

represent the (local old-age-assistance agency) in respect to any matters arising under sections 21, 22, and 23 of this act.

NOTE.—Since it is recommended that the State laws should not contain property limits, these provisions for recovery in cases where there is property are very important. Substantial amounts are recovered in States following this procedure. The provisions for recovery will cause many applicants with substantial property to withdraw their applications, and since the assistance is recoverable, will avoid criticism of the assistance to persons with small amounts of property. The Federal bill requires that so much of the assistance as represents the Federal aid shall be made a lien upon the estate of the recipient. The State may, if it wishes to do so, charge interest upon the amounts advanced as assistance, but this is not recommended.

SEC. 23. Recovery of assistance payments.—If at any time during the continuance of old-age-assistance allowance the (local old-age-assistance agency) has reason to believe that a spouse, son, or daughter liable for the support of the recipient of assistance is reasonably able to assist him, it shall, after notifying such person of the amount of the assistance granted, be empowered to bring suit against such spouse, son, or daughter to recover the amount of the assistance provided under this act subsequent to such notice, or such part thereof as such spouse, son, or daughter was reasonably able to have paid.

NOTE.—Interest may also be charged if desired.

SEC. 24. Expenses of act.—All necessary expenses incurred by a (county or district) in carrying out the provisions of this act shall be paid by such (county or district) in the same manner as other expenses of such (county or district) are paid, subject to reimbursement by the State from appropriations made by the legislature for this purpose. (New York Laws, *ibid.*, sec. 124-n.)

Sm. 25. Fraudulent acts.—Any person who by means of a willfully false statement or representation, or by impersonation, or other fraudulent device, obtains, or attempts to obtain, or aids or abets any person to obtain—

- (1) Assistance to which he is not entitled ;
- (2) Greater assistance than that to which he is justly entitled ;
- (3) Payment of any forfeited installment grant ;
- (4) Or aids or abets in buying or in any way disposing of the property of the recipient of assistance without the consent of the (local old-age-assistance agency) shall be guilty of a misdemeanor. (Minnesota Acts of 1929, sec. 15, and other State laws.)

Sm. 26. Limitations of act.—All assistance granted under this act shall be deemed to be granted and to be held subject to the provisions of any amending or repealing act that may hereafter be passed, and no recipient shall have any claim for compensation, or otherwise, by reason of his assistance being affected in any way by such amending or repealing act. (Maine Laws, *ibid.*, sec. 22, and other State laws.)

SEC. 27. Raving clause.—A person 65 years of age or more not receiving old-age assistance under this act is not by reason of his age debarred from receiving other public relief and care. (New York Laws, *ibid.*, sec. 124-p.)

SEC. 28. Effective date.—

The CHAIRMAN. The first witness this morning will be Charles H. Houston, of Washington, D. C., representing the National Association for the Advancement of Colored People.

STATEMENT OF CHARLES H. HOUSTON, REPRESENTING THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

Mr. HOUSTON. Mr. Chairman, the National Association for the Advancement of Colored People regrets that it cannot support the Wagner economic security bill (S. 1130). It approached the bill with every inclination, if for no other reason than the fact that Senator Wagner introduced it, to support it, but the more it studied the bill

the more holes appeared, until from a Negro's point of view it looks like a sieve with the holes just big enough for the majority of Negroes to fall through.

As to title I, the noncontributory old-age assistance, the very limits of the appropriations (\$50,000,000 the first year and \$125,000,000 thereafter) show that it is not intended to cover all old people 65 years of age or over. The President's own Committee on Economic Security reported that there are now approximately 7,500,000 people 65 years of age and over, and that a conservative estimate is that half of them are dependent. Figuring out an old-age-assistance grant averaging only \$10 per month to these 3,750,000 dependents, and we have the figure of \$37,500,000 per month, or \$450,000,000 per year. Since the Federal Government splits the expense 50-50 with the States, the cost to the Federal Government figures out as \$225,000,000 per year. But the maximum appropriation, including cost of administration, is only \$125,000,000, so the bill on its face flatly leaves four-ninths of the old people unprovided for, or 1,277,776 dependent persons 65 years of age or over without the prospects of old-age assistance. The question which most directly concern us is how many of these 1,277,776 unassisted persons are Negroes.

