

**EXTENDING CERTAIN TITLES OF THE SOCIAL SECURITY
ACT TO THE VIRGIN ISLANDS AND PUERTO RICO**

HEARING
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
SEVENTY-EIGHTH CONGRESS
SECOND SESSION

ON

S. 1328

A BILL TO AMEND THE SOCIAL SECURITY ACT SO AS
TO EXTEND CERTAIN TITLES THEREOF TO THE
VIRGIN ISLANDS AND PUERTO RICO,
AND FOR OTHER PURPOSES

FEBRUARY 15, 1944

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EXTENDING CERTAIN TITLES OF THE SOCIAL SECURITY ACT TO THE VIRGIN ISLANDS AND PUERTO RICO

TUESDAY, FEBRUARY 15, 1944

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C.

The committee met at 10:30 a. m., pursuant to call, in room 312 Senate Office Building, Senator Walter F. George (chairman) presiding. Present: Senators George (chairman), Clark, Byrd, Gerry, Guffey, Radcliffe, La Follette, Vandenberg, and Taft.

The CHAIRMAN. The committee will come to order.

We have before us this morning S. 1328, to amend the Social Security Act so as to extend certain titles thereof to the Virgin Islands and Puerto Rico, and for other purposes.

(S. 1328 is as follows:)

[S. 1328, 78th Cong., 1st Sess.]

A BILL To amend the Social Security Act so as to extend certain titles thereof to the Virgin Islands and Puerto Rico, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 1101 (a) of the Social Security Act, as amended, is amended to read as follows:

"(1) The term 'State' (except when used in section 531) includes Alaska, Hawaii, and the District of Columbia, and when used in titles I, IV, V, VI, and X of such Act (including section 531) includes the Virgin Islands and Puerto Rico."

SEC. 2. Paragraph (2) of section 1101 (a) of such Act is amended to read as follows:

"(2) The term 'United States' when used in a geographical sense means the States, Alaska, Hawaii, and the District of Columbia, and when used in a geographical sense in title V also includes Puerto Rico and the Virgin Islands."

SEC. 3. Section 501 of such Act, as amended, is amended by striking out "\$5,820,000" and inserting in lieu thereof "\$5,840,000".

SEC. 4. Section 511 of such Act, as amended, is amended by striking out "\$3,870,000" and inserting in lieu thereof "\$3,890,000".

SEC. 5. Section 521 (a) of such Act, as amended, is amended by striking out "\$1,510,000" and inserting in lieu thereof "\$1,520,000".

The CHAIRMAN. Mr. Van Hyning, I believe, is present.

STATEMENT OF CONRAD VAN HYNING, DIRECTOR, COMMUNITY WAR SERVICES OF THE FEDERAL SECURITY AGENCY IN THE CARIBBEAN AREA

The CHAIRMAN. Mr. Van Hyning, you are the director in the Caribbean area?

Mr. VAN HYNING. I am the Director of Community War Services of the Federal Security Agency in the Caribbean area, and I have been

down in the Caribbean for approximately a year and have been in close touch with the public welfare program, among other things, in both Puerto Rico and the Virgin Islands, and have represented the Social Security Board in assisting the local governments in their plans for developing their public welfare program.

Since the introduction of this bill in Congress they have, of course, been interested in getting ready, in case it passed, to carry out the program.

The CHAIRMAN. Would you please tell us anything you know pertinent to this bill, to its purposes, and so forth? Mr. Ickes advised us that you would be here on a visit.

Mr. VAN HYNING. Yes.

The CHAIRMAN. He asked me, if possible, to have the hearing while you were here in the States.

Mr. VAN HYNING. Yes, sir. Senator, the bill is a very simple amendment to the Social Security Act, as you know, by redefining the word "States" to extend titles I, IV, V, VI, and X to both Puerto Rico and the Virgin Islands. Puerto Rico already has titles V and VI, but the Virgin Islands have none of those titles. Titles I, IV, and X are the public assistance titles: old-age assistance, aid to the blind, and aid to dependent children. Title V is the child-welfare title, administered by the Children's Bureau, and title VI is the public health title which extends Public Health Service. Title VI has been in effect in Puerto Rico since 1939 and has worked very effectively there together with the Child Welfare Service. The Insular Division of Public Welfare has developed a very sound, very good, child welfare service. It has been extremely limited in any development of practical assistance because there has not been until this last year any actual public relief. For example, they found that the whole child welfare problem was based on the economics of the island and they were pretty well limited in the extent to which they could go, but there is a sound child welfare program developed today.

Under the public health program the Commissioner of Health has cooperated very satisfactorily with the Public Health Service, and the health program has, particularly in the last year, gone ahead very effectively, almost by leaps and bounds. The venereal disease program is now being emphasized very strongly. Of course it is very important now, with the military forces in Puerto Rico.

As far as a brief picture of the Virgin Islands is concerned, they have had none of the titles of the Social Security Act so they are entirely dependent on local resources. The three municipalities of St. Thomas, St. John, and St. Croix appropriate small amounts of money. The total appropriation for St. Thomas is about \$17,000 a year, and for St. Croix about \$10,000. They have a small number of cases. All of their problems are in sort of miniature, but there are probably 400 cases on relief in St. Croix, and 450 in St. Thomas. The allowances to persons on relief in those islands are \$3 a month on an average, so it is not enough to be of any real help, and it is not well organized. But they do have a competent director in St. Thomas for their public-welfare program, such as it is, and they are very eager to have a better program. Their child-welfare services are pretty completely neglected. There are very few crippled children, but there is very little attention can be paid to them.

The maternity and child health problems are accentuated by the large number of illegitimate children, and there is very inadequate care for that group. Public health itself needs the stimulation of an agency like the Public Health Service. The hospitals are inadequate; the medical staff there is extremely limited.

The amount of money involved, of course, in the Virgin Islands, is very slight. I think it would total about \$63,000 for titles V and VI combined, and for titles I, IV, and X, which are the public-assistance titles, somewhere between \$50,000 and \$75,000 a year.

To go back to Puerto Rico briefly, the insular legislature of Puerto Rico last year recognized that the large number of aged persons, and the blind, and children, who had no wage earners in their families, required some direct assistance, and the legislature appropriated \$1,500,000 for its regular public welfare department. Three months later on it allotted out of its war emergency funds another \$2,000,000. Thus the insular legislature has made available during the current fiscal year approximately \$3,500,000 for public welfare. That is now administered by the public welfare department on a flat rate basis. That is, they give \$7.50 to every family unit, whether it is a single person or a family, whether it is 1 child or 10 children, so \$7.50 per month is the direct relief grant in Puerto Rico to 25,000 families receiving assistance.

Senator TAFT. How many?

Mr. VAN HYNING. 25,000 are now actually on the relief list.

Senator TAFT. Families?

Mr. VAN HYNING. Families. About one-third of those are actually individuals, aged cases. They use the family unit there, setting it up on the categories of public assistance. Forty percent of those would be aged individuals, and in that case the family unit would be one person.

