

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

presented to them the present needs of the disabled and what was being done for them, they agreed with us that there should be a provision in this bill to further the vocational rehabilitation of the disabled, and that is the reason I wish to present that matter to you today.

The CHAIRMAN. Who is it that told you that?

Mr. WALTER. We discussed the matter with Miss Lenroot, of the Children's Bureau, and Dr. Altmeyer.

The CHAIRMAN. Miss Lenroot stated yesterday that she had some amendments which she was going to submit. I was just wondering whether that was one of the amendments?

Mr. WALTER. No; they told us that we should submit the amendment, and if there were any questions raised about it, they would be glad to discuss it. Vocational rehabilitation is logically a part of any program of economic security, because it is primarily concerned—

The CHAIRMAN (interrupting). Where would you submit that amendment?

Mr. WALTER. I would suggest that the amendment be submitted on page 55, after line 2. I will be glad to read the proposed amendment to you.

In order that crippled children who receive medical care and other services under paragraph (a) 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, 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 per centum 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 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.

In connection with this second paragraph, Mr. Chairman, I believe that Miss Elliott yesterday did submit another amendment to the act which will take care of this second paragraph, so it may not be necessary to include that.

In brief justification of this suggested amendment, I might say that during the past 5 years, there has been a marked expansion in the need for vocational rehabilitation of the disabled. In 1930 we rehabilitated or returned to profitable employment, approximately 4,500 disabled people. In 1934 that number was increased to over 8,000, an increase of approximately 75 percent.

Senator KING. When you say "We did it", would not some of them automatically by their own efforts have gone back to employment?

Mr. WALTER. Many, many did, but I am speaking specifically of the service rendered by the vocational rehabilitation bureaus in specific States, what they did. They were responsible for making it possible for over 8,000 people returning to economic security, and without this

service it would have been practically impossible for them to have done it.

The CHAIRMAN. How much appropriation does the Federal Government make for that kind of work?

Mr. WALTER. We are now receiving \$1,000,000, and last year we received a special appropriation of \$800,000 from the Emergency Relief funds; that money is apt to be withdrawn at any time, and in order to take care of that slack, there was a bill introduced in the house 3 or 4 weeks ago to increase our appropriation from \$1,000,000 to \$2,000,000, but we feel that it is logically a part of this permanent program of economic security, and for that reason we have suggested this amendment to be included in the bill to take care of the bill which we have introduced and to take care of the present legislation.

The CHAIRMAN. That applies only to children?

Mr. WALTER. No; to all physically disabled people of employable age, but it includes children who are employed and who have reached the age of 16, of which we serve approximately 22 percent every year. Fifty-eight percent are of the ages between 21 and 40, and 22 percent approximately of the ages between 16 and 21.

Senator KING. For whom do you speak?

Mr. WALTER. The National Rehabilitation Association.

Senator KING. Is that a national organization?

Mr. WALTER. That is a national organization.

Senator KING. Formed voluntarily?

Mr. WALTER. Formed voluntarily.

Senator KING. And who selected you to come here?

Mr. WALTER. I happen to be chairman of the legislative committee of that association.

Senator KING. Have they met recently?

Mr. WALTER. Yes, sir; our legislative committee met in Pittsburgh in December, and the annual meeting of the association was in Louisville last October.

Senator KING. What is the overhead of your organization?

Mr. WALTER. The administration costs are 15 percent.

Senator KING. Then there is 85 percent of this \$1,000,000---

Mr. WALTER (interrupting). Goes into case production service.

Senator KING. Would not case production be also overhead?

Mr. WALTER. No, that is concerned with the annual serving of the disabled out of the field. For approximately every \$12,000 of budget, we must have one case worker in the field to interview and investigate disabled. The problem is an individual case problem entirely. We have to deal with it in that way. We cannot deal with groups.

Senator KING. How many employees in your whole organization in all parts of the United States?

Mr. WALTER. I could not answer that question, but I can obtain the information for you from the Federal office of education.

Senator KING. Where is that office?

Mr. WALTER. In the Department of the Interior.

Senator KING. Of course, there is a great deal more than 15 percent used in meeting the expenses of all of those who are employed in executing the law or the plan?

Mr. WALTER. Approximately 15 percent is used for administration. That is as far as the supervisory end of the problem is concerned, and

an additional 20 percent is used to take care of the salaries and expenses of case workers.

Senator KING. That is 35 percent.

Mr. WALTER. Yes, and the rest of the money actually goes in training, appliances, and other necessary services.

Senator KING. So that at last it would be only 65 percent would go to the individuals.

Mr. WALTER. That is being used absolutely for the individuals.

Senator KING. Do the States make any contributions?

