

000,000,000, but wages paid were \$11,600,000,000; in other words, an increase in wages of only \$600,000,000, and an increase in the value of the products of \$10,000,000,000. That showed that when industry had a chance to keep their people employed, which meant giving them enough wages to buy back what they produced, they did not do it.

Mr. LEWIS. What year was that?

Mr. LASSER. 1923 and 1929.

Mr. HILL. Your chief concern in your presentation here is for the unemployed; that is, for employment for those who are now unemployed?

Mr. LASSER. Yes; and for those who may become unemployed in the future.

Mr. HILL. You have recognized the fact upon its being suggested to you here that there is the Public Works program in this relief work?

Mr. LASSER. Yes, sir.

Mr. HILL. That something near \$5,000,000,000 is being appropriated now for that purpose. You probably recall, too, that the President has stated that it is his purpose and confident hope that by the use of this large fund 3½ million unemployed will be put to work directly and indirectly another 3½ million unemployed will be employed.

Mr. LASSER. Yes, sir.

Mr. HILL. So that that would take a great deal of the slack out of the unemployment if that works out as it is anticipated it will.

Mr. LASSER. I do not think it will, sir, for this reason: In the first place, this money is to be spent over a period of, I think, a year and a half. I looked up the comparative Budget between this year and last year, and the 4 billion dollars, in my recollection, represents no increase over last year. What the President has done is take the amount segregated for public works and the amount segregated for relief and lump it all in one lump sum. I do not think it represents an increase over last year. Furthermore, if the President persists in his announced intention of paying a wage of \$50 a month, I assure you it will not materially increase the purchasing power. As a matter of fact, it will be an incentive to private employers to reduce wages, and thereby reduce purchasing power.

The CHAIRMAN. We thank you for your appearance before the committee and the information you have given us.

#### STATEMENT OF MRS. WILLIAM KITTLE, REPRESENTING THE NATIONAL CONSUMERS LEAGUE

Mrs. KITTLE. My name is Mrs. William Kittle, Washington, D. C. I represent the National Consumers League, which for more than 35 years has had a single purpose of working for conditions that would better those that have to labor. Since 1922 the Consumers League has been on record for some form of unemployment insurance or some form of legislation that would affect unemployment in the country. In 1922 they entered the campaign in Wisconsin and followed that through until that bill, which was then before the legislature, became law.

On the question of H. R. 4142, I am talking specifically to the part of the bill affecting the unemployment insurance. The organization

is not opposed to the portion of the bill as to the old-age pension or health insurance, but I am talking about that point particularly. The organization believes that this bill offers an incentive, in the devising of the tax, that will encourage the States to do what they have not done since it began, in 1922, the campaign for this type of legislation.

I am filing with you the statement of the organization on this.  
(The statement referred to follows:)

STATEMENT BY THE NATIONAL CONSUMERS' LEAGUE ON THE UNEMPLOYMENT-INSURANCE PROVISIONS OF THE WAGNER-LEWIS BILL

The National Consumers' League, which for 35 years has worked to improve living conditions of working people, is heartily in favor of the President's social-security program. It welcomes these plans as a far-sighted recognition of our needs and as a long step forward toward a stabilized social order. The National Consumers' League urges its immediate enactment into the law of the country by the passage of the Wagner-Lewis bill. Its provisions on unemployment insurance will give a much-needed stimulus to State action.

The proposed act encourages each State to initiate its own system of unemployment benefits, creating machinery to suit its local needs. Constitutional difficulties are avoided and greater flexibility gained by leaving each State free to experiment with its own choice of legislation, so long as this complies with certain general requirements. To eliminate the fear of competitive disadvantage which has delayed the progress of State unemployment-insurance laws, the Wagner-Lewis bill (H. R. 4142) offers positive and tangible inducement to such legislation.

After 5 years of bitter experience with prolonged unemployment and widespread public and private relief, American citizens have come to realize the need for definite plans and for readily accessible funds to meet a period of depression.