Senator TAFT. The State W. P. A. is spending \$15,000,000 a year, isn't it; at the rate of \$15,000,000 a year?

Mr. VAN HYNING. Yes; at the present moment. They are stepping it up at the rate of \$850,000 a month. They have about 35,000 employed.

Senator TAFT. That is what they approved last year.

Mr. VAN HYNING. Yes.

Senator TAFT. That is for direct relief in addition to the \$3,000,000 that the insular legislature has made available.

Mr. VAN HYNING. The insular work program, however, is not on a relief basis. There is no relief requirement. It is open to unemployed persons. The only certification they have to have is through the insular work organization as it has been set up, under the Insular Department of Labor, employment offices in all of the small towns, and certification of the person as being unemployed is required by the insular work program through this employment office. They are putting them to work on that basis. They are allotting 10 percent of the total number of employees to the public welfare department, so actually 10 percent are certified relief cases and 90 percent are certified unemployment cases. There are safeguards that you have to watch for, that is, that you do not put labor on the work program when it is needed in private employment. Paul Edwards, who used to be the director of W. P. A., is now director of the insular program.

Senator TAFT. What is your position?

Mr. VAN HYNING. My position is territorial director of Community War Services, Federal Security Agency.

Senator TAFT. You are not administering titles V and VI?

Mr. VAN HYNING. No.

Senator TAFT. Who is doing that?

Mr. VAN HYNING. Title V is being administered by the insular public welfare department and the insular health department. The first sections in regard to crippled children and maternal and child health are administered by the health department, and the child-welfare section by the division of public welfare in the health department, and section 4, vocational rehabilitation, by the insular office of education.

Senator TAFT. I thought you said there were just titles V and VI in force there.

Mr. VAN HYNING. Title V has four sections. It is divided between the health department and the welfare department and the office of education.

Senator TAFT. And the Federal payments are made to the insular government as in the case of payment to States in this country?

Mr. VAN HYNING. That is right.

Senator GERRY. How much will this cost the Federal Department, if adopted?

Mr. VAN HYNING. If we pass it, on the present estimated load of 25,000 now receiving assistance and 35,000 pending, about \$5,000,000 a year in Puerto Rico, and about \$100,000 to \$125,000 in the Virgin Islands.

Senator TAFT. I do not quite understand. What is it costing now in Puerto Rico?

Mr. VAN HYNING. I cannot give you the figures under titles V and VI exactly, but both the Public Health Service and Children's Bureau are here and can give you those figures, I am sure.

Senator TAFT. I do not quite understand it. You are proposing to extend your unemployment compensation also?

Mr. VAN HYNING. No. The public assistance, titles I, IV, and X for Puerto Rico are the only proposals for Puerto Rico. The old-age assistance, aid to the blind, and aid to dependent children are the only ones proposed for Puerto Rico.

Senator TAFT. You are not proposing to extend the old-age insurance system to Puerto Rico?

Mr. VAN HYNING. No; not the old-age and survivors' insurance.

Senator TAFT. What is the bill proposing to do, then? The old-age assistance, that has the \$40 limit, hasn't it?

Mr. VAN HYNING. A maximum of \$40.

Senator TAFT. A maximum of \$40?

Mr. VAN HYNING. That is right.

Senator TAFT. For persons over 65?

Mr. VAN HYNING. For persons over 65.

Senator BYRD. A month?

Mr. VAN HYNING. A maximum of \$40 a month to persons over 65.

Senator TAFT. That is the maximum. We would only put up what the insular government would put up. The insular government would match whatever we put up.

The CHAIRMAN. That would be \$20 for the Federal Government.

Senator TAFT. We would match the insular government?

Mr. VAN HYNING. The insular government would match just exactly the same as the States.

Senator BYRD. Who puts up the deficit for the insular government?

Mr. VAN HYNING. The insular government of Puerto Rico would have no deficit.

Senator BYRD. Suppose they did have a deficit; would not this Government make it up?

Mr. VAN HYNING. Not under the act, it would not.

Senator TAFT. The insular government of Puerto Rico gets \$50,000,000 a year from the rum tax, which no State in this Union has the advantage of.

Senator BYRD. Why are they given \$15,000,000 a year for Government aid through the W. P. A.?

Mr. VAN HYNING. The works program in Puerto Rico is run by insular funds entirely.

Senator TAFT. The W. P. A. has an appropriation of \$8,000,000 that we gave them a short period ago. We are now considering the \$15,000,000 over-all W. P. A. program.

Mr. VAN HYNING. There has been no program announced.

Mr. THORON. The F. W. P. A. program terminated on December 1, since which time the works program is entirely financed with insular funds. There is pending in the House of Representatives a bill to provide for a works program, but up to the present time no action has been taken on that bill.

Senator TAFT. The Senate passed a bill of \$15,000,000 for the year; the House said, "We are not ready to appropriate for the year, but we will appropriate \$8,000,000 to keep them going."

Mr. THORON. That \$8,000,000 was limited to December 1 and has been exhausted, so that the program which is being carried on at the present time is entirely financed with insular funds.

Senator TAFT. I am certainly surprised to know that, because our Committee on Territories certainly thought it was continuing. No appeal was made to us to continue it.

Mr. THORON. Since the beginning of this fiscal year the funds in the insular treasury have been more adequate than they were before. The insular government has been carrying on the work with its own funds.

Senator TAFT. The insular government has the proceeds from the rum tax. If that rum tax did not go anywhere else, it would go to the treasury. The manufacture of rum has increased by leaps and bounds. Under the Organic Act of Puerto Rico they are entitled to draw that money. If we treated North Carolina the same way they would get a billion dollars a year on the tobacco alone. Of course this is a tax paid by the people of the United States that drink the rum. The insular government is perfectly able to match this old-age assistance, there is no doubt about that.

Senator GERRY. How does the department of education come into this?

Mr. VAN HYNING. The department of education comes into this only in the administration of section 4 of title V, which is the vocational rehabilitation program for handicapped persons. That is in operation now.

Senator TAFT. You said you are going to extend the old-age assistance. Do you know what that will cost, about?

Mr. VAN HYNING. The three categories of old-age assistance, aid to the blind, and aid to dependent children are all public assistance measures and they would total, in round figures, \$5,000,000. The insular appropriation expected, to be made in the present legislative session, for the next fiscal year, is to be \$5,500,000.

Senator TAFT. That would make about \$5,500,000 for the insular government, and for the Federal Government about \$5,000,000?

Mr. VAN HYNING. Yes. The Federal reimbursement depends on the local expenditures. In other words, they have to put up as much as they get back. So if they put up \$5,000,000 and spend it under the regulations to give assistance to these people, if they haven't enough people to use that money on, then it cuts it down, and if they have more, they have to make more available and then they get more from us.

Senator TAFT. Is there anything else besides old-age assistance, aid to the blind, and aid to dependent children?

Mr. VAN HYNING. Nothing more for Puerto Rico.

Senator TAFT. And for the Virgin Islands it is the same thing, plus titles V and VI?

