

ECONOMIC SECURITY ACT

TUESDAY, FEBRUARY 5, 1935

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C.

The committee met, pursuant to call, at 10 a. m., in the Finance Committee room, Senate Office Building, Senator Pat Harrison, (chairman) presiding.

The CHAIRMAN. The committee will come to order.

The first witness this morning is Dr. I. S. Falk. Doctor, are you connected with the United States Public Health Service?

Dr. FALK. No, sir, I am a member of the staff of the Committee for Economic Security.

The CHAIRMAN. You may proceed.

STATEMENT OF DR. I. S. FALK, NEW CANAAN, CONN., OF THE STAFF OF THE COMMITTEE ON ECONOMIC SECURITY

Dr. FALK. I think it will interest the committee if I take a little time to indicate how the studies of the Committee for Economic Security led into the formulation of a program for the extension of the Federal public health activities.

Originally the Committee for Economic Security assigned to Dr. Sydenstricker and me, the task of investigating the nature and the problems involved in the risks to economic security arising out of sickness and ill health, and in their first instructions to us they asked us to inquire into the subject of insurance against the costs of sickness, or as is commonly known, the subject of health insurance. In the course of our studies it became clear, however, that if our task was to report to the Committee on Economic Security on how to deal with the risks arising out of illness, that the soundest and the most economical way to deal with those risks was to attempt to prevent them rather than to attempt to deal with the costs after the risks had occurred.

So that when we made our first report to the Technical Board of the President's Committee, the board recommended to the committee and we in turn were instructed to attempt to deal with the subject of preventing the risks arising out of illness. All who were concerned recognized that prevention was very much more inexpensive and very much more desirable than cure.

In consequence, the staff of the President's Committee turned its attention to the subject of opportunities of preventing illness through public health activities. Out of suggestions which we made to the President's Committee created to assist us in our studies, a series of advisory groups—and I refer to that because in our studies of the

prevention of disease, the development of desirable opportunities in the field of public health, we had the assistance of very eminent physicians, dentists, hospital administrators, and public health authorities—the committee having created four boards in these respective fields, and the Public Health Committee who advised with us included among the most distinguished members of the public-health professions in the United States, and they continued active or with us in studying the needs for extended public-health facilities in the United States and for an extended program.

That committee included, for example, Mr. Homer Folks, of the New York State Charities Aid Association of New York City; Dr. Eugene L. Bishop, commissioner of public health of Nashville, Tenn.; Dr. A. J. Chelsey, secretary of the Minnesota Board of Health; Dr. Allen W. Freeman, dean of the School of Hygiene and Public Health, Johns Hopkins University, Baltimore; Dr. Clarence Hincks, director of the National Committee for Mental Hygiene, of New York City; Dr. Thomas Parran, Jr., commissioner of health of New York State; Dr. Milton J. Rosenau, of the Harvard Medical College, one of the most eminent teachers of public health in the United States; Dr. John J. Sippy, health officer of San Joaquin, Calif., who is a well-known county health officer; Mrs. Katherine Tucker, who is the director of the National Organization for Public Health Nursing of New York City; Professor Winslow of Yale University, one of the most distinguished educators in the field of public health; Mr. Abel Wolman, chief of the bureau of sanitary engineering of the Maryland Department of Health; Dr. Underwood, the secretary of the Mississippi Board of Health who testified before this committee yesterday; and Dr. Dublin, statistician and vice president of the Metropolitan Life Insurance Co., one of our most eminent vital statisticians in the country.

With the assistance of this very distinguished public-health advisory committee and of our medical advisory board, which includes some of the members among the most distinguished physicians and surgeons in the country, the hospital advisory board made up of very eminent hospital administrators and the dental advisory committee, leading members of the dental profession, all of whom considered in considerable detail the problems in the field of public health.

In the course of our studies on the subject of public health, having in mind the opportunities for preventing the risks to economic security arising out of illness, it became very clearly evident and has long been known to the public-health authorities that the American people are not nearly as healthy as they have a right to be. Millions of them are suffering from diseases and thousands die annually from causes that are preventable through the use of existing scientific knowledge and the application of what we might call common social sense in the form of well-established procedures of proven merit.

We recognize that this is true despite the fact that we as students of the subject, our advisory groups and the most of our bodies who are experienced in the subject of the prevention of disease, this is true despite the fact that the United States has in its Public Health Service and in other official agencies very eminent and competent and distinguished agencies and personnel. I think I may say that throughout the discussion of the groups that studied this problem, the highest praise and commendation of our United States Public

Health Service ran throughout the meetings and discussions, but there was also wide and profound recognition that our Federal facilities to deal with the problems of preventing disease in human beings were quite inadequate to deal adequately with the problems which face the country. There was ample evidence available, and there is, to support the sweeping statement that the American people are not nearly as healthy as they have a right to expect to be on the basis of existing knowledge and available means of preventing disease.

