

Mr. IRWIN. No; we did not.

The CHAIRMAN. There has been no presentation of this question and of these amendments to that committee?

Mr. IRWIN. No.

The CHAIRMAN. All right, thank you very much.

At this point in the record I desire to submit a statement by Mr. Ernest G. Draper, vice president the Hills Bros. Co., New York, City. In addition, there is also submitted a letter which I have received from Mr. C. W. Areson, of the Child Welfare League of America, Inc., New York City, together with accompanying statements from Mr. Areson, Mrs. Blanche La Du, chairman of the Minnesota State Board of Control, and Mrs. Virginia Kletzer, chairman of the Child Welfare Commission of Oregon.

STATEMENT OF ERNEST G. DRAPER, VICE PRESIDENT, THE HILLS BROTHERS Co., NEW YORK CITY

For 15 years I have actively associated myself with those who most vigorously and most continuously have worked for improved methods of employment stabilization, and for some years for the adoption of unemployment-compensation legislation in this country. Approaching this question as an employer, it has been my conviction that a system of compulsory unemployment reserve would not only greatly benefit employees but also, if properly organized, would stimulate better management and promote business stabilization.

As early as 1921 in a published article, I stressed the possibilities of improving employment conditions through stabilization under an appropriate form of unemployment-compensation legislation. Since that time I have seen the development of practical methods in some establishments which suggest in their effectiveness somewhat similar preventive work in reference to accidents under workmen's compensation laws.

I welcome the President's economic-security program as a sound method of brining about unemployment-compensation legislation throughout the country.

In an unemployment crisis such as the present, there is danger that the importance of making unemployment compensation a means of stimulating management to greater efforts to overcome so-called "normal unemployment" may be overlooked. I regret that this tendency has unfortunately been reflected at one point in Senate bill 1130 and H. R. 4142. Section 608 (a) of this bill makes it necessary for States to enact laws requiring at least one-third of the employer's 3-percent contribution to be paid into a single State pool. This pooled fund would be used to subsidize careless or less efficient employers whose failure to stabilize employment results in an excessive rate of unemployment among their employees and a correspondingly high benefit cost. Instead of giving each company or industry full credit for its efforts in reducing unemployment, this provision in S. 1130 and H. R. 4142 would penalize efficient and socially minded employers who go to the trouble and expense of stabilizing their work forces. It would even place a premium upon inefficiency by permitting an inefficient and less scrupulous employer to depend upon his competitors to pay the cost of benefits to his laid-off employees. Surely this violates the sound principle laid down by President Roosevelt in his message on January 17, as follows:

"An unemployment compensation system should be constructed in such a way as to afford every practicable aid and incentive toward the larger purpose of employment stabilization. \* \* \* Moreover, in order to encourage the stabilization of private employment, Federal legislation should not foreclose the States from establishing means for inducing industries to afford an even greater stabilization of employment."

In accordance with this recommendation and following the expressed purpose of leaving to the States freedom to decide for themselves the type of unemployment compensation legislation which best meets their needs, I believe that the Federal measure should not require the pooling of contributions under State laws but should permit States to adopt systems of separate-establishment reserves similar to the only American unemployment compensation law now in force, in Wisconsin.

I am in general agreement with the economic-security program represented by S. 1130 and H. R. 4142. I favor making the unemployment benefits a cost of

production to be paid by the employer alone. I would not object were S. 1130 and H. R. 4142 attended to provide a 3-percent tax from the very beginning in 1936, because I believe that it is urgent to begin as soon as possible to build up the necessary reserves. In my judgment, however, it would be a serious mistake in policy for the Federal legislation to require the pooling of contributions and thus prevent any State from providing the fullest possible incentive to better management and employment stabilization.

CHILD WELFARE LEAGUE OF AMERICA, INC.,  
New York, N. Y., February 9, 1935.

**Hon. PAT HARRISON,**  
*Chairman Senate Finance Committee, Washington, D. C.*

DEAR SENATOR HARRISON: I would like to place the central office of this organization on record with your committee as favoring the measures in Senate 1130 for greater security for children, mothers' aid, maternal and child health, crippled children, aid to dependent children, and other welfare services, and participation by the Children's Bureau.

I do not believe it is beyond the competence of the Federal Government to take such steps as are embodied in this bill for the equalization of opportunity among children in the United States. In fact, I think our governmental structure would be open to severe criticism were it not to seize this opportunity for bringing to disadvantaged children throughout the country as even a measure of opportunity as possible. After all these children have nothing to do with where they are born or happen to live and should not be penalized therefor.

Consequently the assistance of the Federal Government in securing effective operation of mothers' pension laws, of insuring that children in rural areas shall be born as safely and successfully as others, that cripples shall not remain hidden away from treatment, and that children in poorer communities will not be deprived of modern social service opportunities, seems to me entirely worthy of support.

I should like to have the committee consider seriously specifying the Children's Bureau as the agent of the Government to administer the mothers' pension sections of the bill, because the Children's Bureau has had more contact with this matter than any governmental department and a permanent measure of this kind ought to be allied with a permanent department. Of course, the creation of a Federal welfare department would be the logical place for such service. The Emergency Relief Administration, admirable as it is, seems to me not quite logical as an administrator of a permanent service. I am enclosing copies of statements on these matters from several of our member organizations: (1) Mrs. Blanche La Du, chairman of the Minnesota State Board of Control; (2) Mrs. Virginia Kletzer, chairman of the Child Welfare Commission of Oregon; and (3) one of my own based on statistics which I think may be of special interest to you.

Very truly yours,

C. W. ARESON,  
*Assistant Executive Director.*

---

**MINNESOTA'S STATEMENT TO THE COMMITTEE ON ECONOMIC SECURITY ON  
CHILD WELFARE IN A GENERAL PROGRAM OF SOCIAL SECURITY**

In the State of Minnesota the various provisions for services to children proposed in S. 1130 have been dependent on and promoted by a State-wide program under the direction of the State board of control.

This program, established in 1917 by act of the legislature, placed on the State board of control the responsibility of promoting enforcement of every law for the protection of illegitimate, dependent, neglected, delinquent, and defective children. The board was authorized to organize county child-welfare boards and coordinate the activities of juvenile courts and reputable child-helping agencies. The experience of the State board of control since January 1, 1918, in promoting the program for the protection of children proves the value of the provisions proposed in S. 1130, title VII, section 703.

In Minnesota the State board of control may appoint county child-welfare boards on request of the county boards but the State makes no financial contribution for the administering of the child-welfare services in the county. Support of programs for such services depends on local interest and action of county boards. Because of this generally in only 20 percent of the counties has there been