Mr. VAN HYNING. That is right, sir. The entire bill deals with public assistance, and with aid to children in the field of crippled children, and maternal and child care and public health. It is entirely a public-health bill. It does not have anything to do with insurance in any way.

The CHAIRMAN. Mr. Van Hyning, I see in section 3 it states: "Section 501 of such act, as amended, is amended by striking out '\$5,820,000' and inserting in lieu thereof '\$5,840,000.'" In other words, there is a step-up of \$20,000. Our title IV is a step-up of \$20,000, and title V is to be amended so as to step it up by \$10,000. Just explain that to us, please.

Mr. VAN HYNING. Yes, sir. Under sections 1, 2, and 3 of title V there is a basic flat grant to the State of \$20,000 each under sections 1 and 2, and \$10,000 under section 3. That is a grant to the State. Additional amounts are based on percentages of live births to total births in the rural population.

The CHAIRMAN. That is the flat grant?

Mr. VAN HYNING. Yes. Those amendments are to take care of the Virgin Islands on the flat grant. The additional amount is based on the formula provided in the law.

The CHAIRMAN. Are there any questions, gentlemen, of Mr. Van Hyning?

Mr. Van Hyning, is there anything else you can tell us about the unemployment conditions in Puerto Rico at this time?

Mr. VAN HYNING. Yes. I would like to say unemployment is present there in large numbers. I could not give you accurate figures. It is 150,000 or so, I suppose. It changes as the sugar season comes on, and it is better now.

I think this should be said about Puerto Rico, that the local provisions, the local measures to take care of the situation, are very helpful, that there is good planning in terms of developing new local industries, that the insular government has taken a responsibility in its insular work program and has employed a very competent administrator, who used to be the Administrator of W. P. A., in Washington, then of W. P. A. in Puerto Rico, and he has been put in charge of

the program, and there is thus assurance of its being well administered.

Senator TAFT. How long have they had the benefit of this rum tax in Puerto Rico?

Mr. VAN HYNING. Since the beginning, since the organic act. It had not amounted to very much until the whisky market here got pretty short and the importation of rum increased.

Senator CLARK. In the old W. P. A. days the Puerto Ricans came in and howled louder than anybody else in the world. They said they were completely bankrupt.

Mr. VAN HYNING. It is true the rum tax has increased the total cash income to Puerto Rico to a marked degree, so Puerto Rico is now financially able to take care of its public welfare problems in a way that it was not a couple of years ago.

Senator TAFT. Also the increase has been very rapid in the last 3 years. Under the organic act they keep all the taxes, all the income taxes and any other Federal taxes go into the insular treasury.

Senator BYRD. How much does this draw from the Public Treasury?

Mr. VAN HYNING. I think probably Mr. Thoron can answer that better than I can.

Mr. THORON. I haven't the figures. It is a very difficult thing to determine because it depends on what you mean by "drawing upon the Public Treasury."

Senator CLARK. Anything that is collected by way of taxes under our policy goes to the Federal Government, and Puerto Rico certainly gets this money out of the Federal Treasury.

Mr. THORON. The internal revenue taxes have increased from a relatively small amount, on the order of, I think, \$2,000,000 or \$3,000,000, to a figure that I think will probably reach in excess of \$50,000,000 for this year, on account of the rum situation. The insular government also receives the benefit of other internal revenue taxes. That is a relatively small amount, such as tobacco taxes, and so forth. Also customs duties on articles imported into Puerto Rico.

Senator CLARK. Of course those taxes are paid all over the United States. The fellow that drinks the rum pays the taxes, just like North Carolina and Virginia, that produce tobacco, and I have never considered that Virginia and North Carolina were entitled to the credit for that amount of taxes that is paid on tobacco, because the fellows that smoke tobacco all over the United States will pay the taxes. The same is true in Puerto Rico. That is actually paid all over the United States by anybody that drinks any rum.

Mr. THORON. That was the policy established by the Congress early in the relationship of Puerto Rico and the United States, and was confirmed in the organic act of 1917.

Senator BYRD. About \$50,000,000, you say?

Mr. THORON. It will not amount to \$50,000,000 this year, but the last few months of this year it was running at the rate of \$50,000,000 a year.

Senator BYRD. It was increased in this last bill, the tax on rum.

Mr. THORON. Yes; it has been increased to \$9 a proof gallon.

Senator BYRD. From \$6 to \$9?

Mr. THORON. From \$6 to \$9. I do not know what the effective date of that increase is.

The CHAIRMAN. It has not gone in yet.

Senator TAFT. No one knows.

The CHAIRMAN. It has not become effective yet.

Mr. THORON. I just came back from Puerto Rico, so I am not fully familiar with the status of that.

Senator TAFT. Mr. Thoron, my recollection is that an analysis of payments to Puerto Rico in the last 5 years shows that Puerto Rico is not getting any more than any other State from the Federal Government, except for those taxes. As far as the money spent by public agencies, and all the rest of it, it has not been any bigger than the other States.

Mr. THORON. My recollection is it is rather low on the per capita basis.

Senator BYRD. They keep for themselves all these internal revenue taxes.

Mr. THORON. All these special things.

Senator BYRD. What other things do they get?

Mr. THORON. They have received W. P. A. and F. W. A. grants. They do not participate in the road program, in any Federal-aid road program.

Senator TAFT. What have they received?

Mr. THORON. They have received the W. P. A. and F. W. A. grants. I do not have figures before me, but I can submit the figures.

Senator TAFT. I can get them.

Mr. THORON. They have been submitted to the Committee on Territories and Insular Affairs.

Senator TAFT. Yes; we can get an analysis of it.

Senator BYRD. Before I vote on this bill, Mr. Chairman, I would like to know what Puerto Rico is getting, to see whether she is able to finance herself.

The CHAIRMAN. Can you furnish that information?

Mr. THORON. Yes, I will be glad to furnish that information.

The CHAIRMAN. Precisely what is going into Puerto Rico by way of direct grants out of the Federal Treasury.

Mr. THORON. Yes, sir.

Senator RADCLIFFE. That \$15,000,000 is not included in the \$50,000,000?

Mr. THORON. No, sir.

Senator RADCLIFFE. It is entirely separate?

Mr. THORON. Yes.

Senator TAFT. Do you count the \$10,000,000 that the Federal Government put in in appropriating for utilities in Puerto Rico?

Mr. THORON. I think, Senator, there is no Federal money in that. The public resources authority sold the bond issue to bankers.

Senator TAFT. Have they bought it from the Federal Government?

Mr. THORON. They bought it from the Puerto Rico Railway, Light & Power Co. The proceedings under which the Federal Works Agency was seeking to condemn it were discontinued.

Senator TAFT. Then they had a new plan to get the money?

Mr. THORON. They floated a bond issue in the open money market in New York to refinance the insular electric system. There is no Federal money in it now, except that there were certain dams built with P. W. A. assistance, just as many other public projects were built by the P. W. A. system.

