

**STATEMENT OF JOHN J. LEE, STATE SUPERVISOR, DIVISION OF  
CIVILIAN VOCATIONAL REHABILITATION, DEPARTMENT OF  
PUBLIC INSTRUCTION, LANSING, MICH.**

Mr. LEE. The work of which I have charge is special classes for blind, deaf, and crippled children, and rehabilitation for adult persons who are crippled and in need of vocational rehabilitation.

I want to speak on two points. First, I want to speak in favor of section 702 (a) and (b) in the Security Act. By that I am referring to the provision by which the Federal Government and the States will set up a coordinated program to aid in the care and the treatment of children who are crippled and who are handicapped. I think perhaps I should best speak about what is done in our own State to show that there is need for more than is being done.

I would say that in 1913 our State legislature passed a law providing for the medical treatment of indigent children who were ill and afflicted, and that the State would pay for that treatment where their parents could not afford to. We had this experience, that prior to 1930, the amount of money the State paid was about \$750,000 a year, and the State paid that amount graciously and gladly. During the last 4 years there have been more and more people who could not afford to pay for the medical treatment of their children, and so during the depression when the State had difficulty in financing its own program, the number needing medical treatment at State expense increased. This year the State of Michigan is spending over two million dollars for the medical treatment of afflicted children who parents could not afford to pay. That includes crippled children, as well as those otherwise afflicted.

We have, next, in the State a program of special classes for blind, deaf, and crippled children in our city schools, and the State of Michigan paid last year through the city boards of education \$522,949.05 to educate blind, deaf, and crippled children. The State reimbursed those cities \$395,208.62, and the cities paid \$127,740.43. We are reaching through that program about 62 percent of the children, and they are located in the cities. The remaining children, then, about 38 percent, living in rural areas, are not provided for. Section 702 (a) provides particularly care for crippled children in rural areas, and this added service to provide for these rural children is extremely needed.

Next I would speak of the service that goes beyond that; that is, the vocational rehabilitation service which was established here by act of Congress in 1920. Our Federal Government has been providing a million dollars each year, dividing that amount among the States according to population. We have had hearings before the Committee on Education at numerous times, at which members of your present committee have known about the work. The Honorable Mr. Reed, a member of your present committee, sponsored our bill, I believe, in 1930. We have been serving approximately 60,000 disabled adult people a year in the United States through rehabilitation. The amount of money we have had has been inadequate. We have had a 300-percent increase in the number of people needing rehabilitation to prepare them for employment so that they and their families would not remain permanently dependent. We have had a very small increase proportionately, an increase of 50 percent during the last year, from relief funds. That increase is very temporary and will expire July 1, 1935.

In addition to the State services, the State paying the bill for the medical treatment of crippled children, and the special classes for their education and rehabilitation, we are fortunate in Michigan in having some private agencies doing a great deal of splendid work. I would refer first to the Children's Fund of Michigan, created by Senator Couzens, which carries on an extensive health education program. There is \$10,000,000 available, being spent at the rate of \$700,000 a year to carry on clinics and help obtain medical treatment.

In addition to that we have the Kellogg Foundation, that was established by W. K. Kellogg at Battle Creek, Mich. Nobody knows the amount of money that he will ultimately make available, but there has already been, I presume, \$2,000,000 spent. He is carrying on a similar health program in the southwest part of the State.

The point I would make is this, that the State of Michigan, spending \$2,000,000 a year for medical treatment, finds it difficult and almost impossible to carry that load and take care of others which are increasing in number because the parents of the children cannot pay for their care and treatment. The State is carrying a cost of \$400,000 a year for the education of handicapped children. It is doing that very gladly, and that amount of money it is willing to contribute. We have private agencies aiding. Yet we have as a result of the last 4 years children who are undernourished, children who are crippled and otherwise afflicted and handicapped, who are not being taken care of with present resources. So I would want to be on record as saying that even a State such as Michigan, which has laid claim to being one of the well-to-do States in years past, finds that its needs exceed its resources, and I would urge that that program, which will not only give the aid Michigan needs, but will aid other States less able and less fortunate in caring for their children, be considered as necessary to the security and the well being of children.

