid.*

And the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *together with a statement of the additional expenditures in the District of Columbia and elsewhere incurred by the Post Office Department in performing the duties imposed upon said Department by this Act, and the Secretary of the Treasury is hereby authorized and directed to advance from time to time to the credit of the Post Office Department from appropriations made for the collection of the taxes imposed by this title, such sums as may be required for such additional expenditures incurred by the Post Office Department; and the Senate agree to the same.*

Amendment numbered 85:

That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *EIGHT*; and the Senate agree to the same.

## Amendment numbered 87:

That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *or such other agencies as the Board may approve*; and the Senate agree to the same.

## Amendment numbered 91:

That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *eight*; and the Senate agree to the same.

## Amendment numbered 99:

That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

## APPROPRIATION

*SECTION 1001. For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy individuals who are blind, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$3,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Social Security Board, State plans for aid to the blind.*

And the Senate agree to the same.

## Amendment numbered 100.

That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

## STATE PLANS FOR AID TO THE BLIND

*SEC. 1002. (a) A State plan for aid to the blind 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 aid is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of*

personnel) as are found by the Board to be necessary for the efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and (7) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this Act.

(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for aid to the blind under the plan—

(1) Any residence requirement which excludes any resident of the State who has resided therein five years during the nine years immediately preceding the application for aid and has resided therein continuously for one year immediately preceding the application; or

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

And the Senate agree to the same.

Amendment numbered 101:

That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with the following amendments:

On page 24 of the Senate engrossed amendments, line 19, strike out "permanently"; and on page 25 of the Senate engrossed amendments, line 16, strike out "permanently"; and the Senate agree to the same.

Amendment numbered 104:

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

#### DEFINITION

*SEC. 1006. When used in this title the term "aid to the blind" means money payments to blind individuals.*

And the Senate agree to the same.

Amendment numbered 106:

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *XI*; and the Senate agree to the same.

Amendment numbered 107:

That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *1101*; and the Senate agree to the same.

Amendment numbered 110:

That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert *1102*; and the Senate agree to the same.

Amendment numbered 111:

That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert *1103*; and the Senate agree to the same.

Amendment numbered 112:

That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *1104*; and the Senate agree to the same.

Amendment numbered 113:

That the Senate recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *1105*; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

The committee of conference have not agreed on the following amendments: Amendments numbered 17, 67, 68, 83, and 84.

R. L. DOUGHTON,  
SAM B. HILL,  
THOS. H. CULLEN,  
ALLEN T. TREADWAY,  
ISAAC BACHARACH,

*Managers on the part of the House.*

PAT HARRISON,  
WILLIAM H. KING,  
WALTER F. GEORGE,  
HENRY W. KEYES,  
ROBERT M. LA FOLLETTE, JR.,

*Managers on the part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to 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, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment no. 1: The House bill, with reference to the appropriation authorized for grants to States for old-age assistance, stated that the appropriation was for the purpose of enabling each State to furnish financial assistance assuring, as far as practicable under the conditions in such State, a reasonable subsistence compatible with decency and health to aged individuals without such subsistence. The Senate amendment states that the appropriation is for the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to aged needy individuals. The House recedes.

Amendments nos. 2 and 3: The House bill required the State plan for old-age assistance to provide that if the State or any of its political subdivisions collects from the estate of any recipient any amount with respect to old-age assistance under the plan, one-half of the net amount so collected shall be promptly paid to the United States. The Senate amendments provide for the repayment to the United States in such cases, instead of one-half of the net amount so collected, a portion of the net amount collected proportionate to the part of the old-age assistance representing payments made by the United States. The Senate recedes.

Amendment no. 4: This amendment provides that in order to assist the aged of States who have no State system of old-age pensions, until an opportunity is afforded the States to provide for a State plan, the Secretary of the Treasury shall pay to each State for each quarter until not later than July 1, 1937, in lieu of the amounts payable under the House bill which were to be matched by the States, an amount sufficient to afford old-age assistance to each needy individual within the State who at the time of such expenditure is 65 years of age or older, and who is declared by such agency as may be designated by the Social Security Board to be entitled to receive the same, old-age assistance not in excess of \$15 a month.