The CHAIRMAN. You will supply that information for the record?

Mr. THORON. I will, sir.

The CHAIRMAN. We will be very glad to have it.

What is the present population of Puerto Rico?

Mr. VAN HYNING. Around 2,000,000.

Senator BYRD. I would like to get a statement of all the grants, appropriations of every character that are made to Puerto Rico and that have been made to Puerto Rico for the last 5 years.

Mr. THORON. Yes.

(The above requested information is as follows:)

Statement of Federal aid expenditures in Puerto Rico, fiscal years 1939 to 1943, inclusive

	1939	1940	1941	1942	1943
Agriculture:					
Experiment stations.....	\$82, 118. 41	\$93, 315. 52	\$98, 532. 16	\$103, 213. 24	\$100, 814. 27
Extension work.....	139, 571. 29	157, 745. 33	185, 055. 78	198, 940. 79	202, 169. 84
Forests (Including forest roads and trails).....	2, 909. 28	7, 866. 78	10, 788. 09	10, 986. 28	15, 045. 08
Subtotal.....	224, 598. 98	258, 927. 63	294, 404. 00	311, 140. 31	318, 029. 19
Education:					
Colleges for agriculture and mechanic arts.....	50, 000. 00	50, 000. 00	50, 000. 00	50, 000. 00	50, 000. 00
Cooperative vocational education.....	293, 778. 91	475, 242. 09	344, 805. 10	354, 776. 15	348, 879. 25
Education of the blind.....	1, 503. 38	1, 078. 92	1, 046. 34	1, 060. 77	1, 153. 30
National Youth Administration.....	46, 045. 25	190, 076. 87	863, 971. 40	959, 307. 06	69, 922. 46
Subtotal.....	392, 227. 52	516, 395. 88	1, 259, 822. 84	1, 365, 143. 98	469, 900. 01
Public Works:					
Roads and highways.....	438, 867. 57	878, 754. 00	531, 294. 06	575, 999. 23	1, 090, 606. 12
Public Works Administration.....	2, 274, 789. 55	1, 755, 770. 80	1, 359, 165. 57	340, 824. 22	319, 726. 92
Civilian Conservation Corps.....	1, 044, 838. 69	1, 896, 249. 30	1, 011, 185. 00	1, 004, 539. 00	.....
Work Projects Administration.....	.....	1, 337, 581. 07	9, 120, 889. 00	14, 520, 849. 63	13, 741, 005. 00
Public Buildings Administration.....	.....	469, 230. 13	63, 135. 90	5, 780. 65	.....
Subtotal.....	3, 758, 495. 82	6, 833, 585. 30	12, 085, 661. 18	16, 447, 992. 73	15, 141, 338. 04
Puerto Rico Reconstruction Administration.....	10, 541, 255. 68	9, 116, 837. 02	4, 688, 329. 31	472, 381. 30	.....
Subtotal.....	14, 299, 751. 50	15, 450, 422. 32	16, 773, 990. 44	16, 920, 374. 03	15, 141, 338. 04
War public works, and training:					
War public works.....	.....	.....	.....	7, 281, 200. 00	890, 926. 04
National defense housing.....	.....	.....	374, 187. 43	4, 104, 785. 84	117, 078. 69
Training of nurses.....	.....	.....	.....	.....	9, 618. 00
Training of defense workers.....	.....	.....	399, 145. 88	844, 409. 40	462, 007. 97
Subtotal.....	.....	.....	778, 333. 31	12, 230, 395. 24	1, 479, 630. 70
Social Security Act payment.....	.....	216, 109. 78	616, 231. 93	640, 421. 89	473, 746. 83
Public Health Service.....	.....	74, 463. 00	111, 100. 00	192, 800. 00	242, 251. 00
Wildlife restoration.....	.....	.....	.....	.....	593. 70
Federal Water Power Act.....	13. 25	13. 25	13. 25	13. 25	.....
National Guard.....	227, 896. 36	401, 056. 35	531, 102. 85	.....	12, 994. 86
Subtotal.....	227, 909. 61	691, 632. 38	1, 258, 448. 03	833, 235. 14	729, 580. 39
Total.....	15, 144, 487. 61	16, 917, 378. 21	20, 359, 998. 62	31, 660, 288. 70	18, 138, 544. 33
Farm Security Administration (loans to farmers).....	140, 809. 00	276, 061. 00	.....	560, 490. 93	1, 106, 395. 26
Agricultural Adjustment Administration (benefit payments to farmers).....	11, 313, 378. 41	12, 342, 066. 01	12, 068, 784. 82	10, 754, 632. 31	12, 733, 027. 15
Total.....	11, 453, 687. 41	12, 618, 127. 01	12, 068, 784. 82	11, 315, 113. 24	13, 839, 422. 41

Source: Annual Report of the Secretary of the Treasury on the state of the finances—Federal Aid to States.

Senator BYRD. Then a statement of the taxes that they have retained which ordinarily would come into the Federal Treasury.

Mr. THORON. Yes, sir.

(The above requested information is as follows:)

Collections under Federal laws, Puerto Rico, fiscal years 1939 to 1943 inclusive

	1939	1940	1941	1942	1943
United States internal revenue:					
Distilled spirits.....	\$1,492,465.62	\$2,509,690.02	\$4,138,867.34	\$13,013,325.60	} \$13,550,072
Rectification.....	130,162.87	251,211.24	411,717.92	800,680.04	
"Floor tax" (on stocks of distilled spirits).....				87,070.56	
Fines—narcotics.....	821.50	147.00		82.01	
Licenses—narcotics.....	1,888.51	1,552.65	1,041.20	1,640.00	
Total.....	1,634,338.50	2,762,601.81	4,552,226.46	13,902,811.11	13,550,072
Customs.....	1,245,003.00	1,030,000.00	840,000.00	2,085,600.00	2,450,000

† Detail not available.

Source: Annual Report of the Treasurer of Puerto Rico.

The CHAIRMAN. What did you say the present population was?

Mr. VAN HYNING. Two million.

The CHAIRMAN. What is it in the Virgin Islands?

Mr. VAN HYNING. The Virgin Islands, 26,000.

Senator BYRD. Itemize that information for me, please.

Mr. THORON. Yes, sir.

The CHAIRMAN. Are there any other questions, gentlemen?

Senator TAFT. My recollection is that the last figures on unemployment that I saw were something like 150,000.

Mr. VAN HYNING. That is right.

Senator TAFT. All these Government industries, while I am for them, they will not employ 5,000 men altogether.

Mr. VAN HYNING. There is a hopeful sign in that there is a consciousness of the problem and a movement in the direction of doing something about it, and there is a sense of responsibility in the last year or two that is hopeful also.

Senator RADCLIFFE. What is the density of population?

Mr. VAN HYNING. A little over 500 per square mile, one of the largest in the world.

Senator TAFT. It is five times the density of population of Cuba. Why, I don't know, because the land is not as good.