Mr. WALTER. The States match the Federal appropriation. In that connection I might say that they more than matched the Federal appropriation last year. The Federal appropriation amounted to \$1,000,000, and last year we received \$900,000, and the States matched over \$1,000,000, and in addition we received this \$800,000 as their appropriation.

Senator KING. Does your central organization, if there be one, does it attempt to dictate who shall be named in the various States to enforce the law?

Mr. WALTER. No; there is no dictation at all. I happen to be the director for the State of Pennsylvania and I can assure there is no dictation from Washington.

Senator KING. Who names the various persons employed in carrying out the policies of the organization?

Mr. WALTER. That is all controlled by the State council of education. The Federal law provides that the control and supervision of this work must be under the State boards for vocational education.

Senator GUFFEY. Under Dr. Rhodes?

Mr. WALTER. Yes.

Senator KING. The States could not settle their own?

Mr. WALTER. The States prepare their plan under the Federal law, and submit it to Washington for approval, and if it meets the general policies as layed down in the Federal law, there is no question raised.

Senator KING. Suppose the States should feel that it would be better to place the enforcement of this plan in the hands of the labor organizations created by the State law. That countervention of your plan?

Mr. WALTER. It just happens that in Pennsylvania it is in the department of labor, and we have a cooperative agreement, and it has worked; it has been working very satisfactorily for the last 12 years. That is unusual, because in the majority of the States the program is functioning in the department of public instruction.

The CHAIRMAN. My recollection is that immediately after the war we appropriated quite a large sum of money for rehabilitation work.

Mr. WALTER. That is veterans' rehabilitation. This is civilian rehabilitation.

The CHAIRMAN. Do we still make an appropriation for that?

Mr. WALTER. No, that stopped in 1924. We are now taking care of the disabled veterans who need rehabilitation and readjustment. We are taking care of those cases ourselves.

Senator KING. What do you mean by "readjustment"?

Mr. WALTER. Here is a man that has been employed and his employment has for technological reasons become obsolete. He can no

longer continue. He needs service to adjust himself in a new occupation. We are able to provide that service for him.

Senator KING. Would those activities conflict with the labor organizations that are set up by the Federal Government in cooperation with the States?

Mr. WALTER. No, sir. Under the Wagner-Peyser Act, we cooperate under the compensation boards and other agencies. There is no conflict there at all.

Senator KING. It seems to me, and this is merely an aversion of my own view, if we could consolidate a lot of these organizations and bureaus and departments of the Federal and State agencies, it would be a good thing, a wise thing. We are operating these bureaus and organizations and increasing the personnel until I am told that about 1 out of every 5 or every 7 persons, certainly of adults, is on either the Federal or State or municipal pay roll.

Mr. WALTER. Well, I am not here to discuss that subject; I am not familiar with the figures.

Senator KING. It seems to me that the multiplicity of organizations calls for consolidation. That is all.

The CHAIRMAN. Was there something further, Mr. Walter? Do you want to put any remarks in the record?

Mr. WALTER. I would like to have the suggested amendment included in the record, and the excerpt from the report of the Committee on Economic Security.

The CHAIRMAN. That has been put in.

Mr. WALTER. Thank you very much.

The CHAIRMAN. The next witness is Mr. George A. Huggins.

**STATEMENT OF GEORGE A. HUGGINS, CONSULTING ACTUARY, PHILADELPHIA, PA., MEMBER OF EXECUTIVE COMMITTEE, CHURCH PENSIONS CONFERENCE; ACTUARY FOR MINISTERIAL PENSION FUNDS OF VARIOUS DENOMINATIONAL BODIES SUCH AS PRESBYTERIAN IN THE UNITED STATES OF AMERICA, PRESBYTERIAN UNITED STATES, UNITED PRESBYTERIANS, DISCIPLES OF CHRIST, CONGREGATIONAL, METHODIST EPISCOPAL, SOUTHERN BAPTIST, AND OTHERS**

Mr. HUGGINS. I represent a group of workers who have not been a social care on the communities in which they live in their age or disability, for the reason that they have been cared for by the groups whom they serve. I refer to the Protestant clergymen and preachers.

The Church Pensions Conference, which has held a special meeting in Washington, February 4, 1935, to consider the Economic Security Act, is an organization which includes the pension systems of 22 denominational bodies in the United States of America and one in Canada, together with the retirement systems of the Y. M. C. A. and the Y. W. C. A.

These 22 denominations include 109,581 ministers serving 135,250 Protestant churches with 25,385,549 members, distributed among the three Presbyterian bodies, Methodist North, and South, Baptist North and South, 5 Lutheran bodies, both Reform churches, Episcopal, Congregational—Christian, Disciples of Christ, Evangelical, Nazarene, United Brethren, Unitarian, and Universalist.