The House recedes with an amendment, in lieu of the Senate amendment, which provides that the State plan for old-age assistance, in order to be approved by the Board, need not provide for financial participation before July 1, 1937, by the State, in the case of any State which the Board, upon application by the State and after reasonable

notice and opportunity for hearing to the State, finds is prevented by its constitution from providing such financial participation.

Amendment no. 5: The House bill provided that the Board, before stopping payments to a State for old-age assistance on the ground that the State plan is not being complied with, should give notice and opportunity for hearing to the State agency. The Senate amendment provides that the notice and opportunity for hearing must be "reasonable." The House recedes.

Amendments nos. 6, 7, and 8: The House bill, with reference to the "Old-age reserve account" for the payment of Federal old-age benefits under title II, provided that the amount of authorized appropriations should be based upon such tables of mortality as the Secretary of the Treasury should adopt; that the Secretary of the Treasury should submit annually to the Bureau of the Budget an estimate of the appropriations to be made to the account; and that he should include in his annual report the actuarial status of the account. The Senate amendments transfer these duties to the Social Security Board. The Senate recedes.

Amendment no. 9: This amendment provides that for every month during which the Board finds that an aged person, otherwise qualified for Federal old-age benefits under title II, is regularly employed, after he attains the age of 65, a month's benefit will be withheld from such person, under regulations prescribed by the Board, by deductions from one or more payments of old-age benefits to such person. The House recedes.

Amendments nos. 10 and 11: The House bill excepted from the term "employment", as used in title II relating to the payment of Federal old-age benefits, service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country. The Senate amendments strike out this exception and expressly include within the definition of "employment" service performed as an officer or member of the crew of a vessel documented under the laws of the United States. The Senate recedes.

Amendments nos. 12, 13, and 14: These amendments make changes in paragraph numbers. The Senate recedes.

Amendment no. 15: The House bill in defining the term "employment", as used in title II relating to the payment of Federal old-age benefits, excepted service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual. The Senate amendment adds to the list of purposes "or hospital" as a clarifying amendment. The Senate recedes, the conferees omitting this language as surplusage, based on the fact that the Internal Revenue Bureau has uniformly construed language in the income-tax laws, identical with that found in the House bill, as exempting hospitals not operated for profit, and also on the fear that the insertion of the words added by the Senate amendment might interfere with the continuation of the long-continued construction of the income-tax law.

Amendment no. 16: This amendment excepts from the definition of "employment", as used in title II relating to the payment of Federal old-age benefits, service performed in the employ of a corporation, community chest, fund or foundation, organized and oper-

ated exclusively for the prevention of cruelty to children or animals. The House recedes.

Amendments nos. 18 and 19: The House bill provided that the Social Security Board should not certify for payment to any State under title III amounts for the administration of the State unemployment insurance law unless such law provides for payment of unemployment compensation solely through public employment offices in the State. The Senate amendments require that the State law must provide for payment of unemployment compensation through public employment offices in the State to the extent that such offices exist and are designated by the State for the purpose. The Senate recedes on amendment no. 18 and the House recedes on amendment no. 19 with an amendment changing the language of the amendment. The effect of the action of the conferees is to provide that the State law cannot be approved by the Board unless it provides for the payment of unemployment compensation solely through public employment offices in the State or such other agencies as the Board may approve.

Amendment no. 20: The House bill provided that the Board, before stopping payments to a State for grants for unemployment compensation administration on the ground that the State plan is not being complied with, should give notice and opportunity for hearing to the State agency. The Senate amendment provides that the notice and opportunity for hearing must be "reasonable." The House recedes.

Amendment no. 21: The House bill, with reference to the appropriation authorized for grants to States for aid to dependent children, stated that the appropriation was for the purpose of enabling each State to furnish financial assistance assuring, as far as practicable under the conditions in such State, a reasonable subsistence compatible with decency and health to dependent children without such subsistence. The Senate amendment states that the appropriation is for the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy dependent children. The House recedes.

Amendments nos. 22 to 27, 29 to 38, and 40 to 44: The House bill placed the administration of title IV, relating to grants to States for aid to dependent children, in the Social Security Board. The Senate amendments transfer these functions in part to the Secretary of Labor and in part to the Chief of the Children's Bureau, and make clerical changes to carry out this policy. The Senate recedes.

Amendment no. 28: The House bill in title IV, relating to grants to States for aid to dependent children, provided that no State plan should be approved which imposes as a condition for eligibility for aid to dependent children a residence requirement which denies aid to any child residing in the State who was born in the State within 1 year immediately preceding the application. The Senate amendment permits the State plan to deny aid to such a child if its mother has not resided in the State for 1 year immediately preceding the birth. The House recedes.