Mr. VAN HYNING. Senator, there is only one other remark I would like to make, and that is, the Social Security Act, of course, is a permanent structure; I mean a permanent administrative part of the Federal Government, I take it, and it has been extended to Hawaii and Alaska. Of course, the people in Puerto Rico and the Virgin Islands make comparisons and they do feel that they should have at least these welfare and health measures. There is a great deal of local interest in these. A great many organizations and a great many individuals have interested themselves in this, and perhaps are registered here, I am not sure, but there is a great deal of local interest in this whole matter, both in the Virgin Islands and in Puerto Rico.

Senator TAFT. May I ask one question? Is this request going to be succeeded by a request for W. P. A. money at the rate of \$15,000,000 a year, or is this to take the place of that? I think that makes quite a difference.

Mr. VAN HYNING. I think I can say that the insular government has no intention now of making any request for any more W. P. A. or F. W. A. funds.

Senator TAFT. The insular government does not have anything to do with that, does it; that is, if our W. P. A. should continue? We stopped it everywhere else but it was being continued in Puerto Rico until December. Is that being abandoned now? Mr. Thoron, what would you say about that?

Mr. THORON. The W. P. A. has been abandoned now. I would like to point out that my understanding of the application of the titles which we are asking to have extended is that they reach only what might be called the unemployable sections of the population, persons over 65, dependent children, crippled persons, and the blind, and those requiring vocational rehabilitation. While the indications are that if the Congress is willing to continue the present fiscal relationship between Puerto Rico and the Federal Government, there would be no need for Federal funds to be expended on work relief or relief for the employables; this is an entirely different group of people, a group which the policy as expressed by Congress in these social-security laws has been determined to be a proper object for Federal assistance. The effect of this bill is to extend these benefits to the last parts of the United States territory which in all other parts of the United States territory the persons in these categories are now eligible for.

Senator TAFT. So this has nothing to do with the question of continuing or not continuing the W. P. A.?

Mr. THORON. No.

Senator TAFT. It is related to the tax problem.

Mr. THORON. To the finance problem.

Senator GERRY. What is the percentage of illegitimacy in Puerto Rico?

Mr. VAN HYNING. I think Miss Mercedes Velez of the child welfare department could answer that better than I can, I have heard several figures on it.

Miss VELEZ. I do not really know the correct figures. I should say that especially in the rural communities, where we have 70 percent of our population, families live under conditions such as would tend to produce illegitimate children.

Senator GERRY. Don't you keep any statistics on it?

Mr. VAN HYNING. Senator, my recollection of the figure is 58 percent. You cannot say that this number, in a sense, is illegitimate, because common-law marriage is not recognized in Puerto Rico. A large number of rural people live together under what we call a common-law marriage, but that is not recognized in Puerto Rico, so that figures come out as illegitimate from the common-law marriages. There is no real way to divide what you would usually call illegitimate children.

Senator GERRY. The laws are what the State recognizes as laws.

Mr. VAN HYNING. If you say all children born of consensual marriages are illegitimate, then 50 percent of the island is illegitimate.

Senator BYRD. They don't have to get divorced under a common-law marriage.

Mr. VAN HYNING. No; but they live together a good many years.

The CHAIRMAN. Thank you very much, Mr. Van Hyning, unless you have some other statement.

Mr. VAN HYNING. Thank you.

The CHAIRMAN. Mrs. Woodward.

STATEMENT OF ELLEN S. WOODWARD, MEMBER, SOCIAL SECURITY BOARD

The CHAIRMAN. This is Mrs. Woodward, of the Social Security Board, gentlemen, known to all of us, I believe. Will you tell us your interest in this bill, and any statement you desire to make we will be glad to hear you on.

Mrs. WOODWARD. Mr. Chairman, in order to save the time of you gentlemen, I have reduced what I have to say to one page here, and if you will permit me I will read it.

The CHAIRMAN. Yes, madam.

Mrs. WOODWARD. First I want to say that the Social Security Board endorses the proposal to extend titles I, IV, and X of the Social Security Act to Puerto Rico and the Virgin Islands.

The Social Security Board has followed with interest over a period of time the progress made by Puerto Rico in the development of its public welfare programs. On occasion, in the last several years, officials of the insular agency having responsibility for public welfare have consulted the Board for technical advice with regard to problems that arose in the operation of the insular program. The staff of the Social Security Board has reviewed the public welfare law enacted by the Puerto Rico legislature in May 1943 and is of the opinion that its provisions do not appear to raise any question of conformity with titles I, IV, and X of the Social Security Act.

Some estimate of the number of persons needing assistance and the amount of money involved is indicated in the report of the Puerto Rico Social Security Commission to the Governor, dated February 5, 1943. According to that report, about 20,000 persons 65 years of age and over, 3,000 blind persons, and about 24,000 families—representing 73,000 children aged 16 or under—would be in need of financial assistance from the Government. On the basis of available estimates, it would appear that Federal participation in the amount of \$4,000,000 for the next fiscal year is indicated with respect to all three of the public assistance programs, provided, of course, that S. 1328 is enacted into law.

The Social Security Board has also in the last year been interested in the welfare programs of the Virgin Islands. The Board has participated in discussions regarding the situation in the Virgin Islands with representatives of the Department of the Interior and of the Children's Bureau. In January 1943, the Government of the Virgin Islands enacted a law creating an insular department of public welfare to administer public assistance and child welfare services. The staff of the Social Security Board has reviewed this law and believes that it is possible of administration in such a way as to render the Islands eligible for Federal financial participation under the public-assistance titles of the Social Security Act.

Recent figures supplied by the welfare officials of the islands estimate that about 700 persons aged 65 years and over, 75 blind persons, and 150 families (representing about 400 children) would be in need

of assistance from the Government. On the basis of these estimates, it would appear that Federal participation in the amount of about \$90,000 for the next fiscal year is indicated with respect to all three of the public-assistance programs, provided, of course, that S. 1328 is enacted into law.

Senator GERRY. How much would it be after that? Would it increase very rapidly after that, or would it be the same amount in subsequent years?

Mrs. WOODWARD. Senator Gerry, I do not believe there is any way we could answer that definitely, because of course it would depend upon the case load.

Senator GERRY. Well, you must have statistics on that, the general average as to how those things run.

Mr. VAN HYNING. Mr. Chairman, I can probably answer that.

The CHAIRMAN. Yes, sir.

Mr. VAN HYNING. The number of persons in the Virgin Islands that would be eligible would scarcely increase any, I think, after you get this program going, because it is such a small group. It is clearly defined in the old-age group and the dependent children and the blind.

Senator GERRY. How long would it take to get it going?

Mr. VAN HYNING. A year to get it going smoothly, but they could get started on it immediately.

Senator GERRY. After you get it going, what are your figures? Have you got any estimates at all on it?

Mr. VAN HYNING. I think the total case load would never be over 1,000. It is about 850 now.

Senator GERRY. And that would be how much?

Mr. VAN HYNING. If I were to make an outside estimate I would say \$15 a month per case, which is about the most that it would cost there, which is \$15,000 a month maximum.

