

ECONOMIC SECURITY ACT

MONDAY, JANUARY 28, 1935

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

The committee met at 10 a. m., Hon. Robert L. Doughton (chairman) presiding.

The CHAIRMAN. The committee will be in order.

The meeting this morning is for the purpose of continuing hearings on H. R. 4120. The first witness on our calendar is Miss Josephine Roche, Assistant Secretary of the Treasury.

Miss Roche, will you please come forward and give the reporter the necessary information, for the record?

STATEMENT OF MISS JOSEPHINE ROCHE, ASSISTANT SECRETARY OF THE TREASURY

The CHAIRMAN. You have the privilege, under the rule by which we have been governed, of making your main statement without interruption, then we hope you will yield to the members of the committee for such questions as they may desire to propound.

Miss ROCHE. Thank you; or you may interrupt me at any time.

Mr. Chairman, I wish to make only a very brief statement this morning personally regarding the public-health provisions under title VIII of the bill that is before you for consideration, and to mention very briefly its importance as a major factor in the development of a security program.

We are filing with your committee considerable data in a report which gives the conditions for which this appropriation is so greatly needed and takes up the administrative and cooperative procedure between the Federal Government, the States, and the local communities through which the most lasting and maximum results sought by title VIII may be achieved.

May I say, sir, there is present the Surgeon General of the United States Public Health Service, Dr. H. S. Cumming; Dr. C. E. Waller, the Assistant Surgeon General in charge of the Service's work in connection with the States; and Dr. L. R. Thompson, who is in charge of the Service's scientific research. They are here to discuss such matters with you as you may desire to have presented in detail, or to answer any detailed questions.

We have received in the last few weeks many telegrams, and letters also, from various State and local health officials and public-health agencies, setting forth their needs for the work and assistance provided for in title VIII. Copies of these are being filed herewith with our report.

I understand that your committee will probably hear, later in the week, some of the State public-health officials, before the hearings are closed.

Title VIII of the bill is relatively simple, and provides for \$10,000,000 to be appropriated for the year 1936, and the same amount is authorized to be appropriated annually thereafter, to be allocated to the United States Public Health Service to be expended as outlined in title VIII of the bill.

Eight million dollars of this amount is to be allotted by the United States Public Health Service to the several States and the District of Columbia, in amounts determined on the basis of their respective needs, for the purpose of developing State health services, including the training of personnel for State and local health work, and of assisting counties, health districts, and/or other political subdivisions of the States in maintaining adequate public-health programs; and by that one means programs which make practical application, for the benefit of all citizens, of approved and tested public-health methods for the control of disease and the improvement of community sanitation. Payment of any allotment, or installment thereof, is to be made only after the Secretary of the Treasury has made a finding of fact that there is need to make such money available in each State.

Together with this provision for furthering the application of known methods of preventing and controlling disease, through helping build adequate State and community public-health services, the bill provides for the equally needed investigation into certain health problems which affect many, or all, of our States; such as the problems of stream purification, sewage, and industrial-waste disposal, the nature and prevention of water-borne epidemics and diseases, the methods of malaria control, the investigation of health hazards in industry and practical methods for their control; the investigation of such diseases as rural epidemic typhus fever in a number of the Southern States, encephalitis or the so-called "sleeping sickness", infantile paralysis, and Rocky Mountain spotted fever which is now a problem in almost every State.

For the purpose of such investigation and for employing such Public Health commissioned officers, such experts, and other personnel from the civil-service lists as are necessary to carry out the purposes of title VIII, it is provided in section 803 that \$2,000,000 of the total \$10,000,000 shall be annually available to the United States Public Health Service.

The \$10,000,000 provided for in the title is but a very small part of the amount needed for public-health work to reach even a necessary minimum of efficiency. Not less than \$1 per capita has been found a necessary annual expenditure in communities with even moderately satisfactory health services. This would mean \$126,000,000 a year, on a minimum estimate, for the country as a whole. States and local communities, however, are altogether spending but \$83,000,000 a year approximately, so that this Federal appropriation would leave the financial responsibility for developing and maintaining an adequate health service very largely on the State and local governments. It would, however, be an enormous help and stimulus in providing the aid it is intended to give, particularly in developing and making available the greatly needed trained public health personnel without which the program cannot satisfactorily be put into effect or progress.