The next point I should like to make is with reference to the adult people of this country who are handicapped. They are unemployed. Their families are dependent and we are carrying them on relief at least in part. We might put it this way, that until 20 years ago the people who were maimed were left maimed because of disease and the ravages of war and the handicaps that were left from these sources. In the last 20 years we have added accidents in industry and we have added accidents on our highways. We are killing 1 person, for instance, through automobile accidents every 15 minutes in the United States, and we are maiming 95 for every 1 that is killed. It may be startling, but it is a fact that the rate at which people are becoming maimed is increasing so fast that unless we rehabilitate and enable them to become self-supporting we will have an increasing load of dependency piled on year after year. The picture is this right now, that 11 percent of the people whom we have on relief throughout this Nation are there because the breadwinner of their family is handicapped. That statement comes from a survey made by the National Recovery Administration in 267 cities.

The next point I should like to make is this, that in providing for economic security, if we do not recognize the 11 percent as being dependent because the breadwinner of the family is handicapped we are just letting 11 percent or one-ninth of our problem pass without any effort to solve it.

I have just a few minutes, but I want to make this point: We have had an increase of 300 percent in the number of people needing rehabil-

itation in the last 3 years. We have had an increase of 50 percent in resources available since December a year ago, and that 50 percent is relief funds. Those relief funds will expire, we are told by Mr. Hopkins, by next July or prior to next July 1. We are unable to take care of our problem now. If I take the 5,783 people who applied for rehabilitation in Michigan last year and divide all of the money we have available by that 5,783, we have \$19.58 per person to provide for their training, for the buying of artificial limbs and braces that are needed, and our program is unable to carry on and meet the demands with the resources that we have available.

I would say that we are working in cooperation with and not in contrast with any organization drafting or interested in the security bills. But I point out this fact, that one-ninth of the problem of dependency caused by physical handicaps of adults has not been provided for. I bring that to the attention of the committee without the recommendation of an amendment at this time, because that is being discussed with Miss Lenroot, Mr. Altmeier, and persons in position to consider it.

In order to place in your hands the facts on the program in our own State, which are comparable to the needs in all the other States, I hurriedly prepared a survey showing our needs. That has been done since last Friday night. I would like to leave this survey with your committee, because our needs in Michigan are no different than the needs in any other State. If it meets with the approval of the committee after they review the problem as I stated it—because we are just interested in coordination of the care and treatment of crippled children with the rehabilitation service that carries on for them as they become dependent—I would like to ask that if the committee regards it as appropriate, this report be brought to the attention of the entire committee by including it in the record.

The CHAIRMAN. Without objection it will be included in the record.

(The survey and report mentioned above are as follows:)

SURVEY SHOWING THE REHABILITATION OF 5,433 DISABLED ADULT PERSONS  
IN MICHIGAN, 1921-35

Prepared by John J. Lee, State supervisor Division of Civilian Vocational Rehabilitation, Department of Public Instruction, Lansing, Mich.

PURPOSE OF THIS REPORT

This survey and report for the division of rehabilitation of the Department of Public Instruction in Michigan is presented:

1. To show the service rendered by the division since it was organized July 1, 1921. It shows the rehabilitation of 5,433 disabled adult persons.
2. To show the increased number of persons needing rehabilitation in Michigan.
3. To show that from every consideration of social economy and security it is necessary to extend the rehabilitation service for our adult citizens who are physically handicapped and help them become self-supporting.
4. To show that increased appropriations are necessary to extend the rehabilitation service.

DEFINITION OF REHABILITATION

“Civilian Vocational Rehabilitation” is a service of vocational counseling and guidance, vocational training and placement in employment for disabled adult persons.

PURPOSE OF REHABILITATION

The purpose of rehabilitation is to help these disabled adult people prepare themselves for work they can do successfully in spite of handicaps or injuries they

may have sustained—so that they can again become self-supporting; and so that they and their families will not be compelled to remain permanently unemployed and dependent. Rehabilitation helps reduce our problems of unemployment, poverty, and dependency.

#### SERVICES RENDERED IN REHABILITATION

According to the needs of the particular handicapped person, the rehabilitation division gives these services:

1. Helps obtain medical treatment through agencies established for that purpose.
2. Furnishes information about the numerous occupations and helps counsel and advise with handicapped persons regarding work they can do successfully in spite of their handicaps.
3. Furnishes vocational training.
4. Cooperates with departments of labor and industry in the use and settlement of compensation claims for injuries sustained through industrial accidents.
5. Furnishes artificial limbs and appliances where employment is assured if they are furnished with a limb.
6. Helps obtain employment.

