

Mr. REED. Doctor, I notice on page 43 the definition of "employer." Is there anything in the bill here that includes or excludes farmers? If they have a pay roll are they taxed the same way as industry?

Mr. WITTE. This particular section to which you are referring, Mr. Reed, is in the unemployment compensation section of the bill, but farmers are covered on the same basis as other employers throughout this bill.

Mr. VINSON. This definition is under title VI.

Mr. REED. Yes; I know it is.

Mr. VINSON. The gentleman who is appearing and testifying is dealing with the old-age features and has not reached that.

Mr. REED. I understand that, but I wanted to find out.

Mr. WITTE. The corresponding definition, Mr. Reed, in the part with which we are dealing now is on page 20, in subsection (4). It is a fact that, as the bill stands, it attempts to cover the entire employed population. It is a fact that we cannot overlook that no matter whether a person works in a small establishment or a large establishment, whether he works on a farm or whether he works as a domestic servant, or whether he works in a factory, there is one common characteristic, which is that everybody grows old; and they all have to make provision for their old age or somebody has to take care of them. That characteristic is common. You may deem it wise to exclude certain occupations. That certainly is within your province. But we are presenting a program which would cover the entire employed population.

Mr. REED. That would come under section 4 on page 20?

Mr. WITTE. Yes, sir.

Mr. REED. Under that definition, that would be any person, farmer, or otherwise, employing four or more persons. Is that right?

Mr. WITTE. In the old-age title there is no "four or more", if you will notice.

Mr. REED. I know.

Mr. WITTE. In here it actually covers everybody.

Mr. FULLER. On the old-age pension?

Mr. WITTE. Yes, sir.

Mr. REED. I just want to get that clear for the record; that is all I am interested in. Under this term "employer", then, the words "four or more" do not apply.

Mr. WITTE. Not in the old-age annuity system.

Mr. LEWIS. Dr. Witte, it is understood, of course, that the States themselves, by their legislatures, will determine the amounts of the pensions paid to their citizens. It is understood, too, that not only may the husband receive the pension, but the wife also, if she is over the age of 65, may receive it.

With regard to this contributory feature, which, beginning with the tax of one-half percent on the employee and a like tax on the employer, finally in the course of 25 years reaches 2½ percent on the employee with a like percentage on the employer, or an aggregate of 1 percent the first year and 5 percent the twenty-fifth year, is it not the purpose of that to supply the Federal Government gradually with the funds it will be contributing to the old-age 50-50 aid to the States? Is not that the objective?