

Similar illustrations could be made between many other States having close kinship geographically and industrially, and with comparable standards of wages and living costs. Only 9 State laws place no limitation upon medical service, either as to length or cost. In 14 other States, however, the administrative agency is given authority to extend medical service indefinitely.

### *Occupational Disease Coverage*

While some progress has been made in recent years with respect to workmen's compensation benefits for occupational diseases, only 15 States cover all diseases incident to work exposures, and some of them only if the employer specifically elects to be covered under the act. Twelve others provide partial coverage through

scheduling or listing specific diseases. In 1 of the 12, this schedule consists of just one industrial disease—silicosis. There are at this time, therefore, 21 States, including Mississippi, in which workers disabled by diseases or health exposures in their employment are wholly without workmen's compensation protection.

I mentioned that in many jurisdictions the benefit levels have remained about as they were set 25 years ago, when wages and living costs were far below what they are today. In 21 States the maximum weekly compensation payable to disabled workers is less than \$20. In one State it is \$13.85.

This picture of the present inadequacies in our workmen's compensation structure is by no means overdrawn. A more detailed study would reveal other important shortcomings. Workmen's compensation laws were

designed primarily for the benefit of the workers. It is the workman and his widow and dependents who suffer most through low-scale benefits, delayed payment of claims, restricted coverage, and indifferent administration of workmen's compensation acts. It seems to me that the best investment a State labor organization can make would be the full-time employment of a workmen's compensation specialist, detailed to the job of analyzing the State act, studying its administrative methods and procedures, and observing and appraising performance of administrators. It should then supply the membership with clearly stated and basic information about their compensation rights, and about the specific features of the compensation acts that fail to afford decent protection to injured workers and their widows.

## War Mobilization and Reconversion Act of 1944: An Analysis of the "George Bill"

By Wilbur J. Cohen and Jessica H. Barr\*

THE WAR MOBILIZATION and Reconversion Act of 1944—the "George Bill"—became law with the President's signature on October 3. The act (Public Law 458) sets up an Office of War Mobilization and Reconversion, comparable to the Office of War Mobilization, which it supersedes. The Director of the new Office has authority for unifying and coordinating all governmental programs relating to war mobilization and peacetime reconversion. Placed within the Office and under the Director's general supervision are the Office of Contract Settlement, created by the Contract Settlement Act of 1944; the Surplus Property Board, created by the Surplus Property Act of 1944;<sup>1</sup> the Retraining and Reemployment Administration, established by title III of the reconversion act; and the Surplus War Property and Retraining and Reemployment Administrations, both created by Executive orders, if these

administrations are in existence after the Office of War Mobilization ceases to exist.

The act also amends the Social Security Act by establishing a Federal unemployment account in the unemployment trust fund, and by adding a title XII to the Social Security Act, which sets forth provisions under which funds may be advanced to the States from this account. Finally, the act authorizes the Federal Work Administrator to make loans or advances to States and other non-Federal public agencies to aid in financing the cost of investigations and studies, surveys, and other preliminary activities relative to the construction of public works.

In signing the act, the President declared that while it was satisfactory so far as it went, "I feel it my duty to draw attention to the fact that the bill does not adequately deal with the human side of reconversion. When I signed the G. I. Bill on June 22d last, I expressed the hope that 'the Congress will also take prompt action, when it reconvenes, on necessary legislation which is now pending to facilitate the development of unified programs for the demobilization of

civilian war workers, for their reemployment in peacetime pursuits, and for provision, in cooperation with the States, of appropriate unemployment benefits during the transition from war to peace.' The bill is not adequate to obtain these ends.

"Provisions, which were in the bill as it passed the Senate, to provide transportation for war workers from the place of their employment to their bona fide residence or to the location of new employment arranged by the workers were omitted in conference. So also were the provisions, in the bill as it passed the Senate, ensuring appropriate unemployment compensation to Federal workers.

"Moreover, the bill fails to prescribe minimum standards to govern the amount and duration of unemployment benefits which should be paid by the States to all workers unavoidably out of a job during the period of transition from war to peace.

"We have rightly committed ourselves," the President added, "to a fair and generous treatment of our G. I. men and women . . . to a prompt and generous policy of contract settlement to aid industry to return to peacetime work . . . to support farm prices at a fair level during the period of reconversion. We should be no less fair in our treatment of our war workers.