Senator TAFT. How do you match in the Virgin Islands?

Mr. VAN HYNING. From municipal funds. Each municipality has to appropriate from its own funds and put them into the insular treasury, and the control of that fund is in the insular government, that is, in the director of public welfare and commissioner of finance.

Senator TAFT. Can you tell me, for instance, what the old-age payments of Puerto Rico will be? What does the insular government plan to do?

Mr. VAN HYNING. Well, the insular government's plan at the present time is an average of \$7.50. They plan approximately an average of \$17 or \$18 a month per case.

Senator TAFT. They are not considering going up to the maximum of \$40, then?

Mrs. WOODWARD. Nothing of that kind. May I proceed?

The CHAIRMAN. Yes, madam.

Mrs. WOODWARD. The Social Security Board advised the Federal Security Administrator in July 1943 that it endorsed the proposed extension of the public-assistance titles of the Social Security Act to Puerto Rico and the Virgin Islands. From reports that the Board has received regarding the progress made in the administration of the welfare programs in both Puerto Rico and the Virgin Islands, it believes that there has been a substantial demonstration of the ability

of these possessions to make continued progress and benefit from the Federal aid which the bill, S. 1328, proposes to extend to them.

The CHAIRMAN. Are there any questions, gentlemen, of Mrs. Woodward? If not, we thank you, Mrs. Woodward.

Mrs. WOODWARD. Thank you. I would like to add something, if I may, Mr. Chairman.

The CHAIRMAN. Yes, madam.

Mrs. WOODWARD. I would like to say that the Social Security Board is prepared to administer this program in regard to these three titles under the social-security tax, if your committee and the Congress see fit to enact this legislation.

Senator TAFT. Is your estimate of the expense on the old-age pension in Puerto Rico based on \$7.50 a month from the Federal Government?

Mrs. WOODWARD. Yes, sir. The \$4,000,000 is for all three categories of aid.

Senator TAFT. I know, but on what basis do you figure the old-age pension?

Mrs. WOODWARD. Well, as Mr. Van Hyning just said, approximately \$15, maybe \$17 to \$18.

Senator TAFT. \$7.50 from the Federal Government?

Mrs. WOODWARD. Yes, sir.

Senator TAFT. Is that what makes the \$4,000,000, or is that what makes the greater part of the \$4,000,000?

Mrs. WOODWARD. We have only 20,000 persons 65 years of age and over, according to this report which I brought with me. It is the report that we have referred to, and I have used figures from this report in my statement. It is the report to the Governor of Puerto Rico from the social security commission, and I should like to leave that if you care to have it, because there are some figures in there that you may want.

The CHAIRMAN. Yes; you may file it with the committee.

(The report referred to was filed with the committee.)

Mrs. WOODWARD. I would be very glad, Senator, if you would like me to, to send for the record exactly how we estimated this.

Senator TAFT. I was just wondering whether \$7.50 a head would likely increase if the insular government became more generous.

Mrs. WOODWARD. They have been paying, under their own relief program, about \$7.50. That is all they pay. If they have Federal aid it is their hope and their purpose, of course, to make the aid more adequate.

The CHAIRMAN. All right, Mrs. Woodward. Thank you very much.

Dr. Thompson.

Dr. L. R. THOMPSON (Assistant Surgeon General, U. S. Public Health Service). Mr. Chairman, in the absence of Dr. Parran, I would like to have Dr. Burney, who has charge of title VI in the Public Health Service, address you.

The CHAIRMAN. Yes; come around, Dr. Burney.

STATEMENT OF DR. L. E. BURNEY, ASSISTANT CHIEF, BUREAU OF STATE SERVICES, UNITED STATES PUBLIC HEALTH SERVICE

Dr. BURNEY. Mr. Chairman, our only interest in this is that this extends title VI funds to the Virgin Islands. At the present time title VI funds are available to all of the States and Territories, including Puerto Rico. This extension to the Virgin Islands would amount to approximately \$12,862, based upon the formula for the present allocation to the other States and Territories.

Under the provisions of the Venereal Disease Control Act, funds are available to the Virgin Islands, and they have allocated to them for the present fiscal year \$14,600. Our experience with the way they have used the Venereal Disease Control Act funds in the Virgin Islands leads us to believe they will use title VI funds just as effectively, because they have conducted a very good venereal disease control program in the Virgin Islands. We are now allocating to Puerto Rico from title VI funds for the present fiscal year, \$247,000, plus an unexpended balance of last year of \$64,000. We have allocated to Puerto Rico from the Venereal Disease Control Act funds \$382,000, and they also had an unexpended balance of \$975,000.

We have at the present time a quarantine in the Virgin Islands which comes under the immediate direction of our district office which is located in Puerto Rico. Dr. Corey, who is the medical officer there, has been asked by the health department of the Virgin Islands to assist them in their health program as a consultant. Of course, our district office in Puerto Rico, which was established in 1939, has given consultatory advice on medical, engineering, and nursing subjects for years to the Virgin Islands.

The problems there in the Virgin Islands are what one would expect to find in a tropical low-economic group, such as venereal diseases, tuberculosis, hookworm, caries, and of course sanitation is a severe problem, which gives rise to another question and that is the gastro-enteric diseases such as dysentery, typhoid fever, and the infectious diarrheas.

Senator BYRD. What percentage have venereal diseases?

Dr. BURNEY. I do not know, sir; I cannot tell you that.

Senator TAFT. Is not the rate in Puerto Rico higher than any place else?

Dr. BURNEY. For venereal diseases?

Senator TAFT. Yes.

Dr. BURNEY. I am sorry, sir, I could not give you that estimate, but I would suspect, on some of the surveys that have been made, it is higher than even in some of the Southern States with the high Negro population.

The CHAIRMAN. Are there any questions of Dr. Burney?

Is there anything else, Doctor, that you wish to add?

Dr. BURNEY. No, sir.

Dr. THOMPSON. Mr. Van Hyning says about 20 percent. That is not a very accurate figure, but it is much higher than in some of our Southern States.

The CHAIRMAN. Miss Lenroot.

STATEMENT OF KATHARINE LENROOT, CHIEF, CHILDREN'S BUREAU, UNITED STATES DEPARTMENT OF LABOR

Miss LENROOT. Mr. Chairman, as has been stated, the Children's Bureau is responsible for the administration of title V, parts 1, 2, and 3, of the Social Security Act. In 1939, amendments to the Social Security Act extended the operation of these parts of title V to Puerto Rico. The Children's Bureau, therefore, will not be affected by the proposed bill so far as its activities in Puerto Rico are concerned. It is, however, deeply interested in the extension of title IV to Puerto Rico, because aid to dependent children is an essential part of any adequate child-welfare program. Material is, therefore, submitted reviewing briefly the successful experience in the development of children's service in Puerto Rico under the 1939 amendments and indicating the importance and the feasibility of extending the provisions of title IV to the island.

The Children's Bureau, through members of the staffs of the Division of Health Services and the Social Service Division, has first-hand knowledge of conditions in the Virgin Islands which will be summarized briefly.