I would not wish to attempt to give you the details that support that statement, but to illustrate, for example, by the fact that the infant death rate which has been cut in half in the last quarter of a century, can be cut in half again merely through the application of well-established procedures of proven merit. Something like 13,000 women die in childbirth each year. It is estimated on sound authority that two-thirds of these deaths can be prevented; at least three-quarters of a million cases of syphilis are clinically recognized annually, but more than half of these do not seek or obtain treatment at that stage of the disease when the possibility of cure is the greatest.

We have been rather proud in recent years over the health and welfare of the American people. It is estimated that there are 700,000 dependent children in institutions and foster homes, many of which are not very healthful or wholesome, and that some 300,000 are crippled, a million or more are tuberculous, and more than half a million have heart damages or defects.

The mortality of adults of middle and older ages has not appreciably diminished. The expectation of life at age 40 in the United States is about the same now as it was in 1850 or in 1890 or in 1900. There has been no substantial reduction, if there has been any reduction of importance in the mortality of the adult years of life. The disconcerting evidence of impaired efficiency among our adult population takes on, of course, a much graver significance in view of the changing age of our adult population. In the coming years the population of the United States will have both proportionately and actually more adults. It is estimated that in 1950, for example, only 16 years hence, the number of persons under 20 years of age will be about the same as it was in 1930, but the older population will be nearly 30,000,000 more.

The CHAIRMAN. Doctor, may I suggest to you if you have a statement there, that you put it in the record? I may say with reference to this provision in this bill that there has been no attack on it from any source that I have heard of yet, and it does not present the same complications that some of the provisions present, namely, that these appropriations are dependent upon the State putting up something and so forth, with an administrator here that might hold a whip hand. So I would present and put into the record your statement on this proposition, about which I do not think there is going to be any trouble in the bill.

Dr. FALK. I should be glad to furnish for the record the further detailed statement and the evidence upon which the recommendation was based, that there is a very important need for considerable extension of Federal appropriations for public health.

The CHAIRMAN. I think it is pretty generally conceded. If some question arises, we can call upon you on that proposition in order to expedite the consideration of the bill.

Dr. FALK. Of the older population of the United States, about one-third will be in the age group 20-44 years, one-third aged 45-64

years, and one-third will be over 65 years old. We can no longer squander the vitality of our grown men and women. The task of health conservation must be broadened to include adults as well as children.

Evidence is accumulating that the health of a large proportion of the population is being affected unfavorably by the depression. The rate of disabling sickness in 1933 among families which had suffered the most severe decline in income during the period 1929-32 was 50 percent higher than the rate in families whose incomes were not reduced. The death rate in unemployed families was approximately 20 percent higher than in families which had one or more full-time wage earners. The death rate in our large cities so far in 1934 has shown a definite increase over the corresponding period in 1933. In spite of this situation, local appropriations for public health have been decreased by 20 percent on the average since 1930, and health departments have had to carry on as best they could with increased burdens brought about by unemployment. The per capita expenditure from tax funds for public health in 77 cities in 1934 was 58 cents as contrasted with 71 cents in 1931. These curtailments in expenditures for public health during the emergency period have not created the need for a larger public health program; they have served only to make an ordinary need more acute.

The policy of leaving to localities and States the entire responsibility for providing even minimal public health facilities and services has failed in large measure. Of the 3,000 counties, only 528 are provided with full-time health supervision. When the adequacy of the local health departments which exist is carefully considered, it is found that only a relatively small proportion, 21 percent (75 counties and 102 cities), have thus far developed a personnel and service which can be rated as even a satisfactory minimum for the population and the existing problems.

We have prepared a map showing for the counties of each of the States the adequacy of the public health services as judged by sound professional standards. The counties which probably have adequate health departments are shaded black. You will observe on this map how few counties are in this class. A large proportion of the counties of the eastern and middle-western States are shaded in dark cross hatch. These probably have adequate health departments in their cities and have a sufficient population outside the cities to justify a full-time health department. The numerous counties cross-hatched lightly have a population sufficient to warrant a full-time department. The numerous counties which are shown dotted probably have inadequate health departments. Those counties which are left white require some modified plan of health supervision because their population is small and sparse. This map brings out clearly how far we are in the United States from adequate local public health protection.

