This bill as drawn with no standards required of States and with the rebate or credit of 90 percent to employers makes what will be quite a patchwork of Federal-State unemployment insurance laws. We could easily have 48 different systems, many in conflict with one another, working injustice to the unemployed instead of operating for their benefit and entailing a great deal of confusion. State lines do not bar the removal of workers from one plant to another. The mobility of labor in the United States is very great. Steel workers go easily from Ohio to Pennsylvania; automobile workers from Michigan to Wisconsin. What we need is a uniform Federal statute with the subsidy or grant-in-aid to States with minimum standards required of these States so that we will not have this hodge-podge or patchwork but a uniform law.

The CHAIRMAN. Thank you very much. Mr. McCulloch.

STATEMENT OF FRANK W. McCULLOCH, REPRESENTING CHICAGO WORKERS UNEMPLOYMENT COMMITTEE

Mr. McCULLOCH. Mr. Chairman, I represent an unemployed group that you are attempting to deal with and perhaps their suggestions will not be completely without value.

The CHAIRMAN. Whom do you represent?

Mr. McCULLOCH. The Chicago Workers Unemployment Committee's group in Chicago, composed of some 35 locals there. Of course, their paid-up membership is not large, they haven't enough money. They are affiliated with the Illinois Workers' Alliance, which is the largest State group of organized unemployed, composed of some 235 locals throughout the State of Illinois! and they are intensely interested in the whole problem of social security and the matter of unemployment insurance.

The CHAIRMAN. Do they generally endorse this measure?

Mr. McCULLOCH. They endorse the principle of social security, but they are far from satisfied with what the bill proposes to do. I think the Senate should realize that and should appreciate that it is going to be hard to make any such proposition prevail unless it does meet with the approval of these groups of unemployed.

I think if you have examined the bill which is commonly called the " Lundeen bill ", which provides for a system of immediate benefits, you would know the passage of this measure is not going to allay greatly the disappointment of any of the citizens of this country and their feeling that there is nothing that is promising to them for immediate security.

We talk a good deal about building a first line of defense. The war is now on. To be sure this bill may provide only for some future war. You may say it is the business of the people to deal with future wars now, to provide now for future wars, but we think we should deal with the war that is facing us now. The bill which is now up purports to deal with the provision for jobs for no more than 3½ million, out of the conservatively estimated 11 million men in the country who are now without employment .

The CHAIRMAN. So your organization is in favor of the Lundeen bill but not in favor of this bill?

Mr. McCULLOCH. That is correct.

The CHAIRMAN. Have you a further statement to elaborate your views? Have you a statement in printed form?

Mr. McCULLOCH. No, sir; I have not. I have come to Washington on very short notice and I have not had an opportunity to prepare a statement.

The CHAIRMAN. We will give you the privilege to elaborate your views, if you prepare them in writing and hand the statement to the clerk. We will see that it is placed in the record.

Mr. McCULLOCH. I will be glad to prepare a statement.

May I second what has been said about the inadequacy of dealing with future needs. I appreciate that is all you are attempting to do here. I make the point that you must deal with present needs unless you want the unemployed to become impatient. I find an increasing sullenness on the part of my group. No social-security legislation that is designed to do anything that does not deal with the present will diminish this sullenness.

I want to stress the high standards that should be set up. The standards should be set up in such a way that the States will not be able to set up such inadequate provisions as will not comply with the present condition of the people in the country. Now as to the necessity of setting up high standards I recommend that the committee itself examine some of the hearings of the House Subcommittee on Labor, which has been taking the testimony of groups supporting the Lundeen bill, in order to test the sense of the people and their temper, because it is terribly important that we attempt to deal with the present insecurity.

(The statement previously referred to appears here:)

STATEMENT OF FRANK W. McCULLOCH, CHAIRMAN CHICAGO WORKERS COMMITTEE ON UNEMPLOYMENT

The organization which I am representing in this hearing is composed of unemployed and part-time workers in the city of Chicago. It numbers some 35 different local units and is affiliated with a State-wide federation of the unemployed, known as the "Illinois Workers Alliance". This State organization includes more than 225 local units numbering more than 50,000 men and women in its membership, all of whom are deeply concerned about the security program now being presented to the Congress.