The National Consumers' League pledges its support to these proposals of the Wagner-Lewis bill (H. R. 4142), and will not only work for its passage in the United States Congress, but will also support State unemployment-insurance measures in accordance with the program.

Mrs. KITTLE. Mr. Chairman, the next speaker is Miss Elizabeth Eastman, who is here but cannot speak because of a hard cold. May I read her statement? Is that in order?

The CHAIRMAN. That will be all right.

Mrs. KITTLE. This is the statement which Miss Elizabeth Eastman, Washington, D. C., representing the National Y. W. C. A., wishes to place before you:

Through official action at its national convention, the Young Women's Christian Association of the United States of America is on record as supporting compulsory unemployment insurance and old-age pensions.

The amount of study of unemployment insurance which we have done, and an analysis of the experiences of our own industrial and business women membership, lead us to the conviction that the following corrections should be made in bill H. R. 4142, introduced by Representative Lewis:

1. The bill should be revised to establish minimum standards for benefits, amount, duration, waiting period, and so forth, to be paid by the States. Standards are the crux of a sound unemployment insurance scheme. A statement in the bill that model legislation is being drafted to be submitted to States is not followed by any recommendation that minimum standards will have to be adopted. The old contention that industry will be "driven from the States" will be used by the opponents of unemployment insurance if one State

adopts one scheme, another State adopts a different, and yet another no scheme at all.

2. The 3-percent tax should hold irrespective of the business index. The bill provides that the 3-percent Federal pay roll tax shall during the first 2 years be reduced to 1 percent if the average annual index of industrial production as returned by the Federal Reserve Board is under 84 and shall be reduced to 2 percent if this index is 95. The index of employment for the past 12 months is 76.8 and was lower in October 1934 than October 1933. Therefore it seems unlikely that the average index of production will rise above 84 for the coming 1 or 2 years. Therefore, if only 1 percent is to be set aside, the States will have failed to secure adequate funds out of which even minimum benefits can be paid.

States are waiting anxiously for Federal legislation. Unless something is done quickly, many State legislatures will adjourn before they do anything.

As regards old-age pension, it is essential that those people who are not employed workers, who are, for example, farmers, small storekeepers, and so forth, shall always be taken care of. The suggestion that in time we shall not need a system of noncontributory pensions is based on a false premise. It is not only the employed worker who needs help in his old age. Many persons who are their own masters require assistance at 65 or 70.

The CHAIRMAN. We thank you for your appearance and the information you have given the committee.

We will take a recess until 2 o'clock.

(Whereupon, at 12:30 p. m., a recess was taken until 2 p. m. of the same day, Friday, Feb. 1, 1935.)

#### AFTERNOON SESSION

The recess having expired, the committee reconvened at 2 p. m., Hon. Robert L. Doughton (chairman) presiding.

The CHAIRMAN. The committee will be in order. The next witness is Elisabeth Christman, of Washington, D. C., representing the National Women's Trade Union League.

#### STATEMENT OF MISS ELISABETH CHRISTMAN, REPRESENTING THE NATIONAL WOMEN'S TRADE UNION LEAGUE, WASHINGTON, D. C.

MISS CHRISTMAN. Mr. Chairman and members of the committee, I have a statement which I would like to present to the committee.

The CHAIRMAN. We are proceeding under the 5-minute rule.

MISS CHRISTMAN. It will not take longer than 5 or 6 minutes to read it, Mr. Chairman.

The CHAIRMAN. Proceed.

MISS CHRISTMAN. The National Women's Trade Union League of America strongly endorses the purposes of the Economic Security Act. The measures for social security proposed in the various sections of the act, old-age assistance, Federal and State aid for dependent children, for maternal and child health, and for public health, and insurance against some of the hazards of unemployment are all necessary steps that must be taken if the wage earners of the United States are to have any feeling of real social security.