Amendment no. 39: The House bill provided that the Board, before stopping payments to a State for aid to dependent children on the ground that the State plan is not being complied with, should give notice and opportunity for hearing to the State agency. The Senate



amendment provides that the notice and opportunity for hearing must be "reasonable." The House recedes.

Amendment no. 45: This amendment adds to the definition of a "dependent child" for the purposes of title IV, giving aid to dependent children, a requirement that the child must have 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. The House recedes.

Amendment no. 46: The House bill in defining the term "dependent child" for the purposes of title IV, relating to grants to States for aid to dependent children, contained a requirement that the child must be living in a "residence" maintained by one or more of certain relatives as his or their own home. The Senate amendment clarifies the meaning of the word "residence" by making it certain that it is not confined to a separately maintained house but refers to any place of abode, whether a separate house, an apartment, a room, a house-boat, or other place of abode. The House recedes.

Amendments nos. 47 and 48: Under the House bill the allotments to each State from appropriations made for maternal and child health services were made on the basis of the live births in such State as compared with the total number of live births in the United States. The Senate amendments provide that the proration shall be made on the basis of figures for the latest calendar year for which the Bureau of the Census has available statistics. The House recedes.

Amendment no. 49: This is a clarifying amendment. The House recedes.

Amendment no. 50: The House bill provided that the methods of administration required in the State plan for maternal and child health services should be such as are "found by the Chief of the Children's Bureau to be" necessary for the efficient operation of the plan. The Senate amendment strikes out the matter above quoted so that the final judgment as to what methods are necessary in the State rests with the courts rather than with the Chief of the Children's Bureau. The House recedes.

Amendment no. 51: This is a clarifying amendment. The House recedes.

Amendment no. 52: This amendment requires the report filed by the State with respect to estimated expenditures for maternal and child health services to include amounts appropriated or made available by political subdivisions of the State. The House bill required only amounts appropriated or made available by the State. The House recedes.

Amendment no. 53: The House bill provided that the Secretary of Labor, before stopping payments to a State for maternal and child health services on the ground that the State plan is not being complied with, should give notice and opportunity for hearing to the State agency. The Senate amendment provides that the notice and opportunity for hearing must be "reasonable". The House recedes.

Amendment no. 54: This is a clarifying amendment. The House recedes.

Amendment no. 55: The House bill provided that the methods of administration required in the State plan for services to crippled children should be such as are "found by the Chief of the Children's

Bureau to be" necessary for the efficient operation of the plan. The Senate amendment strikes out the matter above quoted so that the final judgment as to what methods are necessary in the State rests with the courts rather than with the Chief of the Children's Bureau. The House recedes.

Amendment no. 56: This is a clarifying amendment. The House recedes.

Amendment no. 57: This amendment requires the report filed by the State with respect to estimated expenditures for services to crippled children to include amounts appropriated or made available by political subdivisions of the State. The House bill required only amounts appropriated or made available by the State. The House recedes.

Amendment no. 58: The House bill provided that the Secretary of Labor, before stopping payments to a State for services to crippled children on the ground that the State plan is not being complied with, should give notice and opportunity for hearing to the State agency. The Senate amendment provides that the notice and opportunity for hearing must be "reasonable." The House recedes.

Amendments nos. 59 and 60: The House bill authorized an appropriation of \$1,500,000 and provided that the money so appropriated should be allotted among the States, for payment of part of the cost of county and local child-welfare services in rural areas. The purpose of the section was stated to be the cooperation with State public-welfare agencies in establishing, extending, and strengthening, in rural areas, public-welfare services for four types of children: Homeless, neglected, dependent, and those in danger of becoming delinquent. Senate amendment no. 59, besides clarifying the language of the House bill, provided that in making allotments there should be taken into consideration plans developed both by the State welfare agency and the Children's Bureau. The areas in which child-welfare services were to be encouraged were extended from "rural areas" to those "predominantly rural", and "other areas in special need" were included in the work of developing the work of State services for encouraging adequate support of child-welfare organizations. The classes of children to be aided, however, were limited to those who were homeless or neglected. Amendment no. 60 prescribes the method of making payments. The House recedes on amendment no. 60, and recedes on amendment no. 59, with an amendment, to the effect that the classes of children to be cared for will include children who are homeless, dependent, neglected, or in danger of becoming delinquent.