#### ECONOMIC SIGNIFICANCE OF REHABILITATION

The following table shows the increase in earning power created through rehabilitation and the number rehabilitated by years from 1928 to 1934:

Year	Number rehabilitated	Average wage before injury	Average wage at application for rehabilitation	Average wage after rehabilitation
1928-29.....	313	\$18.12	\$2.28	\$25.39
1929-30.....	283	(1)	(1)	23.70
1930-31.....	306	(1)	(1)	22.33
1931-32.....	401	(1)	(1)	20.18
1932-33.....	458	15.91	.92	15.56
1933-34.....	1,366	18.45	4.76	18.59

<sup>1</sup> No report.

NOTE.—Average wage per week, 3,129 persons (1929-34), \$19.86.

#### REHABILITATION PAYS IN DOLLARS AND CENTS

From July 1, 1921, to January 1, 1935, a total of \$828,881.53 has been expended for rehabilitation in Michigan. One-half of this amount (\$414,440.76) has been expended from Federal funds and the other half from State funds.

If we divide the \$828,881.53 by the 5,433 persons who have been rehabilitated, we have an average cost of \$152.56 for each person rehabilitated.

#### COMPARISON OF COST, EARNINGS, AND DEPENDENCY

We have spent a total of \$828,881.53 for rehabilitation in Michigan since 1921, or an average of \$61,398.63 per year.

The 5,433 persons who have been rehabilitated since 1921 have worked an average of 6 years and have earned a total of \$25,426,440 or 30 times the total amount we have spent to rehabilitate them.

#### CONTRAST THE COST OF DEPENDENCY

Each handicapped adult person has an average of 1.5 dependents. If we had not rehabilitated these 5,433 persons, we would have had 13,582 people dependent because of their unemployment.

The cost of supporting 13,582 dependent persons at an average cost of only \$250 per year during the same time (average 6 years) would have cost us \$20,-373,000.

If Michigan had not spent the \$828,881.53, these 5,433 persons would not have earned that total of \$25,426,440; but instead they and their dependents would have cost us \$20,373,000 to support them as public charges.

*Graph showing comparisons of earning power created through rehabilitation of 3,129 persons (1929-34)*

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Average weekly wage before disability, \$18.01.

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Average weekly wage at contact, \$3.31.

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Average beginning weekly wage after rehabilitation, \$19.86.

PART II. THE STATUS OF MICHIGAN'S REHABILITATION PROGRAM

I. Some salient facts:

1. Since 1921, 20,994 persons have applied for rehabilitation. With 1.5 dependents for each disabled adult person a total of 52,485 have directly or indirectly looked to the Rehabilitation Division for the help that would free them from unemployment, poverty and dependency.
2. New applications are now being received at the rate of 54 per week or 2,808 per year.
3. During 1933-34, 5,783 persons were listed and served by the division for rehabilitation services and help.
4. During 1933-34, 1,366 persons were rehabilitated.
5. During 1933-34, 536 persons were furnished training.
6. During 1933-34, 186 persons were furnished artificial limbs.
7. During 1933-34, the average "case-load" per rehabilitation agent was 444.8. It is entirely impossible for one agent to give all the services and help required in rehabilitation and serve 444 persons. The case load should not exceed 250 per agent. We need at least twice the personnel and twice the funds for training and appliances. We now have to begin to serve the disabled adult people of Michigan with even the minimum services their needs require.
8. Physical handicaps cause 11 percent of all the unemployment and "relief" in this country. A recent Federal survey in 267 cities shows that 11 percent of all the people unemployed and on "relief" are dependent because the breadwinner of the family is physically handicapped.

II. The status of our program, July 1, 1934:

1. Three thousand seven hundred and seventy-seven persons had "applied" and were being rehabilitated.
2. Of that 3,777, 1,041 were "listed", but it had been impossible to establish a rehabilitation program for them. Our funds were inadequate either to engage the personnel needed to serve them or to pay for the "training" needed to rehabilitate them.
3. Of that 3,777, 630 were receiving medical treatment for recent injuries, or vocational guidance to help them decide what kind of work they can do.
4. Of that 3,777, 357 were ready for training and waiting for training programs to be established.
5. Of that 3,777, 1,286 were prepared for employment, but jobs had not been found for them.
6. Of that 3,777, 463 were in training on July 1.

As soon as the funds for 1934-35 were released to us after July 1, training programs were set up for those awaiting training and as early as last September 21 we had all the money available until next July 1 under contract. We now have 376 persons "pending training" and no funds we can use to start their training until July 1, 1935.

REHABILITATION MUST BE EXTENDED TO SERVE THESE PEOPLE

We have 376 persons "pending training" and approximately 80 persons needing artificial limbs and the Division is unable to serve these persons and provide for either the training or the artificial limbs because all moneys for this year are under contract. It will be impossible to serve these people and provide the help they need until after next July 1 when another year's appropriations are available.