The unemployed heartily endorse the principle of social responsibility for the burdens resulting from unemployment and the other hazards for which provision is made in the Wagner-Lewis bill. We are convinced that no private method of dealing with this problem of economic insecurity can be adequate to the need.

While supporting the basic purpose of this bill, however, we are convinced that without fundamental revisions it will fail tragically in meeting the presently esisting situation. It is commonly referred to as furnishing merely a first line of defense against the calamities of the next depression. The hardships and miseries of the present depression, however, are so keenly felt by, millions of our men, women, and children that they will be intensely dissatisfied with any program which does not seek to provide immediate protection against the hunger, privation, and haunting fears which are their daily lot. We earnestly urge upon you, therefore, the consideration and enactment of amendments which will provide for immediate security, as well as security against future catastrophes. Anything less would be a mockery of the purposes which this bill proposes to serve, as well as a cruel disappointment to masses of the working people who have been promised help in their present difficulties, as well as insurance against their future needs.

This principle has been embodied in legislation now pending before the House of Representatives, commonly known as the "Lundeen bill" (H. R. 2827). The Chicago Workers Committee has endorsed the basic provisions of this bill and it is receiving the support of a growing number of organizations of unemployed and employed workers throughout the country. You may feel that the provision of immediate security is beyond the proper scope of the legislation before this committee. Perhaps you believe that the $4,888,000,000 Public Works program sought to be initiated by other pending legislation makes an adequate program for the immediate relief of the unemployed. There is positively no justification, however, for such a feeling. The program does not purport to provide work for more than about a third of those presently unemployed for the limited period of

1 or possibly 1½ years. Meantime, the remaining 7½ million persons not given work must continue to subsist upon the meager doles now provided. If you believe that this subsistence is either adequate or humane, if you do not understand that it is destroying American standards of living, if you do not appreciate that it is causing incalculable human suffering and creating unheard-of economic wastes due to our failure to employ this large supply of willing labor, I invite your careful study of the distribution of relief in almost any part of this country and the disastrous effects already apparent.

Above all, the great mass of the unemployed of this country want jobs. Our desire for an opportunity to earn our living, in a decent, self-respecting, American manner, is paramount. In view of the inadequacy of the present job program, however, the enactment of a security program which makes immediate provision for the needs of our families is essential, if wide-spread suffering and smouldering discontent are to be avoided.

It has been encouraging to have the Federal Government plan positive action to alleviate the hardships resulting from future insecurity. But here again the unemployed are convinced that the Wagner-Lewis bill in its present form does not make adequate provision. An undue reliance is placed upon the various States of the country to enact separate and sufficient security legislation. Some States are unable to do so. Others are presently unwilling. Such State systems as are initiated within the terms of the present bill may vary radically in the protections which they set up. We are convinced that if an adequate potection against the risk of unemployment is to be created there must at least be certain minimum standards set forth in the Federal legislation. Such minimum standards should cover the amount of the benefits to be paid, length of the waiting period, length of the period for payment of the benefits, and qualifications for compensation. In this connection we believe that the benefit provisions recommended to the States by the Committee on Economic Security are not estensive enough to guarantee the maintenance of a proper standard of living over a sufficient period of time. We hope that the bill may be amended to include minimum standards in line with those set forth in the Lundeen bill previously referred to. Nothing less than a Nation-wide system for such substantial protection to American laborers can insure a fair or adequate treatment of this problem.