Amendment no. 61: The House bill authorized additional appropriations for the administration of the Vocational Rehabilitation Act of June 2, 1920, as amended by the "Federal agency authorized to administer it." The Senate amendment provides that the authorized appropriation should be for the administration of such act by the Office of Education in the Department of the Interior. The Senate recedes.

Amendments nos. 62, 63, and 64: These are clarifying amendments. The House recedes.

Amendment no. 65: The House bill established a Social Security Board for the administration of certain portions of the act. This amendment provides that the Board shall be established in the Department of Labor. The Senate recedes.

Amendment no. 66: This amendment provides that no member of the Social Security Board during his term shall engage in any other business, vocation, or employment, and also that not more than two of the members of the Board shall be members of the same political party. The House recedes.

Amendment no. 69: This amendment provides that appointments of attorneys and experts by the Social Security Board may be made without regard to the civil-service laws. The House recedes.

Amendment no. 70: This amendment provides that the report of the Social Security Board to Congress, required by the House bill, shall be made through the Secretary of Labor. The Senate recedes.

Amendments nos. 71 and 72: The House bill provided that if more or less than the correct amount of tax under title VIII is paid with respect to any wage payment, then proper adjustments should be made in connection with subsequent wage payments to the same individual by the same employer. The Senate amendments provide that such adjustments shall be made without interest. The House recedes.

Amendment no. 73: This amendment provides that if the tax imposed by title VIII is not paid when due there shall be added as part of the tax interest at the rate of one-half of 1 percent per month from the date the tax became due until paid. Under the House bill the rate was one percent a month. The House recedes with an amendment correcting a clerical error.

Amendment no. 74: This amendment provides that the Postmaster General shall each month send a statement to the Treasury of the additional expenditures incurred by the Post Office Department in carrying out its duties under this act, and that the Secretary of the Treasury shall be directed to advance from time to time to the credit of the Post Office Department, "from appropriations made for the collection and payment of taxes provided under section 707 of this title", such amounts as may be required for additional expenditures incurred by the Post Office Department in the performance of the duties and functions required of the Postal Service by the act. The House recedes with clarifying amendments.

Amendments nos. 75 and 77: The House bill excepted from the term "employment", as used in title VIII imposing certain excise taxes, service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country. The Senate amendments strike out this exception and expressly include within the definition of "employment" service performed as an officer or member of the crew of a vessel documented under the laws of the United States. The Senate recedes.

Amendment no. 76: The House bill excepted from the term "employment", as used in title VIII relating to certain excise taxes, service performed by an individual who has attained the age of 65. The Senate amendment strikes out this exception. The Senate recedes.

Amendments nos. 78, 79, and 80: These are amendments to paragraph numbers. The Senate recedes.

Amendment no. 81: The House bill in defining the term "employment", as used in title VIII imposing certain excise taxes, excepted service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual. The Senate amendment adds to the list of purposes "or hospital" as a clarifying amendment. The Senate recedes in conformity with the action on amendment no. 15.

Amendment no. 82: This amendment excepts from the definition of "employment", as used in title VIII relating to certain excise taxes, service performed in the employ of a corporation, community chest, fund or foundation, organized and operated exclusively for the prevention of cruelty to children or animals. The House recedes.

Amendment no. 85: This is a change in a title heading. The House recedes with an amendment to conform to the action on amendment no. 91.

Amendments nos. 86 and 87: The House bill provided as one of the conditions for the approval of a State law for unemployment compensation that the law must provide that all compensation is to be paid through public employment offices in the State. The Senate amendment changes this requirement so that compensation must be paid through public employment offices in the State to the extent that such offices exist and are designated by the State for the purpose. The Senate recedes on amendment no. 86 and the House recedes on amendment no. 87 with an amendment changing the language of the amendment. The effect of the action of the conferees is to provide that the Board shall not approve any State law unless the law provides that all compensation is to be paid through public employment offices in the State or such other agencies as the Board may approve.

Amendment no. 88: The House bill provided that the Social Security Board shall certify each State whose unemployment compensation law is approved, except that it shall not certify any State which, after notice and opportunity for hearing to the State agency, the Board finds has changed its law so that it no longer contains the provisions specified in the bill or has failed substantially to comply with such provisions. The Senate amendment provides that the notice and opportunity for hearing must be "reasonable." The House recedes.

