of the Federal Government to invade all these fields or the power of the Federal Government to control the States?

Mr. HANSEN. Of course we gave some consideration to it. However I do not feel competent to discuss the constitutionality.

Senator KING. I am just wondering whether anybody in all of these ramifications and these discussions in these committees has considered the constitutional questions.

Mr. HANSEN. Very carefully.

The CHAIRMAN. The Attorney General was on the committee, was he not?

Mr. HANSEN. Yes sir.

The CHAIRMAN. And in the technical committees they had a representative of the Department of Justice?

Mr. HANSEN. That is right.

The CHAIRMAN. Was there anything else now, Doctor?

Mr. HANSEN. No, sir.

The CHAIRMAN. Thank you very much.

Senator LONERGAN. I should like to ask just one question before you go, Mr. Hansen. Can you tell us please what percentage of private industry has an established unemployment-insurance system?

Mr. HANSEN. It is a very, very small percentage.

Senator LONERGAN. Less than 1 percent?

Mr. HANSEN. Less than 1 percent. It is a very, very small percent.

Senator LONERGAN. Is that a system of contribution on the part of the employer and the employees?

Mr. HANSEN. It is usually a system of contribution on the part of both the employer and the employee.

Senator LONERGAN. Thank you.

Senator LONERGAN. Mr. Chairman, I desire to have placed in the record proposed amendments to the pending bill presented by the National Conference of Catholic Charities, Washington, D. C.

The CHAIRMAN. They may go in the record.

(Letters referred to are as follows:)

AMENDING SOCIAL SECURITY BILLS (S. 1130; H. R. 4120)

AID FOR CHILD WELFARE SERVICES

SEC. 703. In order to enable the Federal Government, through the Children's Bureau, to cooperate with the State agencies of public welfare in extending and strengthening, especially in rural areas, and in other areas where such services have not been organized or are inadequate to meet the need, welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, there is hereby appropriated for the fiscal year ending June 30, 1936, from funds in the Treasury not otherwise appropriated, the sum of $1,500,000 and there is hereby authorized to be appropriated, the sum of $1,500,000 for each fiscal year thereafter. From this amount so much, not to exceed 5 per centum, as the Children's Bureau shall find to be necessary for administering the provisions of this section and for investigations and reports related thereto, shall be deducted annually for this purpose to be available until expended. The remainder shall be available for (a) cooperative demonstrations looking toward the assumption of full State and local responsibility, following a demonstration period, or for services of a more permanent character, such demonstrations and services to be carried on through the Children's Bureau and the State agencies of public welfare, with the cooperation of health and welfare groups and organizations, in areas predominantly rural and among groups of the population in special need, and for (b) assisting the State agencies of welfare in developing State-wide services for the stimulation, encour-

agement, and assistance of adequate methods of community child welfare organization for the prevention and treatment of dependency, delinquency, and other types of social need among children. The sums provided for cooperative services under this section shall be available for expenditure until the close of the succeeding fiscal year.

SEC. 203. As used in this title, "dependent children" shall mean children under the age of sixteen in their own homes living with one or both parents or relatives within the second degree, that is, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, or aunt, and in which home there is no adult person, other than one needed to care for the child or children who is able to work and provide the family with a reasonable subsistence compatible with decency and health.

The CHAIRMAN. Dr. Epstein.

STATEMENT OF ABRAHAM EPSTEIN, REPRESENTING THE AMERICAN ASSOCIATION FOR SOCIAL SECURITY

The CHAIRMAN. Did you have anything to do with the drafting of this legislation?

Mr. EPSTEIN. With some parts of it, but not with the unemployment insurance. The little bit with the old-age pensions unofficially.

The CHAIRMAN. Unofficially?

Mr. EPSTEIN. Unofficially and secretly.

Senator COUZENS. Before you go ahead, will you let us have your experience?

The CHAIRMAN. Please give the committee some of your background.

Mr. EPSTEIN. I might say, Mr. Chairman, that I have myself devoted about 19 years to the general subject of social security, most of the time to old-age pensions, that I have written most of the books on the subject in this country, and I represent an association which for nearly 10 years has been primarily interested in the promotion and advocacy of these particular types of legislation. Social security has been our chief undertaking.

Senator KING. Who financed your institution or association?

Mr. EPSTEIN. It is made up entirely of voluntary contributors, about seven or eight thousand members throughout the country. No rich man ever financed us. It is made up primarily of the middle-class, intelligent, liberal people who are interested in the procurement of social legislation.

The CHAIRMAN. In your study of the old-age pension, have you given study to the Townsend plan?

Mr. EPSTEIN. Considerable, I should say, Mr. Chairman.

Senator CONNALLY. Has Dr. Townsend contributed anything to your organization?

Mr. EPSTEIN. The only thing he contributed is probably a nuisance.

Senator CONNALLY. How about his predecessor, Dr. Pope? Did he contribute anything?

Mr. EPSTEIN. Dr. Pope was a little bit easier to handle; we knew just exactly where the dimes went to, we could count almost the dimes, because there was a definite method of dime counting and it was easy, especially since he had a criminal record for about 30 years, so it was not very difficult. Now the Townsend plan is a promotion job which is very cleverly done—I should say the finest promotional job which has ever been done in American history.