All of you doubtless feel a very deep concern over the situation to which I have referred. Perhaps all would be willing to consider a more extensive program such as I have suggested if you felt that there were resources available for such a purpose. May I remind you, however, that there are other sources of funds which are not mentioned in this bill, which very readily occur to many American workers. We read, with what emotions I shall not attempt to describe, of increasing individual and corporate incomes in the higher brackets, as reported by the Bureau of Internal Revenue; we see rising prices and a scale of wages, which, in terms of buying power, is actually falling. As the emergency becomes greater and the maldistribution of wealth increases, it seems obvious that a considerable measure of support for the payment of immediate benefits to unemployed workers should be derived from sharply increased income, inheritance, and gift taxes. Our organization is convinced that the system of protection which is set up in this security legislation should provide for a fund which is made up, at least in part, of State contributions derived from these sources. The justice of this proposal is equaled only by its soundness from the point of view of the total economic situation in the country today. No other presently accepted methods can be as effective in the necessary building up of purchasing power without reducing it at some other point.

When the unemployed hear of the difficulties which you face in planning for such an extensive and immediate security program, they also remember the fabulous sums that are appropriated by each Congress in the preparation for wars against other nations. To us the war against human suffering within the borders of our own country is of far greater significance. In view of the inadequate preparations for that war up to the present time it is no wonder that impractical propositions like those of the kindly Dr. Townsend evoke wide-spread popular support. It is for you, however, to make fundamental revisions in the present security act to speed its effectiveness and make more nearly adequate its much-vaunted protection. You should appreciate the growing sense of disillusion on the part of increasing numbers of hitherto patient American working people. I urge you, therefore, to respond to the imperative need, with a broadened legislative program for security, drawn up on the lines of the Lundeen bill.

The CHAIRMAN. Thank you very much. There was a request made by Mr. Irwin that some of these gentlemen here with him be given the privilege to speak. Is Mr. Sinclair here?

STATEMENT OF S. MERWIN SINCLAIR, PRESIDENT OF EXECUTIVES OF STATE COMMISSIONS AND STATE AGENCIES FOR THE BLIND, AND PENNSYLVANIA COUNCIL FOR THE BLIND

Mr. SINCLAIR. I appreciate very much the privilege which you are giving me here in extending the time of the committee, and I will be very brief.

As members of the State Commission we are interested not only in services for those who are blind but also tremendously interested in the services for the prevention of unnecessary blindness. So we are heartily in support of the three amendments suggested by Mr. Irwin and Mr. Carris, the one referring to the section of the bill on old-age assistance, making this assistance available to blind persons at the age of 50, because of the fact that the handicap of blindness on top of the handicap of age in a great majority of cases makes it a practical impossibility for even an employable blind person of 50 years and over to secure employment.

Secondly, we wish to add our support to what has been said favoring the incorporation of section 702 on crippled children in such a way that the child who is suffering under a serious vision impairment may be included in the services set up for crippled children, or by the addition of a phrase necessary to make this provision for crippled children available for those with seriously impaired vision.

The CHAIRMAN. I thank you very much, Mr. Sinclair. The committee will be very glad to consider the suggestions of your organizations, ,and these others, and Mr. Irwin.

Mr. SINCLAIR. May I submit a written statement?

The CHAIRMAN. You may, but get it in pretty soon, because we are having these printed very quickly.

Mr. L. L. Watts. Mr. Watts represents the American Association of Workers for the Blind and Virginia Commission for the Blind.

STATEMENT OF L. L. WATTS, RICHMOND, VA., VIRGINIA COMMISSION FOR THE BLIND AND THE AMERICAN ASSOCIATION OF WORKERS FOR THE BLIND

Mr. WATTS. Mr. Chairman, I will not take a minute of your time. I will file my brief with your clerk.

(Document referred to is as follows:)

THE AMERICAN ASSOCIATION OF WORKERS FOR THE BLIND,
Richmond, Va., February 12, **19%.**

Hon. **PAT HARRISON,**
Chairman United States Senate Finance Committee,
Washzngton, D. C.

MR. **CHAIRMAN:** I am appearing before your committee in behalf of the membership of the American Association of Workers for the Blind respectfully requesting that certain amendments which are herewith attached be incorporated in S. 1130 known as the "Wagner economic security bill."

I think the records will show that this is the first time we have appeared, before any congressional committee requesting financial aid for the blind of this country.

Mr. Chairman and gentlemen of the committee, we are well aware that the Federal Government has given financial assistance to practically every group