Amendment no. 89: This amendment provides that if the excise tax imposed by title IX is not paid when due there shall be added as part of the tax interest at the rate of one-half of 1 percent per month from the date the tax became due until paid. Under the House bill the rate of interest was 1 percent per month. The House recedes.

Amendments nos. 90 and 91: The House bill provided that the term "employment", as used in title IX, should not include any person unless on each of some 20 days during the taxable year, each day being in a different calendar week, the total number of individuals who were in his employ for some portion of the day (whether or not at the same moment of time) was 10 or more. The Senate

amendments reduce the number of days from 20 to 13, and the number of individuals from 10 to 4. The Senate recedes on amendment numbered 90, and the House recedes on amendment numbered 91 with an amendment fixing the number of individuals at eight.

Amendment no. 92: The House bill in defining the term "employment", as used in title IX relating to certain excise taxes, excepted service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual. The Senate amendment adds to the list of purposes "or hospital" as a clarifying amendment. The Senate recedes in conformity with the action on amendment no. 15.

Amendment no. 93: This amendment excepts from the definition of "employment" as used in title IX, imposing certain excise taxes, service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for the prevention of cruelty to children or animals. The House recedes.

Amendment no. 94: Under the House bill in title IX providing for a tax on employers with a credit against the tax of contributions paid into an employment fund under a State law, the term "unemployment fund" was defined as a fund, "all the assets of which are mingled and undivided and in which no separate account is maintained with respect to any person"; in other words, requiring a "pooled" fund. The Senate amendment strikes out this requirement leaving it to the State to define the character of its special fund. The House recedes.

Amendment no. 95: This is a clerical amendment. The House recedes.

Amendments nos. 96 and 97: Amendment no. 96 provides that a taxpayer under section 901 (unemployment excise tax) may, for 1938, or any taxable year thereafter, obtain an additional credit against his tax, under certain conditions. A taxpayer carrying on business in a State will credit against the tax the amount of his contributions under the law of that State; and, under this new section, he will also credit the amount by which his contributions are less than they would have been if he had been contributing at the maximum rate in the State. The additional credit, however, is limited by not allowing it to exceed the difference between the actual amount paid and the amount he would have paid at a 2.7 percent rate; and the amendment also provides for limiting the additional credit to the proper difference allowed by the State law, diminishing it if the employer has failed to make any of the contributions required of him. In figuring what contributions the employer would have paid at the maximum rate, the highest rate applicable to any employer each time when contributions are payable is the rate considered. The amendment also provides that even if an employer is getting credit under section 902 and additional credit under this section, he shall never credit against tax more than 90 percent of the tax.

Amendment no. 97 places restrictions on the allowance of the additional credit.

(1) A taxpayer who has been contributing to a pooled fund and is allowed a lower rate than that imposed on other employers in the

State will get the additional credit only if he has had 3 years' compensation experience under the State law, and only if the lower rate is fixed as a result of his comparatively favorable experience.

(2) The taxpayer may have guaranteed the employment of his employees, and be contributing to a guaranteed employment account maintained by the State agency. In this case, if he claimed the additional credit under section 909, he would get it only if his guaranty had been fulfilled, and only if his guaranteed employment account amounted to at least 7½ percent of his guaranteed pay roll.

(3) The taxpayer may be contributing to a separate reserve account from which benefits are payable only to his employees. If he claims the additional credit under section 909, it would be allowed only if, in the preceding year, those of his employees who became unemployed and were eligible for compensation received compensation from the reserve account. Furthermore, the additional credit would be allowed only if the reserve account amounted to 7½ percent of his pay roll, and was at least five times larger than the amount paid out from it, in compensation, in that year (among the 3 preceding years) when the greatest amount was thus paid out from it.

The amendment also defines terms used in this section:

(1) "Reserve account" is defined as a separate account in a State unemployment fund, from which compensation is payable only to the former employees of the employers contributing to the account. The account may be maintained with respect to one employer or a group of employers.

(2) "Pooled fund" is an unemployment fund (or part of such a fund, if some employers are maintaining separate accounts in the fund) in which all contributions are mingled and undivided. Compensation is payable from it regardless of whether the claimant was formerly in the employ of an employer contributing to the pooled fund; but where some employers in the State have reserve accounts, their former employees get compensation from the pooled fund only if the reserve accounts are exhausted.