The public-health group is justified in having a special sense of the needlessness of much of our human waste, because facts in their field show how much can be achieved in conserving human health and life when even moderate and intelligent provision is made for public-health work. As a consequence of the achievements of research, the discoveries of medical science and their application to the prevention and treatment of diseases, there has been in recent years a decline in our general death rate. Yet, in 1933, of the 1,342,073 deaths that occurred, approximately 250,000 were from preventable causes. These deaths alone represented a money loss in human life conservatively estimated at \$735,716,000. That year 120,000 babies under 1 year of age died. Half of these deaths could have been prevented, leading health authorities state. There were 74,000 deaths from tuberculosis. This death rate, also, could have been reduced by 50 percent, had known methods of prevention been available and in use.

The depression years have made heavy inroads on those suffering most in loss of income and jobs. Recent surveys by the United States Public Health Service in cooperation with the Milbank Memorial Fund of 10 industrial localities where the depression conditions were typical show that during the period 1929-32 the death rate in families with no employed members or part-time wage earners increased 20 percent, while in those families which had full-time wage earners it declined. Furthermore, although data for 1934 are not yet complete, for the first half of 1934 the general mortality rate in cities of 100,000 population and over is reported to be appreciably higher than in the same period of 1933.

Equally important with death rates, perhaps more so, is the amount of preventable disabling illness that does not show in the mortality figures. In this survey just referred to of the 10 localities, it was found that the disabling-sickness rate in families which had suffered the most severe decline in income in those years from 1929 to 1932 was 50 percent higher than that of families whose economic status was not greatly reduced.

In that same year, 1933, more than 43,000 cases of typhoid fever alone caused an estimated loss of \$8,600,000 for medical care. Nearly 60,000 cases of diptheria caused a loss of \$2,961,000. These two diseases are now regarded as almost entirely preventable if known methods of prevention could be universally applied.

A recent survey by the Public Health Service showed by actual blood test of only 200,000 people in 11 Southern States a total of 14,000 known cases of malaria. This survey was made during the winter, when malaria is least active, and included only school children. It is estimated that in the whole population in the malarious section of the South there are, every year, at the height of the malaria sea on, probably 6,750,000 cases of malaria.

The staff of the Committee on Economic Security reported that families with annual incomes under \$2,500 have an annual wage loss of \$900,000,000 due to illness, and that their costs of medical care are annually \$1,500,000,000—a total money loss of \$2,400,000,000.

Yet we know that in those few communities where modern public-health work has been consistently carried on with adequate funds and personnel, where health knowledge and health facilities have been available to the people, the burden of preventable illness and premature death has been lifted over a third. The first full-time county

health unit in the United States was established as long ago as 1911. Twenty-three years have elapsed since its establishment, but there are today less than 600 counties with full-time health service in the United States. Approximately 2,000 rural counties, containing more than 75 percent of our total rural population, are without any health service worthy of the name.

Many counties are too poor to provide adequate health service without aid from some outside source. Further, the actual prevention of sickness and deaths through public-health activities needs often to be conclusively demonstrated to local governing authorities before the soundness and economy of appropriations for health work is realized.

The situation in many of our smaller cities, and in some of the larger ones, is almost as bad as that existing in a large part of our rural area.

When the adequacy of the local health departments which exist is studied it is found that only a relatively small proportion, 21 percent (75 counties and 102 cities) have thus far developed a personnel and service which can be rated as even a satisfactory minimum for the population and the existing problems. The experience in cities in 1934 shows that health budgets have been reduced on the average about 20 percent from the experience of 1931, reductions varying from 1 or 2 percent to as high as 50 percent. Where this reduction has amounted to 30 percent or more practically complete breakdown of the public health protective facilities has resulted.

Nor is the need for Federal aid confined to rural and urban health organizations. Not half of the State health departments are adequately staffed or satisfactory equipped to render the service which they alone can give regardless of the extent to which local facilities may be developed. Specific reference is made to divisions of vital statistics, laboratories, and sanitary engineering service for the supervision of local water supplies, sewage disposal, and other environmental sanitation activities. At least a third of the States are not now able to promote the establishment of full-time local health departments or to give proper supervision to local health work, because of the lack of properly trained scientific personnel, capable of performing duty, on the State health department staff.

Obviously, these facts reveal not only conditions of needless human suffering and wretchedness, but definite economic waste. They call for the immediate extension of public-health work and policies of proven worth, long recognized as humanly and financially sound and constructive. Title VIII provides for such a program of Nation-wide public-health work, financially and technically aided by the Federal Government, but supported and administered by the State and local health departments. It is one of the most important steps toward our goal of conserving our human resources.