In the first place, the old-age-assistance program does not become operative in any State until the State has first accepted the act and established a State old-age authority and a State old-age plan satisfactory to the Federal administrator. When we look at the States which now have old-age pension laws according to the supplemental report of the President's committee, we note that there is not a single Southern State with such a program. And as practical statesmen you know the difficulties there will be in getting any substantial old-age-assistance plan through the legislature of any Southern State if Negroes are to benefit from it in any large measure. If the Southern States do pass old-age-assistance laws under such circumstances, it will be more than they have done for Negro education or Negro public health or any of the other public services which benefit the Negro masses.

Therefore the national association favors a strictly Federal old-age-assistance program either with direct benefits or with Federal grants in aid to the States, and such guaranties against discrimination which will insure that every American citizen shall receive his fair and equal share of the benefits according to his individual need.

Such a program is entirely feasible and eliminates certain bad features now present in the bill. As it now stands, the bill makes the old-age-assistance program the football of national politics. The power in a Federal administrator to approve or reject State plans is a tremendous weapon for political favor or political punishment. Further, the citizens of the States which have not accepted the old-age-assistance plans are taxed for the benefit of the States which have accepted.

From the point of view of the Negro it would be much easier to get fair enforcement of a Federal law than to get a really effective old-age assistance law passed by southern legislatures. There are lots of decent, fair-minded people in the South; but in many States

it would be political suicide for them to advocate a State old-age assistance law giving Negro & substantial benefits in large numbers.

The CHAIRMAN. How much would you say the amount should be if the Federal Government itself contributed, and none of the States had to contribute?

Mr. HOUSTON. There **would** be two things that I would say. In the first place, we advocate that the old-age system and the old-age annuity be merged. I will explain why later. Under that merged plan we would say that if you had Federal grants-in-aid to the States, so that the States administered it, we would then say that the workers should not get any less than what he has actually paid in—that that should be the minimum. On the other hand, if you have benefits paid directly by the Federal Government to the individual, we would then say cut down the Federal minimum to such a point that it would not disturb conditions in any State, with the idea that the States could add increments that they wanted according to their resources and according to the social needs in the particular States.

The CHAIRMAN. How much would you say that that amount would be that the Federal Government was going to give!

Mr. HOUSTON. Senator, to be perfectly frank with you, I am not an actuary, and I would not set up an arbitrary standard in terms of dollars and cents under those circumstances; but I say this, that it is perfectly practical to establish a minimum, and that there are no more difficulties in establishing a minimum for old-age assistance than there were difficulties in establishing a minimum wage under the N. R. A. The N. R. A. worked out differentials for different sections of the country, and I think, again, even if you did have a system of Federal differentials, that that might be satisfactory. We recognize, just as anybody else does, that the standards of living, perhaps, in the agricultural States, may not cost altogether the same as in the more industrialized States, so that you might have a differential in your minimum level just the same as you had differentials in your N. R. A. codes, but I would not attempt to give you the figures in dollars and cents.

The CHAIRMAN. Would you think that \$15 would be too much or too little?

Mr. HOUSTON. As a minimum?

The CHAIRMAN. Well, to start in on. Suppose the Federal Government were not going to ask for any contribution by the States, would you think that \$15 would be fair?

Mr. HOUSTON. My impression is that \$15 would be fair; but again I am giving it only as a general impression.

The CHAIRMAN. Because we have to take into consideration the amount of money it will cost, because we have to raise the revenue.

Mr. HOUSTON. I understand that; and I will give you our suggestion as to raising the revenues in just a second.

I was saying that at the present time so far as the attempt to get a State old-age assistance program through the Southern legislatures, and I called your attention to the fact that we know as well as anybody else that there are plenty of decent people down South, but we also know from experience, in the Scotsboro case and Judge Wharton, for example, that it is the same as political suicide to

take an advanced stand on racial issues in many cases, and that it would be political suicide for some of these people to advocate a State old-age-assistance plan in which Negroes would benefit in any large numbers, and therefore it is going to be for us to obtain a better enforcement under a Federal law than it would be to get the Southern law with the same protection so far as the Negro workers are concerned.