(3) "Guaranteed employment account" is, like a reserve account, a separate account in an unemployment fund, but it can be maintained only with respect to certain employers. Compensation is payable from it to those of such employer's employees who, having been guaranteed employment, nevertheless become unemployed due to a failure to fulfill the guaranty, or become unemployed at the end of the year for which the guaranty was made, due to the nonrenewal of the guaranty. To be a "guaranteed employment account", such separate account would have to be maintained with respect to an employer who had guaranteed the wages of all of his employees (or, if he maintains more than 1 distinct business establishment, of all the employees in at least 1 such establishment), for at least 40 weeks in a 12-month period. The wages guaranteed should be for at least 30 hours a week; but if 41 weeks, for instance, were guaranteed instead of 40, the weekly hours guaranteed could be cut from 30 to 29; and if 42 weeks were guaranteed, only 28 hours' wages per week would need to be guaranteed. While ordinarily all the employees would have to be covered, the employer would not have to extend the guaranty to any new employee until the latter had served a probationary period of not more than 12 consecutive weeks.

(4) "Year of compensation experience", used only in relation to an employer, is defined as any calendar year during which, at all times in the year, a former employee of such employer, if there was one who was eligible for compensation, could receive compensation under the State law.

Amendments nos. 98 to 104: These amendments insert a new title to provide for grants to States for aid to the blind, authorizing \$3,000,000 for the fiscal year ending June 30, 1936, and thereafter a sum sufficient to carry out the title. Aid to the blind is defined as money payments to permanently blind individuals and money expended for locating blind persons, for providing diagnoses of their eye condition, and for training and employment of the adult blind. The payments are to be made on an equal matching basis, the machinery for the payments being modeled on the provisions of title I relating to old-age assistance. The administration of the title is placed in the Social Security Board. The State plan in order to be approved must, in addition to similar requirements as in the case of title I, provide that no aid will be furnished an individual with respect to any period with respect to which he is receiving old-age assistance under a State plan approved under title I. The State plan must also provide that money payments to a permanently blind individual will be granted in direct proportion to his need and the plan must also contain definitions of "blindness" and "needy individuals" which meet the approval of the Board. There is no age requirement and the Federal contribution in the case of any individual is not to exceed \$15 a month. The House recedes on this new title with amendments striking out the provisions relating to the expenditure of moneys for locating blind persons, for providing diagnoses of their eye condition, and for training and employment of the adult blind; providing for money payments to blind persons in lieu of persons who are "permanently" blind; and omitting the requirements that the State plan must provide that money payments will be granted in direct proportion to the need of the individual and that the plan must contain definitions of "blindness" and "needy individuals."

Amendment no. 105: This amendment provides pensions for heads of families and single persons of Indian blood over 65 years of age, payable from the Federal Treasury. The pension is \$30 a month, reduced in the amount of the annual income. The amendment also provides for a pension of \$10 a month for persons of Indian blood under 65 years of age but permanently blind, and also a pension of \$10 a month for persons of Indian blood crippled or otherwise disabled. Indians and Eskimos of Alaska are to receive pensions in one-half the amounts above provided. The Senate recedes.

Amendments nos. 106, 107, 110, 111, 112, and 113: These amendments make changes in title and section numbers. The House recedes with the necessary amendments.

Amendments nos. 108 and 109: The House bill provided that nothing in the act should be construed as authorizing any Federal official, in carrying out any provision of the act, to take charge of a child over the objection of either parent, or of the person standing in loco parentis to the child, "in violation of the law of a State." Senate amendment numbered 108 added State officials to the officials

affected by the amendment and Senate amendment numbered 109 struck out the language above quoted "in violation of the law of a State." The Senate recedes on amendment numbered 108 and the House recedes on amendment numbered 109.

The House recedes from its disagreement to the amendment of the Senate to the title of the bill.

On amendments nos. 17, 67, 68, 83, and 84 (dealing with the exemption of private pension plans in titles II and VIII) the conferees are unable to agree.

R. L. DOUGHTON,  
SAM B. HILL,  
THOS. H. CULLEN,  
ALLEN T. TREADWAY,  
ISAAC BACHARACH,

*Managers on the part of the House.*

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