Before I close, Mr. Chairman, may I call the attention of the committee to the following changes in the language of title VIII essential for carrying out the purposes of the title. These changes have been discussed with and agreed to by those who prepared the bill, and meet with the approval of the Treasury Department:

Title VIII, section 802, line 21: After the word "States", insert "and the District of Columbia."

Section 802, line 25: After the word "counties" insert "health districts."

Section 803 (a), line 17: After the word "to" insert "pay the salaries and allowances of such additional regular commissioned officers, to."

Section 803 (a), line 22: After the word "expenses" insert "including printing and binding."

Section 803 (a), line 24: Strike out the period at the end of the line and insert in lieu thereof a colon followed by the words:

Provided, That personnel of the Public Health Service paid from other appropriations may be detailed for carrying out the purposes of this title and when so detailed their salaries and allowances may be reimbursed out of the amounts made available in this section to the appropriation or appropriations from which paid.

As revised, title VIII would then read:

TITLE VIII.—APPROPRIATIONS FOR PUBLIC HEALTH

SEC. 801. There is hereby appropriated, from funds in the Treasury not otherwise appropriated, the sum of \$10,000,000 for the fiscal year ending June 30, 1936, and there is hereby authorized to be appropriated for each fiscal year thereafter the sum of \$10,000,000 to be allocated to the Bureau of the Public Health Service to be expended as hereinafter provided.

LOCAL PUBLIC HEALTH SERVICE

SEC. 802. From the amounts appropriated under this title, the Bureau of the Public Health Service shall annually allot \$8,000,000 to the several States and the District of Columbia, in amounts determined on the basis of the need of each State for such assistance, for the purpose of developing State health services including the training of personnel for State and local health work and for the purpose of assisting counties, health districts and/or other political subdivision of the States in maintaining adequate public-health programs. Payment of any allotment, or installment thereof, shall be made only after the Secretary of the Treasury has made a finding of fact that there is need to make such money available in such State, and has notified the Treasurer of the United States to pay such allotment or installment, and the amount thereof. Any money appropriated for the purposes of this section but not expended during the fiscal year shall be available for payment of allotments to the States in the next fiscal year.

BUREAU OF THE PUBLIC HEALTH SERVICE

SEC. 803 (a). From the amounts appropriated under this title, \$2,000,000 shall annually be available to the Bureau of the Public Health Service, for the further investigation of disease and problems of sanitation, and related matters. Out of the amounts made available in this section the Bureau of the Public Health Service is authorized to pay the salaries and allowances of such additional regular commissioned officers, to employ such experts, assistants, clerks, and other persons in the District of Columbia and elsewhere, to be taken from the eligible lists of the Civil Service Commission, and to purchase such supplies, material, equipment, office fixtures, and apparatus, and to incur such travel and other expenses, including printing and binding, as it may deem necessary for carrying out the purposes of this title: *Provided*, That personnel of the Public Health Service paid from other appropriations may be detailed for carrying out the purposes of this title and when so detailed their salaries and allowances may be reimbursed out of the amounts made available in this section to the appropriation or appropriations from which paid.

(b) The Secretary of the Treasury shall make all rules and regulations necessary to carry out the purposes of this title.

ACTION OF THE COMPTROLLER GENERAL

SEC. 804. The Comptroller General is authorized and directed to allow credit in the accounts of the Treasurer of the United States for payment of allotments in the amounts notified him by the Secretary of the Treasury.

Mr. Chairman, that is substantially all I have to say, except that I have not been long in contact with this work, and if there are questions as to details I shall be very happy to try to answer them, but probably the doctors can give you further data if you do ask for it.

Mr. VINSON. Miss Roche, as I understood your statement, there was \$83,000,000 provided by non-Federal funds in connection with this public-health work?

Miss ROCHE. The public-health advisory committee reported that the State contributions and the contributions from counties and from cities throughout the country totaled approximately \$83,000,000 at present.

Mr. VINSON. I am just wondering whether or not in that total of \$83,000,000 there was included any money from private funds.

Miss ROCHE. No, Mr. Congressman, my understanding is that there was not. It was all money from tax sources.

Mr. VINSON. Is it possible for us to obtain the figures that go into public-health work from foundations and private funds?

Miss ROCHE. I think so, sir; possibly Dr. Waller can give you that. The committee reported about \$27,000,000, but I would have to check that, if I may put the results in the record.

Dr. WALLER. We do not have that figure at the present time, but we can insert it in the record.

Miss ROCHE. I would like to check on it, Mr. Congressman.

