The Social Security Act of 1935: A Result of Roosevelt’s Leadership

(MLA Style)
Abstract

President Franklin D. Roosevelt played the key leadership role in getting the Social Security Act of 1935 to pass. Roosevelt took a great deal of initiative in appointing a Committee on Economic Security to be able to submit a draft of a bill to Congress. As both houses in Congress had Democratic majorities, Roosevelt’s recommendations did not face much opposition. The Social Security Act passed both houses with only minor amendments. The bill passed promptly due to Roosevelt’s urging.
The Great Depression in the 1930’s affected the constant power struggle between Congress and the President. As the nation needed immediate relief from economic hardships, President Franklin D. Roosevelt and Congress passed sweeping recovery legislation. Roosevelt got Congress to pass most of what he wanted without much opposition. As Roosevelt’s objectives turned to reform measures instead of recovery measures, his proposals began to face opposition in Congress. However, Roosevelt’s leadership during the New Deal helped his recommendations to Congress become law with only minor amendments.

The Legislative History
In “A Message to Congress Reviewing the Broad Objectives and Accomplishments of the Administration” on June 8, 1934, President Franklin D. Roosevelt described how reconstruction and recovery must go together. He expressed interest in reconstructive legislation that would provide “security against the hazards and vicissitudes of life” (Roosevelt, “A Message to Congress…” 291) through social insurance. Roosevelt stated that he wanted citizens to have security especially against factors related to old age and unemployment, that he wanted cooperation between the states and the federal government, and that the funds for such a program should be raised by contribution rather than general taxation. He concluded by declaring that he would take steps to have the necessary studies conducted in time for legislation to be considered in the 74th Congress, which began in 1935.

As Roosevelt’s speech on June 8, 1934, foreshadowed, he created the Committee on Economic Security by Executive Order Number 6757 on June 29, 1934. Roosevelt used authority granted in him by the National Industrial Recovery Act to establish the Committee. The Committee consisted of the Secretary of Labor, the Secretary of the Treasury, the Attorney General, the Secretary of Agriculture, the Federal Emergency Relief Administrator, an Advisory Council on Economic Security to represent various interests, and a Technical Board on Economic Security. As Executive Order Number 6757 states, “the Committee shall study problems relating to the economic security of individuals and shall report to the President not later than December 1, 1934, its recommendations concerning proposals which in its judgment will promote greater economic security.”

After an extensive and comprehensive study, the Committee on Economic Security submitted its recommendations to President Roosevelt. In his “Annual Message to Congress” on January 4, 1935, Roosevelt stressed that he wanted policies that reflected his objective of security to be passed and to be passed promptly (Roosevelt, “Annual Message…” 132). He also let Congress know that he would be submitting his definite recommendations regarding economic security in a few days.

As promised, Roosevelt addressed the members of Congress on January 17, 1935, and gave his specific recommendations for economic security legislation. While articulating his recommendations, he also submitted the Committee’s report to Congress for further details on his specific program. Roosevelt highlighted the main features of the economic security program. He recommended economic security legislation consisting of unemployment compensation, old-age benefits, grants to states for the protection and care of homeless, neglected, dependent, and crippled children, and aid to state and local public health agencies. Roosevelt stated that the system would be not be funded by general taxation, that the management of all programs, except for the old-age insurance, would be performed by the States according to Federal standards, and that sound financial management of the funds would be assured. Roosevelt believed that unemployment compensation should be funded by a uniform Federal payroll tax. He believed
that old-age insurance should consist of noncontributory old-age pensions for those who were old at that time. To establish a self-supporting system, Roosevelt wanted compulsory contributory annuities, which were mandatory payroll taxes. After reaching age 65, citizens would receive benefits based on the amount of taxes they paid. Roosevelt also wanted to include voluntary contributory annuities in the old-age insurance provisions, which would allow individuals who pay more than the required amount to increase the assistance they receive in old age (Roosevelt, “A Message Transmitting…”).

Once again, Roosevelt emphasized the importance of passing legislation in a timely manner. Forty-four state legislatures were meeting during his Message or were going to meet soon thereafter (Roosevelt, “A Message Transmitting…” 13). However, most would adjourn in a couple of months and not reconvene for almost two years. If the legislation did not pass before the state legislatures adjourned, the program could not be implemented for almost two years (Douglas 84). Reiterating his objective of recovery and relief as partners, Roosevelt ended his Message by stating that the plan was “at once a measure of prevention and a method of alleviation” (Roosevelt, “A Message Transmitting…” 15) and that he strongly recommended its passage.

The Committee on Economic Security’s report to the President included a complete draft of a bill that followed its recommendations. This draft, written by Thomas Eliot, the counsel of the Committee, was in turn submitted to Congress with Roosevelt’s recommendations on January 17, 1935 (Witte 76). The bill was introduced two days later into both the House of Representatives and the Senate. In the House, David J. Lewis of Maryland and Robert L. Doughton of Georgia introduced H.R. 4120. Robert F. Wagner of New York introduced an identical bill in the Senate, S. 1130 (Douglas 85).