Next, we oppose the residence requirements of the bill, requiring a residence of 5 years out of the last 10 within the States. The President's own Committee on Economic Security has stated that residence requirements presuppose a degree of security and permanence of employment which has been conspicuously lacking in our skilled workers, whose labor is frequently of a highly migratory order. (Mimeographed release no. 3334, Old Age Pensions.) It is, of course, in the ranks of these unskilled workers that the need for old-age assistance is greatest, and it is the cruelest kind of an illusion to dangle in front of them an old-age-assistance provision, and then say they have to starve in one State 5 years out of 10 before they get it.

And lest the committees believe I am overdrawing the picture, let me refer to the report by our A. A. A. investigation of a survey of cotton regions west of Memphis, filed with the A. A. A. just 2 days ago. The investigator reported evicted tenant-farmer families straggling along highways, wandering hopelessly in search of shelter and employment; rough-boarded shacks in muck-mired fields, with gaping walls open to the winter winds; evicted Negroes standing in the road not knowing where to turn for succor. To say that these people must remain in a State for 5 years in order to qualify for old-age assistance is the height of injustice, and a virtual return to slavery.

Under a wholly Federal old-age assistance plan with direct benefits or with grants-in-aid to the State there would not be any necessity of a State residence requirement. If any residence requirement should be invoked, it should only be a national residential requirement.

If you have to have any residence requirement whatsoever, it would be sufficient to establish a national residence requirement.

As to title IV, the old-age annuity plan, this plan differs from the old-age assistance in being a substitute for earnings as distinguished from old-age assistance which is a supplement to earnings.

Earnings, as distinguished from old-age assistance which is a supplement to earnings. And I call your attention to this that in your old-age assistance plan, section 4-e (3), the statement is that "it shall be paid when the person "has an income which when joined with the income of such person's spouse is inadequate to provide a reasonable subsistence compatible with decency and health"—in other words, the term "assistance" does not mean substitution for a work, but it is a supplement to the wages that the person is otherwise earning. On the other hand, your old-age annuity plan is a substitute for work, because the provisions of section 405-a (4) says that the person can only become eligible provided he is not gainfully employed by another.

The point is that this is financed largely by the workers and industry itself. Every employee is subject to the tax without any exemptions whatsoever, just so long as he is under 60 years of age on January 1, 1937, but he can only qualify for the annuity if he has had the tax paid for him at least 200 different weeks in not less than a 5-year period before he attains the age of 65 years. Whom does this provision eliminate? It eliminates all casual workers because in substance it provides that a worker must be employed an average of 40 weeks out of the year for 5 years. It eliminates all domestic and agricultural workers because it is almost impossible to standardize their wages sufficient for the tax to be collectible as they work indifferently by the hour, by the day, or by the week. And I call your attention to the fact that no person is eligible for old-age annuity unless a tax has been paid on his behalf.

Further, it eliminates the share cropper and the tenant farmer, because from the nature of their relationship to the landlord they do not draw wages. It eliminates the older portion of the present unemployed.

When you realize that out of the 5,500,000 Negro workers in this country, approximately 2,000,000 are in agriculture and another 1,500,000 in domestic service—3,500,000 Negroes dropped through the act right away when it comes to the question of old-age annuity; in other words, every 3 Negro workers out of 5, and then when you realize that of all of the elements in our population, the depression has thrown more Negroes out of work proportionately than any other element of the population, you being to appreciate my statement at the outset of my testimony that this bill looks like a sieve with holes just large enough for the majority of Negroes to fall through.

Our position is that the old-age assistance and the old-age annuity plans should be merged, and that there should be a Federal old-age assistance plan including all workers. In support of this, let me demonstrate why the old-age annuity system would not work for the casual, the domestic, and the agricultural workers. No argument is necessary to demonstrate that the overhead of administering and really enforcing a pay-roll tax on casual, domestic, and agricultural workers would practically consume the tax itself. But from the standpoint of annuity benefits what is the situation?