"I am glad to know," he concluded, "that the Chairman of the House Ways and Means Committee has announced

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<sup>1</sup>The Surplus Property Act of 1944 also was approved by the President on October 3 (Public Law 457).

that his Committee will give consideration to further amendments of the Social Security Act after recess and I hope that the deficiencies which I have pointed out in the bill before me will be promptly rectified."

### Provisions of the Reconversion Act

The first of the act's six titles establishes the Office of War Mobilization and Reconversion, headed by the Director of War Mobilization and Reconversion, who shall be appointed by the President, by and with the advice and consent of the Senate.

In addition to the agencies to be placed within the Office, under the Director's general supervision, all executive agencies are to furnish information and reports required by the Director, who will "to the fullest extent practicable . . . perform the duties imposed upon him through the facilities and personnel of other executive agencies."

The act does not contain any specific provisions relating to the Director's functions concerning mobilization for war but permits these functions to continue to depend on the delegation of powers from the President. Title I stipulates that, in addition to these delegated powers for war mobilization, the Director shall formulate the plans necessary to meet the problems arising out of the transition from war to peace; coordinate all activities of the various executive agencies which deal with these problems—developing procedures for informing each executive agency of proposals and plans which are being developed or carried out by other executive agencies, and settling controversies arising in the development and administration of such plans; and recommend such legislation as is necessary to carry out the plans developed.

He shall also, on the basis of reports prepared for him by the executive agencies, determine the need for simplification, consolidation, or elimination of the emergency war agencies; for the termination or establishment by law of agencies which exist under Executive order only; and for the relaxation or removal of emergency war controls.

In addition, he is to institute a study, for submission to the Presi-

dent and the Congress, on the present manpower functions of the various executive agencies and to develop a program for their reorganization and consolidation. The Director is to report quarterly to the President and to Congress on the activities of the Office of War Mobilization. "Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment," and may include proposals for legislation.

Title I also creates an advisory board consisting of 12 members, appointed by the President, by and with the advice and consent of the Senate. Management, labor, agriculture, and the public shall have representation on this board, whose general function will be to advise with the Director on war mobilization and reconversion and to recommend to him legislation, policies, and procedures. The Director is also to consult and cooperate with State and local governments, industry, labor, agriculture, and other groups.

The title also authorizes the Director to employ necessary personnel and purchase necessary supplies and services within the funds made available. Except for Deputy Directors and "expert administrative, technical, and professional personnel," the officers and employees of the Office are to be employed subject to the civil-service laws.

Title II deals with resumption of civilian production. This title declares that "The War and Navy Departments shall not retain persons in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment," nor shall prime contracts for war production be continued merely to provide employment.

Curtailment of war production or termination of war contracts is to be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes and for nonwar use. The Director is responsible for establishing policies to be followed by the contracting agencies in selecting contracts for curtailment, nonrenewal, or termination, and shall establish policies providing for consultation between the executive agencies, war contractors, and labor to obtain the most effective use of the

released facilities and manpower in other war production or in civilian production.

When production for nonwar use is authorized, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant from participating in such production. A percentage of the materials allocated for production of any item for nonwar use shall be reserved for the exclusive use of small plants.

This title also directs the Attorney General "to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition."

Title III establishes by statute the Retraining and Reemployment Administration, previously created by Executive Order 9427, and provides for a Retraining and Reemployment Administrator appointed by the President, by and with the advice and consent of the Senate. The Administration shall have "general supervision and direction of the activities of all existing executive agencies (except the Veterans Administration and the Administrator of Veterans' Affairs) authorized by law relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating such activities and eliminating overlapping functions of such agencies." The Administration shall confer with State and local agencies in charge of existing programs in these fields, for the purpose of coordinating the Federal activities with their activities.

### Amendments to the Social Security Act

The first section of title IV amends section 904 of the Social Security Act by establishing in the unemployment trust fund a separate account to be known as the "Federal unemployment account," and authorizing appropriation to this account of (1) a sum equal to the excess of taxes collected before July 1, 1943, through the Federal unemployment tax over the total unemployment administrative expenditures made before that date; (2) for the fiscal year 1945, and for each follow-

ing fiscal year, a sum equal to the excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the total unemployment administrative expenditures made in such year, and (3) such further sums as may be necessary to make advances to the State accounts, as provided in the new title XII of the Social Security Act.<sup>3</sup> Any amounts in the Federal unemployment account on October 1, 1947, and any amounts repaid to the account after that date, shall be covered into the general fund of the Treasury.