The bills were assigned to their congressional committees for political reasons. It seems logical that the bill would be referred to the House Committee on Labor. However, the administration thought that the radical Committee on Labor would liberalize the provisions of the bill too much. This fear was not present with the House Ways and Means Committee, as it was much more conservative. The assignment of the bill to the House Ways and Means Committee was justified in that the bill required public appropriations and taxes. Similarly, the Senate version of the bill was referred to the Senate’s committee concerned with taxation, the Senate Committee on Finance (Douglas 86).

As the President requested prompt action, congressional leaders decided to run hearings in both houses simultaneously. Therefore, once the bill passed the House, the Senate would have already completed its hearings and be ready floor debate (Witte 80). The House Ways and Means Committee held hearings on the bill from January 21 to February 12. Edwin E. Witte, Executive Director of the Committee on Economic Security, 1934-1935, noted that the hearings “lasted longer than expected and disclosed strong opposition to the bill, but left every hope for reasonably prompt passage” (Witte 91). The House Ways and Means Committee came up with a new bill that differed from the original bill in arrangement and language but not much in content. One change the new draft made was to create an independent federal administrative agency, the Social Security Board (Altmeyer 36). This new bill, H.R. 7260, was known as the Social Security Act. On April 5, 1935, the Ways and Means Committee reported H.R. 7260 to the House without amendment (Douglas 100).

Floor debate of H.R.7260 lasted from April 11 to April 19. Republican members of the House did express their disagreement with how powerful the bill was. Fifty amendments were offered to the bill, but none came close to passing. The bill passed with a vote of 371 to 33. A
small number of the members who voted against the bill were strong supporters of more radical economic security plans. The rest of the opposition to the Social Security Bill was conservatives who opposed all such legislation (Altmeyer 38; Witte 99). The Chairman of the Committee on Economic Security’s Technical Board, Arthur Altmeyer, noted that the “large vote for the bill in the exact form recommended by the Ways and Means Committee was due in considerable part to the fact that this committee [was] undoubtedly the most powerful committee of the House” (38).

The Senate hearings, which were shorter and more informal meetings than the House hearings, were held from January 22 to February 20 (Witte 90). However, the Senate Finance Committee did not begin holding executive sessions until the beginning of May, so it began to consider the Social Security Bill as passed by the House instead of the bill as introduced by Senator Wagner (Altmeyer 39). Before recommending passage of the bill to the Senate on May 20, the Senate Finance Committee made several important changes to it. A majority of the Senate Finance Committee approved a change that required retirement from employment in order to receive the benefits of old age insurance. The Supreme Court’s recent declaration that the Railroad Retirement Act was unconstitutional concerned committee members about how far the federal government could control the action of the states. Thus, the committee adopted an amendment that let each state decide the type of unemployment insurance it wanted. By adopting this amendment, the committee did not include the Committee on Economic Security and the President’s recommendation that a state law must require all employers to pay at least one percent of their payroll toward unemployment insurance funds. The committee also added a measure that provided federal grants to the states for aid to the blind and a measure that made federal grants to states for vocational rehabilitation permanent (Altmeyer 40). The Senate Finance Committee agreed to put the Social Security Board in the Department of Labor. According to Altmeyer, this was done because of the President’s persuasion (41).

The Senate began debate on the Social Security Bill on June 14. Most of the five-day debate related to old-age insurance. The Clark amendment, which passed by a 51 to 35 vote, allowed employers and employees who participated in a private pension plan that was more liberal to be exempt from participating in the old-age insurance system. On the same day the Clark amendment passed, June 19, the bill passed the Senate by a 77 to 6 vote (Altmeyer 41).

The joint conference committee of the two houses started meeting 10 days later to reach agreement on the amendments. The House conferees accepted the Senate’s changes regarding unemployment insurance. The House also accepted the required retirement to receive old-age insurance benefits, the addition of aid to the blind, and the change making authorization for vocational rehabilitation grants permanent. The Senate conferees agreed to make the Social Security Board independent. Although these amendments were settled fairly easily, the Clark amendment was not. Altmeyer recalls that the “President had indicated he would not approve the bill unless this amendment was eliminated” (42). The Senate conferees demanded the Clark amendment’s inclusion. The bill was referred back to the separate houses for further statements on the Clark amendment. Not surprisingly, the House voted overwhelmingly against it, and the Senate refused to back down (Douglas 125). This deadlock between the House and the Senate lasted until the first week of August. An agreement was reached that eliminated the amendment as long as a special committee was appointed to prepare a similar amendment during the next session of Congress (Altmeyer 42).