Showing amounts of money appropriated, amounts of expenditures and supplementary aids by years 1921-34

Year	Amount available Federal and State	Emergency relief funds available	Total funds available	Amount of expenditure	Amount not used	Number rehabilitated	Average cost per case	Percent of funds used	Amount of supplementary aids (estimated)
1921-22	\$69,693.28	-----	\$69,693.28	\$24,127.86	\$45,565.42	34	\$709.64	34.6	\$1,500
1922-23	68,741.42	-----	68,741.42	86,773.68	-----	274	250.99	100.0	1,500
1923-24	69,693.28	-----	69,693.28	50,687.03	19,006.25	286	177.19	72.7	1,500
1924-25	69,693.27	-----	69,693.27	44,599.06	25,094.21	315	141.58	64.0	1,500
1925-26	69,693.27	-----	69,693.27	46,723.54	22,969.73	321	145.55	67.1	4,500
1926-27	69,693.27	-----	69,693.27	53,957.48	15,735.79	282	191.34	77.6	4,500
1927-28	69,693.27	-----	69,693.27	58,081.07	11,612.20	305	190.43	83.4	4,500
1928-29	69,668.30	-----	69,668.30	65,199.30	4,469.00	313	208.30	93.6	4,500
1929-30	69,689.02	-----	69,689.02	63,166.69	6,522.33	283	223.20	90.6	4,500
1930-31	79,689.01	-----	79,689.01	68,456.94	11,232.07	308	222.26	85.9	10,000
1931-32	89,670.95	-----	89,670.95	79,987.33	9,683.62	401	199.46	89.2	14,100
1932-33	99,371.90	-----	99,371.90	83,909.69	15,462.21	458	183.21	84.4	15,000
1933-34	88,997.05	\$26,000	114,997.05	108,949.77	6,047.28	1,366	79.75	94.7	12,700
1934-35	90,513.18	48,000	138,513.18	-----	-----	-----	-----	-----	20,000

<sup>1</sup> Dec. 13, 1934-June 30, 1934.

NOTE.—(1) All moneys available for 1934-35 from appropriated funds were under contract Sept. 21, 1934. It has been impossible to make contracts for training or appliances since that date and hundreds of persons needing this service are compelled to wait until after July 1, 1935 when new funds will be available. (2) Supplementary aids consist of free tuition from all State supported colleges and a 50 percent tuition rate from the non-State colleges, free heat, light, rent, and care of all branch offices, and physical examinations given free by surgeons or physicians.

Mr. LEE. I will not take more time unless there are some questions.

Mr. LEWIS. Does your report include a reference to what other countries are doing in this rehabilitation field?

Mr. LEE. The report I am submitting covers only our own State of Michigan.

Mr. LEWIS. It does not give the experience in other countries with that subject?

Mr. LEE. It does not. I have reported only for our own State.

Mr. WOODRUFF. I suppose you could supply that information for Mr. Lewis in the record provided he cared to have it?

Mr. LEE. We could obtain it if Mr. Lewis desired it, and would be very glad to.

Mr. REED. Mr. Lee, has your committee, that is interested in rehabilitation, come to any conclusion as to the advisability of including that in this program?

Mr. LEE. I would say that last October when we knew first of the developments in the direction of economic security, we wrote to Mr. Witte and asked him if it would be appropriate, and if so, we would like to be heard by this committee and be included. We received a reply indicating that he believed the Economic Security Act would provide only for unemployment insurance. That being the case we did not push the matter further. We felt that our only recourse would be to have a bill introduced in Congress regularly. When the bill providing for economic security was printed and we found that there was provision for the care and treatment of crippled children, which is related closely to our rehabilitation service, ours being to carry on for adults, we then felt that it would be appropriate and that we should have been included. So that is why I based my remarks on that proposal that rehabilitation be included.

Mr. REED. Is it your personal opinion that the rehabilitation as you are handling it, as provided by the laws that now exist, is very closely related to this unemployment insurance and old-age pension subject?

Mr. LEE. It is my judgment it is very closely related.

Mr. REED. You will recall that the Committee on Education in laying down a policy deemed it advisable rather than to attempt a permanent appropriation for this work to have you come back every 2 or 3 years and reveal to Congress the character of your work, so that Congress could visualize the importance of it as a social measure.

Mr. LEE. I recall that in connection with our hearings and the deliberations at the time you sponsored our bill in 1930, Mr. Reed.

Mr. REED. That bill is going to expire very soon, I believe.