Mr. VINSON. Of course, the reason that it has been necessary to look to private funds in considerable part is because of the fact that the Governmental units have not carried this burden.

Miss ROCHE. That is true, sir, and there will always be a very great field, of course, for further development of private activities. They have had to assume, very often, public responsibilities and much of their valuable experimental work has been held back because of that.

Mr. VINSON. What was the amount of the Federal appropriation for public health for the fiscal year 1934?

Dr. WALLER. The amount appropriated for cooperative work with the States was \$25,000.

Mr. VINSON. I am asking for the total sum appropriated by the Federal Government for 1934.

Miss ROCHE. About \$10,000,000.

Dr. WALLER. \$10,500,000.

Mr. VINSON. In that total of \$10,500,000, how much was actually spent upon public-health work? I am expecting an answer to that question.

Dr. WALLER. What is your definition of public-health work?

Mr. VINSON. I want to exclude the moneys that have been included in that total of \$10,500,000, for instance, for the marine hospital. Only by the wildest stretch of the imagination can we connect the two. What I want to know is how much was appropriated, for instance, to this marine-hospital activity that is included in this general budget for the Public Health Service.

Dr. WALLER. About \$5,000,000.

Mr. VINSON. In other words, half of the sum total that is generally said to be for public health went to the marine-hospital activity. Is there any connection between the marine hospital and the public health services?

Dr. WALLER. It is quite remote.

Mr. VINSON. How close is it or how remote is it?

Dr. WALLER. Only very indirectly in that it reaches a small part of the population with medical care.

Mr. VINSON. What was that? I did not hear that.

Dr. WALLER. Only in that it renders medical care to a very small part of the population.

Mr. VINSON. What part?

Dr. WALLER. The work done in the hospitals is largely medical care for seamen in the merchant marine and beneficiaries of the Employees' Compensation Act.

Mr. VINSON. In other words, that is hospitalization. It renders the same service to a special class, just as the veterans' hospitals do; is that correct?

Dr. WALLER. Exactly.

Mr. VINSON. In other words, this particular class of people, seamen and also Federal employees who come within the provisions of the Employees' Compensation Act, are designated especially as entitled to hospitalization there.

Dr. WALLER. And they constitute only a very small part of our total population.

Mr. VINSON. I would like to have you break down, in the record, this 10½ million dollar fund which was appropriated for the fiscal year 1934.

Dr. WALLER. We will do that.

(The statement referred to follows:)

Statement showing how the amount available for obligation during the fiscal year 1935 is computed

Appropriation title	(1) Appropriated	(2) Balance available June 30, 1934	(3) Indefinite appropriation act Mar. 28, 1934	(4) Transferred from N. R. A. funds or other	(5) Transferred from other departments
Salaries, Office of the Surgeon General	\$274, 113		\$15, 228		
Pay, etc., commissioned officers, Public Health Service	1, 397, 606		180, 161		\$65, 107
Pay of acting assistant surgeons, Public Health Service	270, 000		15, 000		
Pay of other employees	877, 500		48, 750		
Freight, transportation, etc., Public Health Service	25, 160				
Maintenance, National Institute of Health	50, 000				
Books, Public Health Service	450				
Pay of personnel and maintenance of hospitals	4, 915, 000		192, 175		576, 450
Quarantine service	322, 150			\$50, 860	
Preventing the spread of epidemic diseases	199, 718		7, 641		
Field investigations of public health	209, 313		9, 343		
Interstate quarantine service	35, 495				
Studies of rural sanitation	25, 032			1, 000, 000	
Control of biologic products	39, 524		1, 339		
Expenses, Division of Venereal Diseases	58, 808		2, 898		
Expenses, Division of Mental Hygiene	455, 000				
Educational exhibits	1, 000				
Medical and hospital service, penal institutions			9, 182		418, 478
Total	9, 155, 869		481, 717	1, 050, 860	1, 060, 035

Statement showing how the amount available for obligation during the fiscal year 1935 is computed—Continued