As to Puerto Rico: The Children's Bureau, under its organic act, is authorized to "investigate and report * * * upon all matters pertaining to the welfare of children and child life among all classes of our people." Under this authority the Children's Bureau has made a series of studies in Puerto Rico, beginning with 1921, in the fields of health and social service. It is now responsible for activities in Puerto Rico under title V of the Social Security Act of 1935 and under the child-labor provisions of the Fair Labor Standards Act of 1938. Puerto Rico is included in the provisions for emergency maternity and infant care for wives and infants of enlisted men in the armed forces in the four lowest pay grades, which have been carried in deficiency and regular appropriations to the Children's Bureau. A plan for this program has not yet been submitted by Puerto Rico, however, though preparations for such a plan are being made.

Part 1 of title V of the Social Security Act authorizes appropriations for grants to State public health agencies to enable each State to extend and improve services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress. Provisions for emergency maternity and infant care for wives and infants of enlisted men are administered under the general provisions of this part of title V.

Part 2 of title V authorizes appropriations for grants to State crippled children's agencies to enable each State to extend and improve, especially in rural areas and in areas suffering from economic distress, services for locating crippled children and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and after-care, for children who are crippled or who are suffering from conditions that may lead to crippling.

The maternal and child health grant-in-aid program was put into operation in Puerto Rico January 1, 1940, and an approved crippled children's program began operation July 1, 1940. Funds for which matching is required under both programs have been matched in full with the exception of an amount of \$306 under the maternal and child health program.

Under both the maternal and child health and crippled children's programs excellent progress has been made in extending services throughout the island, with special emphasis on rural areas, in developing trained personnel, and in improving standards of care. Reports for 1943 show for the preceding year the lowest maternal and infant mortality rates ever recorded in Puerto Rico. Under the program milk stations have been increased, maternity services by nurse-midwives have been developed, prenatal and child health clinics have been extended, and continuous progress in the development of comprehensive services has been made.

Under the provisions of title V, part 3, grants are made to Puerto Rico for the protection and care of dependent, homeless, and neglected children and children in danger of becoming delinquent, through child welfare services in the Insular department of health and developed locally under the department.

The authorizations of appropriation under these three parts of title V are in the form, in the first place, of initial or flat grants to States, amounting, in the case of maternal and child-health services and services to crippled children, to \$20,000 per year; in the case of child-welfare services amounting to \$10,000 per year. In addition, the maternal and child-health and crippled-children provisions provide for additional amounts based on the ratio of live births in a State to total live births in the United States, or in the case of crippled children based on the number of crippled children in the State and the cost of care for them. Those sums have to be matched, dollar for dollar, by State appropriations. There are additional amounts for maternal and child-health and crippled-children's services which may be allotted on the basis of the need of the State for assistance in carrying out its State plan. The entire amount for child-welfare services that may be allotted after the initial \$10,000 is on the basis of the ratio of the rural population in the State to the total rural population in the United States.

I have here tables showing the total payments to Puerto Rico under each one of these provisions, which perhaps you would like me to insert in the record, since they go back to the beginning of the operations.

The CHAIRMAN. Yes, madam; you may do so.

Miss LENROOT. I will insert them in the record.

For the fiscal year 1943 the total payment to Puerto Rico from maternal and child-health funds was \$199,388.37; from the crippled-children's funds, the total amount was \$76,953, and from the child-welfare funds the total amount was \$42,576.14. I will put the back years in the record later.

(The material referred to is as follows:)

Federal grants to Puerto Rico for maternal and child-health services

Fiscal year:	Federal payments		
	Fund A	Fund B	Total
1940 ¹	\$43,997.05	\$40,907.73	\$84,904.78
1941.....	100,000.00	114,026.00	214,026.00
1942.....	90,006.21	174,778.00	264,784.21
1943.....	110,818.37	88,570.00	199,388.37
1944 (budgeted).....	140,480.54	106,004.44	246,484.98
Total.....	\$485,302.17	\$524,346.17	\$1,009,648.34

¹ First budget approved for 6 months ending June 30, 1940.

Federal grants to Puerto Rico for services for crippled children

	Federal payments		
	Fund A	Fund B	Total
Fiscal year:			
1941.....	\$68,886.53	\$21,364.00	\$90,250.53
1942.....	87,603.00	7,991.00	95,594.00
1943.....	63,719.00	13,234.00	76,953.00
1944 (budgeted).....	67,152.91	15,801.30	82,954.21
Total.....	257,361.44	58,390.36	315,751.80

Federal grants to Puerto Rico for child-welfare services

Fiscal year.	Federal payments
1940.....	\$2,390.00
1941.....	32,225.40
1942.....	27,643.68
1943.....	42,576.14
1944 (budgeted).....	37,232.00
	142,067.22

† First budget approved for 2 months ended June 30, 1940.

Senator GERRY. What is the total?

Senator TAFT. \$328,000.

Senator GERRY. Thank you.

Miss LENROOT. The first child-welfare service plan was submitted by the department of health and approved by the Children's Bureau in May 1940 for the 2 remaining months of the 1940 fiscal year and called for only a partial allotment. Since that time the annual plans have each covered a 12-month period and have required the full allotment available. The purpose of the grant-in-aid has been to extend and strengthen the existing public-welfare program for children by providing social service staff throughout the island to investigate the needs of children, to explore resources, and to develop facilities for their care.

Up to 1940 the only public provisions for the care of dependent, abandoned, and neglected children had been in two insular homes for dependent children and the insular home for blind children. Because of the serious economic conditions in Puerto Rico, the large unemployment problem, the lack of resources and organization for relief to families in their own homes, and of funds to board children in foster homes when this type of care proved necessary, great pressures had been put on the insular homes for admission of children whose own homes were unable to maintain them. The homes were overcrowded, the annual number of discharges was small and the waiting lists of applicants exceedingly long.

The plan for child-welfare service was to attach to public health units scattered over the island social workers with special training who would be available to communities and individuals in developing programs and making individual plans for children in need when the institutions could not receive them.

Funds available from the Federal Government for child welfare services have been administered through the division of public welfare in the department of health and have been used for the development of direct local services to children through child welfare workers, the

provision of necessary staff in the insular department, and the training of Puerto Rican social workers to direct and carry on the child welfare program. The funds are not used for direct assistance to children either in their own homes or other homes.

Assistance in the training of social workers has been given through educational leave under which, since the fall of 1940, 12 students have been brought to the United States for advanced study, and through assistance to the Graduate School of Social Work in the University of Puerto Rico, a school which gives basic social service training. Maternal and child health and crippled children's funds have also been used to assist in programs for the training of personnel. The establishment of a school of social work at the University of Puerto Rico followed a special study of the problem made by the Children's Bureau and the American Association of Schools of Social Work at the request of the department of health and the University of Puerto Rico.