During the course of the legislative consideration of these provisions of the bill it was estimated that approximately \$400 million would become available under (1) and an additional amount of approximately \$100-150 million per fiscal year under (2).

Section 402 of the reconversion act amends the Social Security Act by adding Title XII—Advances to State Unemployment Funds—providing that if, on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947, the balance in a State's account in the unemployment trust fund does not exceed the total contributions deposited by the State in the fund during that 1 of the 2 preceding calendar years in which such deposits were higher, the State shall be entitled to have transferred from the Federal unemployment account to its account in the trust fund a sum equal to the amount by which the unemployment compensation paid out by the State in the calendar quarter ending on such day exceeded 2.7 percent of the total remuneration paid during that quarter which was subject to the State unemployment compensation law.

<sup>3</sup>This section of the bill also provides that in computing the total amount of taxes collected prior to July 1, 1943, under title IX of the Social Security Act, there shall be deducted "the sum of \$40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)." This amount was collected by the Federal Government from employers in 15 States which did not enact State unemployment compensation laws in sufficient time to take advantage of the credit against the Federal tax for the calendar year 1936. The amount was refunded by depositing it in the States' accounts in the unemployment trust fund in 1938.

The Social Security Board, on application of a State unemployment compensation agency, is authorized to determine whether the conditions under which the transfer of funds is authorized have been met, and to certify to the Secretary of the Treasury the amounts for transfer. Amounts transferred to the account of any State from the Federal unemployment account are to be treated as an advance, without interest, to the State unemployment trust fund and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State's account in the unemployment trust fund, at the end of any calendar quarter, is greater than the total contributions under the State's unemployment compensation law during that 1 of the 2 preceding calendar years in which such deposits were higher. The Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the State's unemployment account to the Federal unemployment account the amount required to be repaid by the State.

#### *Public Works and Miscellaneous Provisions*

Title V provides for advances to States and their agencies and political subdivisions to cover the necessary costs of advance planning for public works, exclusive of housing. The funds shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, and 10 percent according to his discretion; except that the allotment to any State shall aggregate not less than one-half of 1 percent of total funds available for allotment, and that no loans or advances shall be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by State, local, or regional authority. The advances to any public agency shall be repaid when the construction of the planned public works is undertaken, and any repayment shall be covered into the Treasury as miscellaneous receipts.

Title VI, dealing with miscellaneous provisions, defines the terms "execu-

tive agency" and "contracting agency" for the purposes of the act, authorizes the appropriation of "such sums as may be necessary or appropriate to carry out the purposes and provisions of this act," and stipulates that the provisions of this act shall terminate on June 30, 1947.

#### *Legislative History of the Reconversion Act*

Behind the act lay a long, complicated, and stormy legislative history, particularly, as the President pointed out, in the provisions which came to be called the "human side of reconversion," principally provisions for expanding the Federal Government's responsibility for improving unemployment compensation, which were turned down by both the Senate and the House, and those for furnishing transportation to war workers and extending unemployment compensation to Federal workers, which were accepted by the Senate but not the House.

#### *Senate Debate*

Shortly after issuance of the Baruch-Hancock report on February 15 of this year<sup>4</sup> Senators George and Murray on February 22 introduced a bill, S. 1730, called the Industrial Demobilization Act of 1944. The bill created an Office of Demobilization, established general policies for its operation, and provided for the settlement of claims arising from terminated war contracts and for the disposal of surplus Government property; no provisions relating to unemployment compensation were included.<sup>5</sup> The bill was referred to the Senate Committee on Military Affairs.<sup>6</sup>

<sup>4</sup>War and Post-War Adjustment Policy, S. Doc. 154, 78th Cong., 2d sess.

<sup>5</sup>On April 7, James F. Byrnes, Director of War Mobilization, suggested Federal legislation "to supplement existing State unemployment benefits to the extent necessary to give workers, during the transition from war to peace, suitable unemployment benefits to be prescribed in a federal demobilization law." "Preparations for Peace on the Home Front," *Proceedings of the Academy of Political Science*, Vol. 21 (May 1944), p. 126.