Since the "average monthly wage" is at the basis of computing the annuity, and the "average monthly wage" includes part-time as well as full-time wages it is safe to say that the average monthly wage would be less than \$30 per month. Those workers ordinarily **would** qualify only for the smallest **annuity, 15 percent, which** would amount to \$4.50 per month, or \$54 per year. It is perfectly obvious that this can be no substitute for a working wage.

It may be argued that these casual, domestic, and agricultural workers are eligible for old-age assistance under the present bill; but the difference between this bill and our proposal is fundamental. Under the Wagner bill the old-age annuity is a direct Federal right with the worker receiving his old-age annuity direct from the Federal Social Insurance Board; but the old-age-assistance benefits are operative only after the States have acted. Under our proposal we would give the worker a direct Federal right under the old-age-

assistance plan, just as he now has it under the old-age-annuity plan, with benefits paid directly by the Federal Government or with Federal grants-in-aid.

Now, as to the casual worker-under this bill, where you have no exemptions whatsoever for any employees, the casual worker who loses out with 199 weeks in a 5-year period has contributed his share of the tax for the benefit of the annuity of those who have 200 weeks out of a 5-year period; in other words? you are penalizing your casual worker in order to pay the annuity for the steady worker. That cannot be eliminated for this reason-that your casual worker of today may be your steady worker of tomorrow; and, therefore, you have got to include him in the tax; but we suggest that under our provision there is no question of making one man pay for another man's benefits.

You asked me about the question of standards, and I repeat that on the question of standards, we say that if you have a contributory provision under the old-age-assistance plan, and it seems to me this, at the present time you are providing an old-age system from funds not otherwise appropriated, and those funds are available whether you adopt a merged plan or whether you keep the present separate plans. Under the old-age annuity you are making the fund pay for itself in substance. Our proposal, so far as finance is concerned, is that in merging the plans, we have no objections to your pay-roll tax provided the lower brackets of the pay roll or the lower brackets of wages are excluded. The reason for that is this: That the difficulties of a real administration and real enforcement to keep these taxes from slipping through the fingers of the Government are such and so expensive that it really does not pay for any other reason as a practical matter, to attempt to collect them.

In the second place, so far as the lower wage groups are concerned, they are below really a distinct subsistence level at the present time, and therefore any tax upon their wages simply reduces the amount that the Federal Government or some other government must put in by way of aid relief or other provisions. We maintain that already the principle of the exemption of the low-wage groups is recognized in several instances. In the first place, it is recognized in the matter of judicial exemptions from execution. In the second place, it is recognized in income tax; and in the third place, in principle it is recognized in the inheritance tax, and we respectfully submit, that either you may step up this very minor portion-and it figures at about one-half of 1 percent—and the gross tax available from that source would not cover the expense of collection or administration.

Another thing: If we say that these low-wage workers are not taxed directly as consumers, they have been paying indirect taxes ever since they have been alive and consuming things in the community.

As to title VI-unemployment insurance : Mere there is a compulsory excise employment tax on employers of four or more, but there is no Federal machinery for the payment of the insurance benefits. The unemployment insurance benefits are to be administered and paid out through State agencies, but there is no provision in the law-and could not be-requiring the States to establish State agencies. In short., industry in State A, which has no unemployment insurance

machinery, has to help carry the unemployment burden in State B, which has a certified State agency.

As to the persons entitled to unemployment insurance, the definition is left up to the respective States, with a gesture to organized labor on conditions of employment in section 602 (e). All through this bill one notices that organized labor is given a measure of protection but unorganized labor is not. But lest you may keep the impression that the share croppers and tenant farmers are not organizing, I recur to the A. A. A. report cited above and call your attention to the fact that the investigator reports the two chief causes of the tenant evictions are :

(1) Reduction in labor requirements produced by reduction in acreage ; and

(2) Ever-increasing unionization of share croppers to bring pressure on planters for retention of the, customary number of tenants and for payment to the tenants of their full share of A. A. A. benefit money.