Without a roll-call vote, the House accepted the conference report on August 8, and the Senate accepted it on August 9. President Roosevelt signed the Social Security Act on August 14, 1935. Upon signing the Act, Roosevelt noted that the law “represents a cornerstone in a
structure which is being built but is by no means complete” (Roosevelt, “Presidential Statement upon…” 324). Roosevelt’s personal notes indicate that he would have liked more insurance and protection but that the Act was a step in the right direction (Roosevelt, “Presidential Statement upon…” 325).

Roosevelt’s Leadership

As L.B.J. School of Public Affairs professor Wilbur Cohen points out in the *Minnesota Law Review* article “The New Deal and its Legacy: the Development of the Social Security Act of 1935: Reflection Some Fifty Years Later,” the law was enacted only fourteen months after Roosevelt indicated interest. Cohen states that this was “a remarkable achievement for such a broad and innovative creation” (379). The prompt passage of the Social Security Act can mostly be attributed to President Roosevelt’s extraordinary initiative and leadership.

By taking the initiative to create the Committee on Economic Security by executive order, President Roosevelt showed that he was not only interested in developing an economic security policy but that he was very serious about getting a sound policy passed. Not only did Roosevelt submit specific recommendations to Congress, but he also submitted a draft of a bill. By having a draft prepared by the Committee, Roosevelt saved the House and the Senate from having to draft one themselves. This saved time in the legislative process and assured Roosevelt that he would get most of what he wanted.

Roosevelt set deadlines for the Committee and pushed Congress to get the Act passed in 1935. His reason for pushing for prompt action was to make sure that the state legislatures could take the necessary actions before they adjourned for almost two years. It can also be presumed that by pushing Congress to act immediately Roosevelt helped prevent the bill from being delayed in the Senate or the House. Although beginning to recover, the United States was in the middle of the Great Depression in 1935. Legislative recovery and reform measures needed to be enacted to improve the lives of citizens as soon as possible.

Another factor that helps one understand the passage of the bill is the current political situation at the time. Both houses of Congress had large Democratic majorities. President Roosevelt was also a Democrat. Roger H. Davidson and Walter J. Oleszek point out in *Congress and its Members* that President Roosevelt was so popular that he helped increase the Democrats majority in both houses in the 1934 midterm election. The fact that the majorities in the House and Senate and the President were all Democratic helps explain why Congress cooperated with Roosevelt as much as they did. The Social Security Act not only passed because Roosevelt took on a leadership role, but most of the members of Congress agreed with Roosevelt on issues such as recovery and reform measures. Beyond being ideologically similar to Roosevelt, Congress likely supported the bill because there was widespread public approval for economic security legislation (Louchheim 150).

Roosevelt had the power in the struggle, although there was not much of one, to get the Social Security Act passed. Because of his effective leadership and initiative, Roosevelt was able to get the bill passed promptly. The final act contained pretty much what he recommended. According to George C. Edwards III and Stephen J. Wayne in *Presidential Leadership*, by taking on such a clear leadership role in getting policies such as the Social Security Act of 1935 passed, President Roosevelt helped shape the domestic role and expectations of the presidency. Given that the nation was in the middle of the Great Depression, “Roosevelt believed it was absolutely essential for the president to take the policy initiative” (Edwards and Wayne 409).
Generalizations that can be drawn

By studying the legislative case of the Social Security Act of 1935, one can draw broader generalizations about the power struggle between Congress and the President. It seems that during a national emergency, such as the Great Depression, Congress is willing to give the President more power over policy than it usually does. When sweeping legislation needs to be enacted fast, it is easier and more efficient for Congress to rely on the leadership of one person rather than the President looking to the leadership of the 535 members of Congress. The President is able to take a large leadership role because Congress is willing to let him, such as in the case of the Social Security Act of 1935.

Another generalization that can be drawn is that when the party of the majorities in Congress is the same party as the President’s sweeping legislation can be passed without much disagreement. The minority party is likely to disagree with sweeping legislation of the majority party. However, the President, the House, and the Senate would all be in agreement of legislation which would likely result in it being passed. Beyond passing one specific piece of legislation, it seems that the President will be able to find support for his broad objectives with his party in control of Congress. Since the House, the Senate, and the President are likely to want to accomplish similar objectives, it seems that Congress will look to the President as the leader in fulfilling their objectives. In 1935, the Democrats in the House and in the Senate agreed with most of Roosevelt’s recommendations and helped get them passed promptly. If both of the Houses had not had Democratic majorities, Roosevelt would have likely faced serious opposition, which could have endangered the likelihood of the Social Security Act passing.

The Social Security Act of 1935 contained almost exactly what President Roosevelt recommended to Congress. Roosevelt got what he wanted because he showed a great amount of leadership and initiative in getting the bill passed. Since the nation was in a national emergency and both houses of Congress had large Democratic majorities, Roosevelt took on a leadership role and had most of the power in process of passing the bill.
Works Cited


