

ECONOMIC SECURITY ACT

THURSDAY, JANUARY 31, 1935

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

The committee met at 10 a. m., Hon. Robert L. Doughton (chairman) presiding.

The CHAIRMAN. The committee will be in order.

The Chair will call as the first witness—perhaps out of order—but at the request of a member of our committee—the gentleman from New York, Mr. Reed, Dr. R. M. Little, director, rehabilitation division, State educational department.

Dr. Little, will you come forward, give your name and the capacity in which you appear, for the record?

STATEMENT OF DR. R. M. LITTLE, DIRECTOR, REHABILITATION DIVISION, STATE EDUCATIONAL DEPARTMENT, NEW YORK

Dr. LITTLE. My name is R. M. Little, Mr. Chairman, and gentlemen of the committee. I am director of the rehabilitation division, State education department, New York.

Speaking of section 702 of the pending measure, this section needs some improvements before it is enacted into permanent law. First, it does not have any definition of important terms. In other sections of the bill, terms are defined. Here they are not defined, and we wish to propose, therefore, representing the National Rehabilitation Association and for myself speaking personally, that a crippled child shall be defined in this act, something like this:

As used in this title—"Crippled Children" shall mean children under the age of 21 years who because of accident, disease, or congenital defect are physically handicapped to the degree that their regular schooling and their vocational training and employment cannot be accomplished without the special services provided in this act.

It is a difficult thing to know what a crippled child is unless you define it in your act. Here you just speak of a crippled child which, in common thought, would be the orthopedic child alone and crippled, of course, to the extent that normal life would be interfered with. We recommend, therefore, that this definition of a crippled child be incorporated.

Another thing: In line 20 there is language that the appropriation to the States shall be on the basis of need as set forth in plans developed by the State agencies concerned and approved by the Children's Bureau.

How are you going to determine needs? You will determine it by the reports of various State agencies and private agencies setting forth the needs in their States.

It is impossible for the Children's Bureau in Washington upon a varied setting forth of needs in various States to make a just and equitable distribution according to the needs. The ordinary way of making Federal appropriations in aid of States is on the basis of population and not needs. There is not a State but what can set up needs in various ways and with great urgency. It is impossible for an administration here in Washington to determine the distribution of Federal aid to States when that distribution is to be based upon needs interpreted by the various States.

Mr. COOPER. Will the gentleman yield at that point?

Dr. LITTLE. Yes.

Mr. COOPER. Is it a question of the interpretation placed upon it by the States? It is a question of the interpretation placed upon it by the Federal agency which will, of course, apply to all States alike.

Dr. LITTLE. I assume so, but there are 48 States. They will send in their data to Washington. The Children's Bureau in Washington will be in a dreadful condition of mind in trying to discriminate and decide where the greater needs are.

Mr. COOPER. That is not the point. They are supposed to report the facts. The Federal agency in Washington passes upon the question of needs and they will have, of course, the idea of uniformity as applied to all States in mind.

Dr. LITTLE. That is the theory; yes. I admit that.

Now, in connection therewith, in lines 22 and 23 on page 54 is the language:

Provided, That except in the case of severe economic distress or other exceptional circumstance, no allotment under this subsection shall exceed the sum made available by the State for the purposes of this section.

All 48 States today have severe economic distress. They are all wrestling with State budgets.

Again, how can the administration in Washington, a bureau in Washington, determine on such a definition whether they are going to give money to a State?

The CHAIRMAN. Have you any suggestions as to how this matter should be determined, Dr. Little?

Dr. LITTLE. That ought to be distinctly a matching proposition, on a 50-50 basis, as in the case with other legislation that has been in effect for years. Give the money to the States for this purpose on the matching principle, on the basis of a 50-50 contribution, within the regulations of the Federal Government as to what the Federal money can be expended for.

In other words, you would not expend Federal money for buildings, for permanent equipment—for things of that kind—properties, and so on. You would spend it on service, according to the provisions of the law, and as is done under other statutes now in operation.

This proposed legislation, gentlemen, is in contradistinction to legislation that has been in effect for years concerned with the matter of aid from the Federal Government to the States. Representing those who are administering State money and Federal money, we do not want to have projected into the situation differing principles in the use of these moneys.

May I say that there are other little things in here that perhaps need refinement, that will want fixing up, but its purpose is good. It has not been brought out very well in detail and in the matter of technique, however.

There has been in the country since 1920 a system of Federal aid to the States for the rehabilitation of the physically handicapped. This proposition here comes along as a parallel, a part of the very same thing.