If we follow the history of the workmen's compensation acts, we know that two great classes of workers who will be excluded from the benefit of unemployment insurance ; they are agricultural workers and domestic workers. Again, 3 out of every 5 Negro workers drop through the holes of the sieve.

We do not have the requisite knowledge to propose an unemployment scheme which will be adequate and fair to all sides-the public, industry, and the workers. But we know that the present scheme is unfair to unorganized labor, and we say that whatever scheme is finally adopted, it must include unorganized labor within its benefits, wherever that unorganized labor is without employment through conditions outside of its control and through no fault of its own.

As to title II, aid to fatherless, dependent children ; and title VII, maternal and child health: We make a special plea that guaranties of no discrimination be written into the bill. The matter of Negro health is a concern not only of the Negro but to every white person he comes in contact with. You know from conditions in the South, where Negroes are used in the home and where they are in constant contact with the white population, that Negro health is a matter of concern to the white population itself, and we urge that it be written into the bill that, in those States which provide for the separation of the races in public places and under public institutions, fair and adequate provisions be made for them in institutions and personnel administration.

We have a precedent for this in the Act of August 30, 1890, chapter 841, which amended the original July 2, 1862, act providing Federal grants to State agricultural colleges, and provides in part:

That no money shall be paid out under this act to any State or Territory for the support and maintenance of a college where a distinction of race or color is made in the admission of students, but the establishment and maintenance of such colleges separately for white and colored students shall be held to be a compliance with the provisions of this act if the funds received in such State or Territory be equitably divided as hereinafter set forth. * * *

We have had the most disgusting experiences in the matter of public health. If you want to know how much handicap the Negro citizen suffers, the only thing you have got to do is, to try to get a job, travel, or else get sick, and that applies not only to the ordinary

citizen but it applies also to United States veterans, of whom I am one, and I want to say that even as to your United States veterans, when they have the hospitals here in the city of Washington out at Mount Alto Hospital, although all the Negroes are lumped in one ward, regardless of diseases, and they are not separated according to their diseases.

In the matter of public health, we have received some of the greatest discriminations that has ever been perpetrated in this country. In the city of Columbia, S. C., a Negro ward was only put into the county hospital in the year 1933. Down at Fiske University, the clean of women died as the result of an automobile accident because she was not admitted to a hospital—they would not take Negro citizens in.

Under those circumstances, if this Federal Government which calls upon Negroes to defend it in time of war is going to contribute money for public health, and we hope it does contribute money for public health, because our flat position is we do not want to deprive the white citizens of anything but we simply want to have all citizens share in the benefits under the law, and I say if the Federal Government is going to make provisions for public health for the care of the fatherless and dependent children, for maternal care, then I say to you that so far as institutions are concerned, so far as the administration of personnel is concerned, then we ask that the guaranties of no discrimination be written into the act.

And let me make our position on this point unmistakably clear. The National Association is not endorsing or condoning segregation; but where there is segregation it is making its fight for real equality under and before the law.

Finally, as to the whole bill and its administration we urge that guaranties be written in that the administrative personnel be selected according to individual merit without discrimination as to race, the same as guaranties have been written in that the administrative personnel is to be selected without regard to political affiliation. We Negroes are United States citizens who have never failed to shoulder our full share of the national burden; if we have not paid you more money in taxes, it is because you have denied us equal opportunity to work. That is the opportunity which we seek and need now the same as any other citizen regardless of color or creed.

The **CHAIRMAN**. Thank you very much. Miss Dorothy Kahn, Philadelphia. **YOU** represent, the American Association of Social Workers, Miss Kahn?

MISS KAHN. Yes; and I was chairman of the advisory committee on public employment and public assistance of the President's Committee on Economic Security.

**STATEMENT OF MISS DOROTHY KAHN, PHILADELPHIA, PA.,
REPRESENTING THE AMERICAN ASSOCIATION OF SOCIAL
WORKERS**

Mr. Chairman, in coming before this committee, the American Association of Social Workers desires to indicate its support of the general principles involved in this program. It believes that the bill in its intent affords a framework for economic security