Appropriation title	(6) Impoundments	(7) Reserves	(8) Transferred to other departments	(9) Amount available for obligations fiscal year 1935
Salaries, Office of the Surgeon General.....				\$289,341
Pay, etc., commissioned officers, Public Health Service.....				1,642,874
Pay of acting assistant surgeons, Public Health Service.....	\$5,000			280,000
Pay of other employees.....	8,250			918,000
Freight, transportation, etc., Public Health Service.....				25,160
Maintenance, National Institute of Health.....				50,000
Books, Public Health Service.....				450
Pay of personnel and maintenance of hospitals.....	50,000		\$76,069	5,557,556
Quarantine service.....				373,010
Preventing the spread of epidemic diseases.....	3,359			204,000
Field investigations of public health.....	2,500			216,156
Interstate quarantine service.....				35,495
Studies of rural sanitation.....				1,025,032
Control of biologic products.....				40,863
Expenses, Division of Venereal Diseases.....				61,706
Expenses, Division of Mental Hygiene.....				455,000
Educational exhibits.....				1,000
Medical and hospital service, penal institutions.....			46,165	381,495
Total.....	69,109		122,234	11,557,138

Mr. VINSON. As I understood your statement, there were less than 600 counties, my recollection is 580 counties, in the United States that had local health departments or, we sometimes say, county health units.

Miss ROCHE. Yes.

Mr. VINSON. And, if I understand it, there are something like 3,000 counties altogether in the 48 States.

Miss ROCHE. Yes, sir.

Mr. VINSON. I have found in my contacts here that every Member of Congress who has any familiarity with public-health work, who has any county health unit or local health department in his district, understands full well the benefit that flows from the expenditure of the Federal dollar along that line. But, strange as it may seem, there are numbers of just as well-intentioned and as splendid gentlemen who have not had the opportunity to see this work.

I should like you or Dr. Waller in a very succinct statement to explain the function of a county health unit. I know that the gentlemen who do not have the benefit of county health units in their districts, once they become acquainted with the kind of work done by them, would be as anxious to have them as are those who already know of the splendid work being done along that line. I should appreciate a short statement on that subject.

Miss ROCHE. Do you wish it now, sir?

Mr. VINSON. Yes.

Miss ROCHE. Before I retire in Dr. Waller's favor, it might interest you if I add this short statement with regard to the amount spent federally on human-health activities.

The advisory committee on public-health activity, of the Committee on Economic Security in breaking down the entire expenditures of the Federal Government (that includes the United States Public Health Service, the Children's Bureau, the Office of Food and Drug Administration, and all other activities that have to do with human

health), found that only approximately \$5,000,000 a year was spent in all on human-health services. That would average about 4 cents per capita.

Mr. VINSON. Before we get off that subject, included within that \$5,000,000, is there not the appropriation for meat inspection?

Miss ROCHE. I believe not.

Mr. VINSON. How much is that?

Miss ROCHE. I could not tell you. I should have to look it up.

Mr. VINSON. It is about \$3,000,000, is it not?

Miss ROCHE. I shall have to check up on that and find out exactly what it is for you. But it is my impression this \$5,000,000 referred to is only for human health services.

Mr. VINSON. I should like to have that total broken down so that we can see just what has been done and what is being done.

The appropriation that is recommended here will represent an extension of that work which has been going on; it is not experimental work; this does not contemplate going into a new field, but it is a broadening of that activity.

Miss ROCHE. Which has been proved and tested; yes, sir.

With the permission of the committee, I present this statement and data concerning the subject matter under discussion.

Mr. VINSON. Now I should like to have that statement in regard to these county health units, please.

The CHAIRMAN. Dr. Waller, will you give us the information requested by Mr. Vinson? The committee will appreciate it.

First, please state your name and whatever other information is necessary for the record.

STATEMENT OF DR. C. E. WALLER, ASSISTANT SURGEON GENERAL, UNITED STATES PUBLIC HEALTH SERVICE

Mr. TREADWAY. You are assistant to Surgeon General Cumming?

Dr. WALLER. Yes, sir; in charge of the State's Relations Division of the Public Health Service.

Before I start on the functions of a county health unit, Mr. Chairman, I think I have approximately the answer to the first question that Mr. Vinson asked. He wanted to know what percentage of our total appropriation goes for health work. I may say that it is slightly over a million dollars, or a little over one-tenth of the total appropriation to the Public Health Service.

Mr. VINSON. That actually goes into public-health work?

Dr. WALLER. Yes, sir.

With respect to the functions of a county health unit, I should like to say, in the beginning, that the work of a county health unit is preventive in character. It is not for the purpose of providing medical care. In that respect it does not interfere in the slightest degree with the medical profession.

Mr. TREADWAY. You mean the local medical profession?

Dr. WALLER. The practicing physician. In fact, it has the opposite effect. The educational activities of a county health unit make more work for the practicing physician in that they bring out needs for medical care that otherwise would not be discovered and direct cases into the hands of the private physicians.