<sup>6</sup>The provisions for settlement of claims arising from terminated war contracts were handled finally in the Contract Settlement Act of 1944, approved July 1, 1944 (Public Law 395). The provisions for the disposal of surplus Government property also were handled in separate legislation.

On March 29, Senator Kilgore introduced S. 1823, which was also referred to the Military Affairs Committee. This bill created an Office of War Mobilization and Adjustment and set up machinery to coordinate the disposal of surplus war property, provide for return to civilian production, and establish a unified program of training and reemployment. Free education or training of not more than 4 years for ex-servicemen and of not more than 6 months of full-time study or its equivalent for civilian workers was to be furnished, with a maintenance allowance during the period of training or study of \$50 a month (\$75 if the individual had one or more dependents). Another provision liberalized the Mustering-Out Payment Act of 1944.

This bill also proposed to pay the transportation costs of war workers from their last previous residence to new jobs, as a means of facilitating the recruitment, training, transfer, and placement of workers and servicemen. This provision, which became one of the moot points during the long period of legislative discussion and debate, was contained in all the various versions of the bills sponsored by Senator Kilgore (S. 1823, S. 1893, S. 2061) and, though not in S. 1730 as originally introduced, it appeared in a Committee revision of that bill and was included in the George bill, S. 2051 as passed by the Senate. All these bills also provided for the cost of transportation of dependents and household effects, if necessary. In all the Kilgore bills, the provision covered ex-servicemen as well as war workers; in the George bill as passed by the Senate, it was restricted to civilian workers who had been employed in activities essential to the war effort. The Kilgore bills provided that such transportation allowances should not exceed the travel allowances already established for Government employees; the George bill added an over-all limit of \$200 for any one worker and dependents.

S. 1823 also contained the second of the two controversial proposals, that of Federal interim placement benefits for all honorably discharged servicemen and all civilian workers, if they had registered with and were reporting regularly to a public employment office or other designated agency, and

were able to work and available for suitable work. Civilian workers were eligible for benefits if, within the 12 months immediately preceding the date when the provisions became applicable, they had earned not less than a specified amount in employment covered by title II of the Social Security Act or in government employment—Federal, State, or local—or if they had been employed with substantial regularity for not less than 6 months in agricultural labor. The proposed benefits were at the rate of \$20 per week for each week of total unemployment if the person was without dependents, \$25 if he had one dependent, \$30 if he had two, and \$35 if he had three or more; for civilian workers, however, the amount could not exceed 80 percent of regular weekly earnings. Provision was made for the deduction from such Federal interim placement benefits of any State unemployment insurance payments for the same period of unemployment.

The provision for Federal interim placement benefits, with variations and changes, was carried in all subsequent Kilgore bills. In all these bills, moreover, the provisions covered substantially all unemployed persons—veterans and others. On May 3, Senator Kilgore offered on the Senate floor what later became S. 1893 as a substitute for S. 1718 dealing with the settlement of claims arising from terminated war contracts. The Senate rejected this proposal on May 4. Senator Kilgore's second bill, S. 1893, substantially a revision of S. 1823, was introduced on May 4 and referred to the Committee on Military Affairs. The bill was issued as a revised Committee print on June 9. Nine other Senators had joined Senator Kilgore as co-sponsors.

Senator Murray also issued, on June 9, a Committee print revision of S. 1730.<sup>6</sup> In addition to certain changes in the provisions for coordinating demobilization and curtailing or terminating war contracts, the revised S.

1730 included certain new provisions. One authorized payments for transportation of war workers to new jobs or to the place of their bona fide residence prior to their migration to war employment. Another set up a Federal unemployment reinsurance account in the unemployment trust fund, and amended the Social Security Act by inserting a new title (XII) for the reinsurance of State unemployment funds through outright grants to States when State funds dropped below a specified level.

The bill did not propose Federal interim placement benefits but, rather, amendment of the Internal Revenue Code to set up certain minimum standards on amount and duration of benefit payments under existing State unemployment compensation laws, which must be met before employers could obtain tax-offset credit. Any State which complied with these standards before July 1, 1945, either on the basis of an agreement with the Federal Government to make payments supplementary to those under its unemployment compensation law or on the basis of an appropriate amendment to its law, would be entitled to reimbursement from the Federal unemployment reinsurance account for the additional cost of such payments up to July 1, 1945. After that date benefit provisions meeting those standards would have to be included in State laws, if the employers of the State were to receive tax-offset credit, and all benefits payable under the State laws were to be financed from the State's account in the Federal unemployment trust fund.