We should like to propose an amendment that is more important even than the matter that I have just spoken of—on page 55, after line 24, add the following:

(c) In order that crippled children who receive medical care and other services under paragraphs (a) and (b) of section 702 of this act may be given vocational guidance, training, and placement in employment, as provided by an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment", approved June 2, 1920, as amended (U. S. C., title 29, secs. 31 and 32), and to carry out all provisions of said act of June 2, 1920, as amended, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, and annually thereafter, the sum of \$2,040,000 for allotment to the States, provided that not in excess of 5 percent shall be used for administration by the Federal agency authorized to administer said act of June 2, 1920, as amended.

In order to provide for correlation and to prevent duplication of services, the Division of Vocational Rehabilitation in the Office of Education and the Children's Bureau of the Department of Labor shall, in carrying out the provisions of this act, establish a plan of cooperation between their respective offices and provide for similar plans of cooperation between the respective State agencies carrying out the provisions of this Act, such cooperative agreements to be incorporated in the State plans submitted to the respective Federal agencies for approval.

This proposed section is duplicating something that has been in operation for 14 years. It needs clarification in the basic act in order that there may be no duplication or confusion and so that the service at last may be of the highest benefit to the crippled children.

The present Federal act, of course, covers crippled children of working age. We propose that—why? For the reason that there is an authorization for rehabilitation and Federal aid to the States for that purpose that will not expire for a year, in the amount of \$1,000,000 plus. There is another measure pending in the House, the so-called "Fletcher bill" to appropriate \$1,000,000 more to the States for rehabilitation purposes. Those of us who are engaged in this work and who have been engaged in this work for years feel that these things ought to be brought together. Here is the place to bring them together and have one system that will do the whole job, with less expense, without duplication, without interference. We want a unified program in the Federal Government and in the States, looking to the highest benefit for the crippled children.

For those reasons, gentlemen, we propose these amendments.

Mr. REED. I notice that you mention there the sum of \$2,000,000. As I understand it, the Director of the Bureau of the Budget will take notice of that if this is incorporated in the bill, so that there will not be the increase that there appears on the face of it.

Dr. LITTLE. That is right.

Mr. REED. Will you explain that?

Dr. LITTLE. We have been in conference, Mr. Chairman and gentlemen of the committee, with the proponents of this measure and

the Children's Bureau, the administration authorities, and so on, in putting this together, and they are agreeable to the proposition. It does not mean more money. It simply means putting this together in one unit to have order, unity, better service. The Director of the Bureau of the Budget, of course, if he were to give approval to one of these appropriation authorizations, would not give approval to the other.

Mr. REED. That is the point that I was trying to bring out; in other words, this is not an attempt to get more money through this legislation.

Dr. LITTLE. Oh, no. That is not the point to this. The point to this is to bring these things together, to make a better administrative relationship possible between the Federal Government and the States.

Mr. REED. As a matter of fact, if this is not incorporated in this particular bill, there is bound to be a conflict between the two departments, neither of them knowing what the other is doing.

Dr. LITTLE. That is the point, sir.

Mr. REED. And that would not be in harmony with the work that is attempted to be done in this bill. In other words, you are not opposed to the general principles of the bill?

Dr. LITTLE. No, no. We simply come to you with our experience; we have been doing this for years. We simply want to get these things together in an intelligent, unified way.

Mr. REED. One more question, Doctor. So far as rehabilitation is concerned, it is past the experimental stage and has proven its worth?

Dr. LITTLE. Surely, sir. This report, upon which all this legislation is based, came to this subject, and then they stopped. Section 702 goes a little bit further than seemingly they contemplated in their report. The report, if you gentlemen care to turn to it, indicates that the general committee thought that obviously these things ought to be coordinated, ought to be brought together. I think right here is the place where they ought to be coordinated and brought together.

Mr. REED. Let me ask you just one more question, Doctor. What is being done at the present time in the rehabilitation of crippled children of employable age?

Dr. LITTLE. They are being cared for to the extent that there is money and workers.

Mr. REED. Through your organization?

Dr. LITTLE. Surely, through the rehabilitation service.

Mr. REED. So it fits right into this place properly, does it not?

Dr. LITTLE. Certainly. That is exactly what we want to do.

The CHAIRMAN. Just what do you mean by a unified system without interference, Doctor?

Dr. LITTLE. If there are two Federal agencies with two definite Federal funds, setting up different plans to serve the same sort of people in the States, while they may be in general conformity, you have two different sets of authorities functioning independently of each other, from Washington, and projecting their influence and their individual standards, and so on, out into the States.

Of course, it is a matter for Congress to decide whether they want to have one or two agencies in the Federal Government handling

these funds and trying to do this job in the States. We are not touching upon that. Theoretically, of course, there ought to be only one. It seems there are going to be two. All right, tie them together right at the start, initially, so that they will make plans on which they can both agree and which will be agreeable to the States, and so that there may not be confusion and duplication.