As President Roosevelt said when he was Governor of New York, other than for the failure of local finances and facilities:

* * * there is no reason for tuberculosis to be twice as prevalent in some sections as in others; for deaths and illnesses from diphtheria to continue to occur when some municipalities have been able to stamp it out entirely; for twice as many babies to die each year in some cities as in those where a modern health program is in force; for the rate of decline of many preventable diseases and certain death rates to be higher in rural communities with no organized health service, than in urban communities where health service is available; or for those

economic rank to suffer a higher death rate from practically

overnment's responsibility for the protection of all against disease has been recognized for a long time with activities of several departments. The precedent in the States for State health administration and for local health activities also has been established in various laws for the loaning of technical personnel to States and

are proposed that as essential steps toward the progress to economic security arising out of ill health, the Government should further discharge its responsibility in the

assistance for localities by Federal grants-in-aid where health needs are found to exist and local resources are not to the utmost.

to develop administrative and technical facilities in health departments in order that State-wide services, as well as local, may be efficient.

ing and enlarging the facilities of the United States Public Health Service and the United States Children's Bureau in order to test methods of disease prevention and to provide personnel to be loaned upon request to other Federal health departments and local health departments.

These proposals, a general survey of needs and minimal expenditures. As a result of this survey it has been found that a program of adequate health protection for the American people annually about \$21,000,000 more Federal money is required. The total amount expended by the Federal Government for human-health services is at present only about 4 cents per capita, or about 4 cents per capita. A careful consideration of the report showed, however, that the technical staff of the Economic Security and its public health advisory committee properly recommend this broad and much-needed program would require \$21,000,000 a year of additional expenditures for the staff and this advisory committee recommended appropriations to the United States Public Health Service of \$10,000,000 as a minimum. The needs of the program are considerably larger, but it was agreed that before a larger amount is spent it will be necessary to train additional personnel to test further certain practical procedures through which diseases can be more effectively controlled.

This statement on preventive measures was transmitted to the Honorable Charles C. Tamm, Chairman of the President's Committee on Economic Security, by the Medical Advisory Board to the Com-

dealing with the risks and losses of sickness is to begin by doing so far as is possible by methods of demonstrated effectiveness. We believe that appropriations for public health work are not sufficient in many communities, whereas a fuller application of modern preventive measures made possible by larger public appropriations, would not only be more effective but would also prove an actual financial economy. The program needed through the several States, in association with their public health expenditures, are, in our opinion, necessary to the program and we recommend that substantial grants be made.

May I conclude then by saying, Mr. Chairman, that the recommendation from the staff of the President's Committee on Economic Security indicated that there was opportunity and need for something like \$21,000,000 of new Federal appropriations for public health work which could be wisely spent, but that it was not feasible to spend that much money effectively, principally because of deficiencies in available trained personnel; hence, the proposals which came up to the President's Committee and which they recommended to the President included the proposals for the expansion of the Federal Public Health provisions to the extent which is covered in the present substance of title 8 of the bill, recognizing the need for both strengthening the investigative opportunities of the Public Health Service for the prevention of diseases and to deal with sanitary problems of interstate and national nature, for the extension and enlargement of their trained personnel, and for grants in aid to the States and through the States to local communities.

The CHAIRMAN. I wish you would tell Dr. Sydenstricker also that if he has some statement with reference to the matter, to let up put it in the record in connection with the hearings, or anyone else, with reference to public-health provisions of the bill, and you may enlarge, yourself, and file your additional material.

Dr. FALK. Thank you, sir; I shall transmit the message and comply with your suggestion.

The CHAIRMAN. And if we want to ask any further questions, we can call you.

Dr. FALK. Thank you.

STATEMENT OF M. M. WALTER, REPRESENTING THE NATIONAL REHABILITATION ASSOCIATION

Mr. WALTER. My brief remarks, Mr. Chairman, will be concerned with paragraph (a) of section 702 of the bill, which provides for the permanent care and cure of crippled children.

This measure provides for the physical restoration of crippled children, but it does not take into consideration their vocational rehabilitation, in other words, to carry them half-way across the stream, and then expect them to get across the rest of the way the best they can.

The Committee on Economic Security, in its report, was not unmindful of this problem, because on page 40 they make this statement:

At this point we desire to call special attention to the importance of special programs for the physically handicapped, of whom there are many millions in this country. Since the passage in 1920 of the Federal Vocational Rehabilitation Act, the Government has been assisting the States in a service of individual preparation for and placement in employment of persons vocationally handicapped through industrial or public accident, disease, or congenital causes. Forty-five States are now participating in this program and since it was launched approximately 68,000 permanently disabled persons have benefited from this service. The work done has shown gratifying annual increases, even in the depression, but is still small in comparison with the need. The desirability of continuing this program and correlating it with existing and contemplated services to workers in the general program of economic security we believe to be most evident.

In discussing this matter with the administration as to the reason why provision was not included in the bill for vocational rehabilitation of the disabled, they told us that they felt that the matter was being adequately taken care of at the present time, and that is the reason there was no specific provision made for it. After we had