The bill also provided for payment of unemployment benefits, in accordance with applicable provisions of State unemployment compensation laws, to persons employed by the Federal Government after September 16, 1940. The benefits were to be administered by State unemployment compensation agencies and financed from the Federal unemployment reinsurance account. The unemployment compensation provisions, and all accompanying amendments to existing legislation, were to expire at the end of the second full calendar year after the termination of hostilities.

On June 23 the Special Senate Committee on Post-War Economic Policy and Planning, of which Senator

<sup>6</sup> For hearings on these two revised Committee prints see *Mobilization and Demobilization Problems*, hearings before the Senate Committee on Military Affairs, parts 7 (June 12) and 8 (June 9, 14, 15, and 16). See also part 10 (August 3 and 4) for hearings on later committee prints of these bills and on S. 2061.

George is chairman, issued a report (S. Rept. 539, part 5)<sup>1</sup> recommending extension of unemployment compensation coverage to Federal workers, the payments to be made through State unemployment compensation agencies and under State laws; amendment of the Federal Unemployment Tax Act to cover other excluded groups; and Federal loans to State unemployment compensation funds.<sup>2</sup> On August 1, when the Senate reconvened after a recess from June 23, Senator George introduced, as an amendment to the Social Security Act, S. 2051, "to effectuate the recommendations of the Special Committee" (S. Rept. 1035, page 1). This bill dealt only with the creation of a Federal unemployment account, loans to State unemployment funds, and the provision of unemployment compensation for Federal employees.<sup>3</sup> Except for substituting loans for grants, these sections were substantially the same as the comparable provisions in the amended S. 1730. S. 2051 did not include any provisions regarding standards on amount and duration of benefits. Since S. 2051 proposed amendments to the Social Security Act, it was referred to the Finance Committee, which has jurisdiction in matters relating to taxation, rather than to the Committee on Military Affairs. The Finance Committee reported out the bill on August 3, with only minor changes.

In the report accompanying the bill (S. Rept. 1035), Senator George said that the Finance Committee concurred "in the conclusions of the Post-War Committee that the administration of unemployment compensation laws should remain with the States and that the Congress should not interfere with State standards and State procedures." Of unemployment compensation for Federal employees, he said, "The Committee feels that this is a fair and proper extension of the unemployment compensation bene-

fits." He pointed out that the present unemployment compensation laws covered more than 30 million persons, the G. I. Bill had added some 11 million veterans, and passage of the present bill would extend eligibility to about 3.5 million additional workers.

On August 5, Senator Murray, for himself and Senator Kilgore, introduced S. 2061, which was referred to the Military Affairs Committee, approved by the Committee by a vote of 10 to 7, and reported out on August 5. The new bill contained the various provisions, some of them revised, which had been in the earlier Kilgore bills (S. 1823 and S. 1893): payment of travel expenses for workers and ex-servicemen; vocational education and training and payment of maintenance allowances; and interim placement benefits, set as a proportion of prior wages for civilians and as flat amounts for veterans. The amounts payable to veterans and the maximums payable to civilians were scaled according to the number of the beneficiary's dependents. The veteran with three or more dependents, for example, would receive \$35 a week as compared with the \$20 payable to any qualified veteran under the G. I. Bill.

In a report accompanying the bill (S. Rept. 1036), Senator Murray, for himself and Senator Kilgore, declared that the Military Affairs Committee, in recommending these provisions, "believes that it is essential that unemployment benefits be adequate to maintain a decent subsistence for the individual worker and his dependents, and holds that the purchasing power provided will be a prime factor in preventing a spiral of depression. . .

"The unemployment which appears during the transition period from war to peace will be the inevitable result of the cancelation of Government contracts. These dislocations in job opportunities are a necessary part of the national war effort. In drafting these provisions the Committee has been careful not to federalize existing State unemployment compensation systems. A period up to 2 years after the war is provided during which the Committee believes the States may well prove their ability to provide adequate benefits from State funds through local machinery which is preserved by this recommended legislation."<sup>4</sup>

On August 8 a minority report was issued as part 2 of S. Rept. 1036, by four other members of the Committee. Of the unemployment compensation sections of S. 2061, the minority members declared "In our opinion, the bill reported by your Committee will place a premium upon unemployment and will be an inducement to people to avoid work . . . The submitted bill purports to be a temporary measure, terminating 2 years after the cessation of hostilities, but no one could believe that once enacted it would not continue as permanent legislation. Under the guise of a temporary emergency, this title would completely federalize the Social Security Act and would permanently fix very high benefit levels." They recommended that, since passage of Senate George's bill (S. 2051) would "properly meet the subject of unemployment compensation," title III and all other parts of S. 2061 dealing with unemployment compensation should be deleted.