The CHAIRMAN. Would you have this system completely under State control or under joint Federal and State control?

Dr. LITTLE. There is Federal control in setting up standards and issuing regulations as to what the money is to be spent for, and so on, but what the State does must be correlated with the actions of the Federal Government. The work is done, of course, in the State and by State people.

The CHAIRMAN. I agree with you that there should not be duplication. There is too much of that now.

Dr. LITTLE. Surely, there is. It is getting too bad.

Mr. REED. And that is just what you seek to accomplish in this proposed amendment, the elimination of that duplication?

Dr. LITTLE. Yes, sir; right here is the place to start to do some of this unifying and coordinating and preventing of duplication. We cannot go on like this forever and ever, piling up independent agencies of the same nature, in the same field, with power to spend money and employ people and incur expenses. It simply is not efficient, it is not constructive, and it is very costly.

The CHAIRMAN. If there are no further questions, we thank you for your appearance and the information you have given the committee.

Mr. REED. May I ask the Doctor, have you covered your subject?

Dr. LITTLE. All I wish to say, unless there are questions.

The CHAIRMAN. The witness may have permission to extend his remarks in the record, if he wishes.

Mr. REED. I will ask unanimous consent that the Doctor be permitted to extend his remarks in the record.

The CHAIRMAN. Without objection, permission to extend his remarks is granted to the witness.

Mr. COOPER. Everybody has that permission, of course.

Dr. LITTLE. Thank you.

Mr. BUCK. Mr. Chairman, before the next witness is called, I ask permission to present and make a part of the record a telegram received by me from H. D. Hicker, chief of the Bureau of Vocational Rehabilitation of the State Department of Education of California, requesting the inclusion of the rehabilitation program in this legislation.

The CHAIRMAN. Without objection, the telegram referred to will be made a part of the record.

(The telegram referred to is as follows:)

SACRAMENTO, CALIF., *January 30, 1935.*

HON. FRANK H. BUCK,

House of Representatives, Washington, D. C.:

Concerning H. R. 3050, it is proposed that the purposes of this vocational rehabilitation bill be included in the economic security bill now pending. The State department of education urges you to consider favorably the inclusion of rehabilitation program in the security bill. The increase in appropriation is essential to meet expanded demands.

H. D. HICKER,
Chief, Bureau of Vocational Rehabilitation.

Mr. THOMPSON. Mr. Chairman, I should like to make a similar request, to insert in the record a telegram that I have received from the supervisor of rehabilitation in the State of Illinois, Mr. R. R. Clark.

The CHAIRMAN. Without objection, the telegram referred to will be made a part of the record.

(The telegram referred to is as follows:)

SPRINGFIELD, ILL., January 29, 1935.

HON. CHESTER THOMPSON,
Member of Congress:

Please do what you can to have provisions of H. R. 3050 included in economic security bill.

R. R. CLARK,
Supervisor Rehabilitation, State of Illinois.

The CHAIRMAN. The next witness is Abraham Epstein, New York City, representing the American Association for Social Security.

Mr. Epstein, will you please come forward and state your name and address and the capacity in which you appear, for the purposes of the record.

**STATEMENT OF ABRAHAM EPSTEIN, EXECUTIVE SECRETARY
AMERICAN ASSOCIATION FOR SOCIAL SECURITY, NEW YORK
CITY**

Mr. EPSTEIN. My name is Abraham Epstein. I am executive secretary of the American Association for Social Security.

Mr. Chairman, I have had the privilege of appearing before quite a number of committees in this House and have appeared before some of them week after week, almost, for quite a number of years. I am glad to see that at least a few on this committee have been on other committees before which I have appeared and are, I think, keen students of this problem.

Merely for the purpose of stating my own record, let me say that I have spent about 20 years in this movement for social security. I have been probably the most active person in promoting legislation of this kind and have done, probably, most of the writing on the subject in this country. So that I feel that I come to you with at least considerable experience and considerable knowledge of the whole subject.

I should like to confine my remarks to three subjects that I know something about. They are the different stages of old-age pensions and the subject of unemployment insurance.

First of all, I should like to begin my statement, gentlemen, by saying that the entire program as presented by the President is the most outstanding and courageous program that has ever been attempted in the history of the world—not only in this country.

No man, not even Bismarck or Lloyd George, ever dared to present as comprehensive, as thorough-going, as vital a program in its all-embracing aspects as is included in the President's message. It is the most courageous, the most daring proposal that has ever been made, and all of us, of course, are greatly indebted and feel that this has been the greatest contribution in this line in American history.

I do want to caution you, however, that even if the entire program that is presented here is adopted this year, this country will still be