Mr. LEE. It expires June 30, 1937.

Mr. REED. Yes, Now, if we are going ahead with a broad program such as we have here, have you given some thought to the idea of having that interwoven with the permanent appropriation to carry on that work rather than to come back here every 2 or 3 years?

Mr. LEE. We have because the problem of our adult handicapped and their dependency will be a continuing problem, in the same essential sense that all of our other problems of dependency are with us.

Mr. REED. That is, as an economic social measure, you have gone through the period of experimentation, and you as a practical man out in the field, as a director of this work in a great State like Michigan, a great industrial State, have come to the conclusion that the work should be of a permanent character?

Mr. LEE. I feel that it should be permanent. I believe that surveys made in our State and information similar in other States would sustain the fact that the work needs to be permanent, not only from the standpoint of its social considerations, but in dollars and cents. I might indicate it by this, that we have rehabilitated into employment 5,433 disabled unemployed adult people. The average cost for each person has been \$152. The total amount that those 5,433 people have earned—

Mr. REED. You are speaking of the State of Michigan alone?

Mr. LEE. Yes. The total amount that those 5,433 persons have earned—and I checked it from records in our office last Friday—exceeds \$25,000,000. We have spent \$828,881.53 since 1921 in Michigan. That is an average of \$61,398.63 a year, half of it Federal and half State.

If we had not spent the \$828,881.53, these people would not have earned the \$25,426,440 that our records on each individual show they have earned. If instead we had left them unemployed, they have 1½ dependents apiece, so for each 1 left unemployed we have 2½ people dependent; it would have cost us \$20,373,000 to support them in dependency. So that if we had not spent \$828,881.53, it would have cost us \$20,373,000; but by spending it instead, those people have earned \$25,426,440.

Mr. REED. By the contribution made by the Federal Government and by the State you have lifted that tremendous burden from society in a measure, besides maintaining the self-respect and the productive power of these people.

Mr. LEE. And giving the children of those families a chance to live where their father brings home a pay check, where he buys their

clothes, he buys their food and their medical treatment instead of their living their entire lives without ever knowing what it means to have a home where that home is self-supporting, and where everything that is received is not handed to them by a society on which they are entirely dependent.

Mr. REED. Your State has been sufficiently sold on the value of the work to society to appropriate considerably more money than the Federal Government appropriates for the State?

Mr. LEE. Our State acceptance act was drafted to say that Michigan shall match the Federal allotment. The legislature has always matched every dollar of Federal money. They have interpreted it that they could not match more than the Federal money because the law says they shall match it. But I had the experience a week ago of having the budget director in Lansing offer to take the appropriation which was asked for one of the State's institutions and give that appropriation to us, because we are taking care of people at an average of \$152 apiece and rehabilitating them into employment while that institution was keeping its inmates at an average per capita cost of \$669 per person—which shows that the legislature in our State is ready to match this Federal appropriation and is willing to close one institution where its costs were high. I had to indicate that we could not be on record as favoring such a proposal, not at the expense of another institution.

Mr. REED. Even in these depressed times you have been able to train and place these people in employment?

Mr. LEE. Prior to the depression we were placing approximately 300 people a year. Three years ago we placed 401 in employment. Two years ago we placed 458, last year we placed a thousand, exactly, in regular employment, and 366 more in temporary employment, which makes a total of 1,366 physically handicapped people in the State of Michigan placed in employment last year.

Mr. REED. The likelihood is that had they not been retrained and replaced, they would be on the relief rolls today?

Mr. LEE. Yes; and their families would have been dependent.

Mr. REED. That is all.

Mr. BUCK. For the purpose of the record, over what period of time was that \$25,000,000 earned?

Mr. LEE. That is since 1921, which gives an average work period for those persons of approximately 6½ years. That is the average work period.

Mr. BUCK. Approximately what was the average earning?

Mr. LEE. I have figures in my report for the period of this depression, the last 6 years. We have rehabilitated 3,129 persons, and their average wage per week before they were injured was \$18.01. Their average wage at the time they applied for rehabilitation was \$3.31, which indicates that some of them had a very low wage, but most of them were unemployed. After furnishing rehabilitation service and getting them jobs where they could work, where their handicap did not interfere, their average wage per week was \$19.86, which is \$1.85 a week higher than their wage was before they were disabled.

The CHAIRMAN. We thank you, Mr. Lee, for your appearance and the testimony you have given the committee.

The next witness is George Nordlin, of St. Paul, Minn., a representative of the Advisory Council on Economic Security.