Debate on the two bills—S. 2051 reported out by the Finance Committee and S. 2061 from the Military Affairs Committee<sup>5</sup>—continued in the Senate until August 11, and during that time various amendments to the two bills were offered. On August 11 the Senate approved S. 2051, as amended by Senator George, rejecting an amendment offered by Senators Murray and Kilgore which inserted the provisions of S. 2061 into S. 2051.<sup>6</sup> Senator George's bill was adopted, 49 to 25. The Senate then added a few other minor provisions and passed the George bill, 55 to 19, which then went to the House.

### House Debate

As it went to the House, the bill was substantially in the form of the bill finally reported by the Conference Committee, except for two major

<sup>1</sup> See also Senator Wagner's statement of reasons for favoring the unemployment insurance provisions of S. 2061, *Congressional Record*, August 8, 1944, pp. 6856-6858.

<sup>2</sup> The Murray-Kilgore bill (S. 2061) as reported by the Committee was modified on the floor of the Senate by its sponsors. See *Congressional Record*, August 9, pp. 6895-6899, and August 11, p. 6976.

<sup>3</sup> A motion by Senator Maloney to recommit the bill to the Senate Committee on Finance was voted down, 14 to 59.

<sup>1</sup> The Committee recommendations were carried in the *Bulletin*, July 1944, pp. 2-3.

<sup>2</sup> The "G. I. Bill of Rights," which became law on June 22, established "readjustment allowances" for unemployed veterans at the flat rate of \$20 a week.

<sup>3</sup> See *Post-War Economic Policy and Planning*, hearings before the Special Senate Committee on Post-War Economic Policy and Planning, part 3, May-June 1944.

controversial provisions. The Senate bill contained both the provision for payment of transportation expenses for civilian workers, and that providing unemployment compensation for Federal workers.

The House Committee on Ways and Means reported the bill out on August 24, without provision for either unemployment insurance for Federal workers or transportation expenses for civilian workers. The House bill took the form of an amendment striking out all of the Senate bill after the enacting clause and substituting, as a Committee amendment, five new titles. In a report to accompany the bill (H. Rept. 1798), Representative Doughton declared that titles I and II of the Committee amendment—establishing an Office of War Mobilization and Reconversion and coordinating industrial demobilization and reconversion—followed closely most of the recommendations of the House Committee on Post-War Economic Policy and Planning (H. Rept. 1759); that title III followed closely the provisions of the Senate bill providing advances to the State unemployment accounts; and that title IV, planning for public works, followed closely the comparable provisions in the Senate bill. Title V contained miscellaneous provisions only.

In discussing the omission of unemployment compensation for Federal workers, the report said that a majority of the Committee were of the opinion that Federal employees should not be granted unemployment compensation until the provisions of the Federal Unemployment Tax Act had been broadened to cover, under the existing system, workers who are not now covered. The report also stated that if unemployment compensation were extended to Federal employees, for example, the seamen employed by the Federal Government would be eligible for benefits while seamen employed by private operators would not. The report went on to point out that "Inasmuch as the bill originated in the Senate, the general question of extending the coverage of the Federal Unemployment Tax Act cannot be considered in connection with this bill, because any measure extending coverage under that act would be a bill relating to the raising of revenues, which, under the Constitution, can

originate only in the House of Representatives. Thus, if unemployment benefits were extended to Federal employees under this bill, the discrimination would be inevitable."

Because of the many ramifications of this problem, the report continued, "the Committee determined to omit from this bill the provisions granting unemployment compensation to Federal employees, and to leave the whole subject for possible future consideration in a bill originating in the House relating to the matter of coverage of the Federal Unemployment Tax Act."

The House Committee report also contained the supplementary views of the 10 Republican members of the Ways and Means Committee and the dissenting views of 4 Democratic members. The supplementary views of the Republican members stated: "We of the Republican minority fully appreciate the benefits of a sound, well-rounded social security program . . . The bill, as it came to the House, put the cart before the horse in that it laid emphasis on unemployment and placed a premium on idleness. The first big job before us is to so adjust our peacetime economy as to give free rein to the American will to develop, build, and expand. In that direction lies security, opportunity, prosperity, and contentment for our people."

The dissenting views of the 4 Democratic members declared that S. 2051 "is not a bill—it is merely a skeleton . . . The provision for advances to the State unemployment insurance funds is completely inadequate . . . The section in the Senate bill providing unemployment compensation for Federal employees has also been stricken out by the Committee. This is a great injustice . . . We also believe that the existing provisions of some State unemployment compensation laws are inadequate, the amount of the benefits too low, the duration of the benefits too short, and the coverage too limited . . . We believe that unemployment insurance benefits should run for at least 26 weeks."

The debate on S. 2051 began in the House on August 29. On August 31 the House voted on Representative Dingell's amendments to substitute H. R. 5227 for S. 2051. H. R. 5227 was a modification of the Murray-Killgore bill (S. 2061) considered in the

Senate. As in the bill as finally considered in the Senate, the Federal interim placement benefits were based on the weekly wages for civilian employees and were to equal 75 percent of such wages with a minimum of \$8 per week and a maximum of \$20 for an individual with no dependents and \$25 for an individual with one or more dependents. Benefits were to be provided for a duration of not more than 52 weeks in any 2 consecutive benefit years. Representative Dingell's substitute was voted down, 54 to 188.

An amendment by Representative Eberharter to include the Senate provisions with respect to transportation allowances in the House version of S. 2051 was defeated, 41 to 89. An amendment by Representative Forand to include the Senate provisions with respect to unemployment compensation for Federal employees in the House version of S. 2051 was ruled out of order, as was a similar amendment by Representative Keefe. Other amendments to the Social Security Act by Representatives Voorhis, Outland, and Jackson were also ruled out of order.

Debate on the measure was completed in the House on August 31, when the bill, virtually as reported out by the Ways and Means Committee, was passed by a vote of 162 to 39. Representative Doughton then moved that the House insist on its amendment and asked for a conference with the Senate.

### *Conference Committee Reports*<sup>13</sup>

On September 18 the House conferees returned to the House for instructions on the two provisions in the bill as passed by the Senate which had not been voted on by the House, since they had been omitted from the bill as reported by the Ways and Means Committee. The provision for unemployment compensation for Federal workers was voted down by a roll-call vote of 156 to 174, and that for paying transportation expenses of war workers was also voted down, 90 to 239.

<sup>13</sup> See *Reconversion*, a report to the President from Director of War Mobilization, James F. Byrnes, issued September 7, 1944 (S. Doc. 237). In this report Mr. Byrnes reiterated his previous recommendations for Federal legislation with respect to unemployment compensation (pp. 9-10).

(Continued on page 30)

## Under the Railroad Retirement Act\*

Retirement activity in August was at a relatively high level. Benefit payments certified to the Treasury reached a record high. The number of new applications for employee annuities was the largest since April 1941, and the number of employee annuity certifications was the largest since February of this year. The number of lump-sum death benefits certified was the highest in more than 5 years.

Benefit payments in August totaled \$11.7 million with 83 percent going to employee annuitants, 10 percent to

former carrier pensioners, and 7 percent to survivors (table 6). Almost 92 percent of the total was in the form of regular monthly checks payable on the 165,000 benefits in force at the end of the month. The balance consisted of retroactive payments on benefits newly certified or recertified during the month less cancelations and refunds of payments made in previous months.

**Employee annuities.**—Applications for employee annuities totaled 1,970, almost 300 more than the average for the first 7 months of 1944. The number of certifications increased to 1,504—76 more than the average of 1,428 for January–July. For the first 7 months of the year terminations by death averaged 944 but dropped to 786 in August in accordance with the usual seasonal decline. At the end of the month 140,300 annuitants were on

the rolls, receiving an average of \$66.62 a month.

**Pensions.**—No new pensions were certified during the month, and 195 were terminated by death. The number in force on August 31 was 20,400 with an average monthly pension of \$59.21.

**Survivor payments.**—About 1,700 lump-sum death benefits were certified in August at an average amount of \$381.61. Only 45 of the benefits were payable on the death of an annuitant; the rest were payable on the death of employees in active service, or former employees who had left the industry but had not yet entered the annuity rolls.

Twenty-three survivor annuities and 50 death-benefit annuities were certified. At the end of the month, 3,709 of the former were in force at an average monthly rate of \$31.90, and 556 of the latter, at \$36.17.

\* Prepared by the Office of Director of Research, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

Table 6.—Railroad retirement: Annuities and pensions in force and net benefit payments certified to the Secretary of the Treasury, by class of benefit, August 1944<sup>1</sup>

| Period and action                   | Total   |              | Employee annuities |             | Pensions to former carrier pensioners |             | Survivor annuities |           | Death-benefit annuities <sup>2</sup> |          |
|-------------------------------------|---------|--------------|--------------------|-------------|---------------------------------------|-------------|--------------------|-----------|--------------------------------------|----------|
|                                     | Number  | Amount       | Number             | Amount      | Number                                | Amount      | Number             | Amount    | Number                               | Amount   |
| In force July 31, 1944.....         | 164,442 | \$10,652,106 | 139,517            | \$9,292,582 | 20,637                                | \$1,221,701 | 3,697              | \$117,809 | 561                                  | \$20,102 |
| During August 1944:                 |         |              |                    |             |                                       |             |                    |           |                                      |          |
| Initial certifications.....         | 1,577   | 105,507      | 1,504              | 102,947     | 0                                     | 0           | 23                 | 745       | 50                                   | 1,814    |
| Terminations by death (deduct)..... | 1,047   | 66,355       | 786                | 53,059      | 195                                   | 11,262      | 11                 | 225       | 55                                   | 1,808    |
| In force as of Aug. 31, 1944.....   | 164,976 | 10,693,336   | 140,262            | 9,344,090   | 20,419                                | 1,210,819   | 3,709              | 118,317   | 556                                  | 20,109   |
| Total payments (net).....           |         | \$11,651,499 |                    | 9,640,665   |                                       | 1,202,100   |                    | 120,297   |                                      | 27,348   |

<sup>1</sup> For definitions of classes of benefit, see the *Bulletin*, October 1942, p. 25. Data for initial certifications are for period in which payment was certified, not for period in which it began to accrue. Data for terminations by death are for period in which notice of death was received, not for period in which beneficiary died. In-force data represent certifications less terminations by death; they are adjusted for recertifications, reinstatements, and terminations for reasons other than death (suspension, return to service, recovery from disability, commutation to a lump-sum payment). Certifications are reported on an accounting-month

basis ended on approximately the 20th, terminations are reported through the 14th–27th, and total payments are on calendar-month basis. Cents omitted.  
<sup>2</sup> In a few cases, payments are made to more than 1 survivor on account of death of 1 individual; such payments are counted as single items. Terminations include those by death and by expiration of 12-month period for which death-benefit annuities are payable; nearly all terminations are of latter type.  
<sup>3</sup> Includes \$661,056 for lump-sum death benefits.

(Continued from page 15)

The conferees were instructed to return to the Senate-House conference and stand steadfast against the two provisions.

During that conference, the House conferees agreed to the reinsertion of title III, retraining and reemployment, which the House had previously deleted from the Senate bill. On the other provisions, however, the conferees remained deadlocked. Finally, on September 19, the Senate conferees reported to the conference report, declaring "The House having voted to insist upon its disagreement, we were confronted with two alternatives—to

accept the provisions of the bill upon which there was agreement, or have no bill at all . . . Feeling that it is vital that titles I and II be enacted and that the other titles are very desirable, we reluctantly receded from the Senate position. We deplore the fact that it was not possible, in this bill, to care for these two highly desirable steps in the program for human demobilization but call attention to the fact that the way is still open to enact these two provisions by separate legislation." The Senate agreed to the report that same day.

The following day, the conference report was submitted to the House.

In reply to a question, Representative Doughton reiterated a previous statement "that in view of the limited time at the disposal of the Committee, and in view also of the honest difference of opinion of some Members of the House," it would be his purpose "at the first practical time to call the Committee together to consider further these two questions in dispute, one with respect to transportation and travel pay and the other with respect to unemployment compensation for Federal employees." The conference report was accepted by the House on September 20 and became law October 3.