The development of the child-welfare-services program in Puerto Rico has stimulated the appropriation of funds for child-welfare work by the insular government. The annual apportionment to Puerto Rico from Federal child-welfare-service funds is \$31,948. An appropriation of \$10,000 was made by the insular government in 1940 to be used to meet part of the cost of these services. In addition to annual appropriations made by the insular government for these purposes, \$55,000 has been provided from health department funds for boarding care of children in foster homes, for establishing a receiving home for the temporary care of children, and for other services.

The child-welfare work carried on by the insular department of health under programs developed under the Social Security Act has laid a broad foundation for the development of a program of aid to dependent children, and has also indicated the great extent of the need for such a program. An administrative organization has been developed in the bureau of social welfare which is now being expanded to provide for a public-assistance program. Well-trained workers are available for the direction of the program, and the supply of trained workers is constantly being augmented.

It is possible on the basis of actual experience to outline the scope of a program of aid to dependent children and estimate its cost. The appropriation of \$3,000,000 made by the legislature for public assistance is evidence of the willingness of Puerto Rico to share in the support of a program of aid to dependent children.

It has been found by an analysis of applications for care in institutions for dependent children that 88 percent of the applications came from persons who would not have requested such care had it not been for economic reasons. It has been found impossible to do constructive work in alleviating child destitution in Puerto Rico without a foundation of public assistance to enable needy children to be kept in their own homes with economic assistance to provide the necessities of life. The Children's Bureau believes, on the basis of its experience in administering maternal and child-welfare funds in Puerto Rico, that a public-assistance program can be developed in the island which will be administered effectively and will compare favorably with public assistance programs on the continent.

Now, as to the Virgin Islands: Visits were made to the Virgin Islands in January and February 1943, by Mary S. Labaree, child

welfare consultant, and later in the year by Dr. John Saunders, medical consultant on the staff of the Children's Bureau. Their reports indicated urgent need for the extension of maternal and child welfare and public assistance services provided under the Social Security Act to the Islands.

Among the population of approximately 25,000 persons in the three islands, there are approximately 3,200 school children, of whom 2,700 are in public schools. It is estimated that there are approximately 1,900 children of preschool age of whom about 350 are in nursery schools established under the auspices of W. P. A. In St. Thomas there are eight public elementary schools, one parochial school and one high school. St. Croix has seven public elementary schools, one parochial school and one high school. The Island of St. John has four elementary schools. Children from St. John who go beyond the sixth grade are boarded in Charlotte Amalie. Education is compulsory up to the sixth grade and until 15 years of age, but a great deal of truancy is reported and some children leave school to go to work before the legal age is reached.

The maternal mortality rate in St. Thomas and St. Croix is low. The infant mortality rate is much higher than in continental United States. Especially high rates are reported in St. Croix (169 in 1941) and in St. John (153 in 1941). These rates compare with an infant mortality rate of about 40 for the United States. There are practically no diphtheria and no measles in the islands, tuberculosis appears to be rare, and there are few children with orthopedic defects. However, diarrhea is very prevalent among children, as is whooping cough. Pneumonia and respiratory infections are said to be responsible for a number of deaths and a considerable amount of childhood illness. Malnutrition and anemia among children are very prevalent.

There is a high degree of literacy in the islands, and the fact that the language is English facilitates cooperation with the United States and use of material from the United States. The economic and social conditions in the islands result in a very large number of children who do not have normal home life and the care of both parents. It is reported that the housing situation is desperate and that the food problem is serious, especially in St. Thomas, which has little land available for agricultural activity, even for developing gardens for family food supply. There is dearth of many items necessary to an adequate diet. The development of school-lunch programs which now reach approximately 2,700 children in nursery schools and regular schools is doing much to improve the nutrition of the children.

Health and medical care services are given almost entirely through physicians employed by the Federal and municipal governments, of whom there are five in St. Thomas, four in St. Croix, and one in St. John, who as a rule have had excellent training in Europe, continental United States, or other countries, and by graduate nurses, most of whom are trained on the islands, and nurse-midwives. There are three municipal general hospitals, in connection with which prenatal clinics and infant clinics are held. A program of school health examinations is carried on. There is serious shortage in dental service.

A good foundation for maternal and child health work under the Social Security Act already exists. With social-security funds a very complete program could be developed for both maternal and

child health and services to crippled children, administered through the health department. There is urgent need for expansion of services particularly along the following lines:

1. Additional training in maternal and child health for physicians and nurses already employed, particularly for nurses, some of whom should be sent to the States to observe State and local maternal and child health services. In-service training programs should be developed.

2. At least one additional physician should be employed for maternal and child health work in each of the two largest islands—St. Thomas and St. Croix.

3. Additional visiting nurses are needed in both St. Thomas and St. Croix.

4. With a staff thus made available, prenatal and child health clinics should be extended and should include children of preschool age as well as infants.

5. Dental services for mothers and children should be developed.

6. Nutritionists and medical social workers should be employed in connection with the health program to deal with the serious problems of nutrition and social deprivation.

7. Clinic, hospital, and other services should be developed for orthopedic cripples and other physically handicapped children of whom there are estimated to be 50 on the islands. Plans might be worked out to utilize the services of orthopedists from Puerto Rico to provide medical services for these children.

An examination of the budgets of the municipalities indicates that funds now expended for these services would be sufficient to use for matching funds, and there appear to be no legal obstacles in the way of approving a plan for the Virgin Islands should this legislation be enacted.

Although the welfare needs in the islands are very great there is evidence of real interest in these problems and good possibility for local leadership. A child welfare committee has been developed in connection with the civilian defense council, which has outlined some of the major economic and social needs of children, including widespread problems of illegitimacy, homelessness, and truancy, and some delinquency. There are almost no resources for the care of dependent or delinquent children. The only institution for children is a small children's home, under church auspices. There has been some development of foster-home care under the former department of public welfare, and board of children's guardians, abolished under the new legislation, were at work in the islands. Some private funds had also been made available for social work. There is lack of trained social workers, but great interest in the development of trained social-service leadership.

The new legislation for the establishment of a department of social welfare for the islands, with department and municipal boards having well-defined responsibilities for services to families and children, provides a sound foundation for the development of child-welfare services under title V, part 3, of the Social Security Act. Child-welfare services are defined in the Virgin Islands Act as including the protection and care of children who are dependent, neglected, delinquent, or in danger of becoming delinquent, and any other children

who may be in need of services in their own homes or in foster care. The department of social welfare is given power to establish standards for and supervise provisions of services for children and to cooperate with the Federal Government in establishing, expanding, and strengthening such services. The municipal departments are also given specific responsibilities for children, including the supervision of children in foster homes and institutions.

Among the activities which should be carried on under the child welfare program are the development of training for child-welfare workers through study in the United States and through in-service training under qualified direction in the islands. Plans will have to be worked out for the development of adequate facilities for children needing foster care, in boarding homes. Probably a small receiving home for the temporary care of children is needed, and other forms of institutional provision may be required. It is possible that a child-welfare worker could be borrowed from Puerto Rico to develop the program. Social-service work in connection with the schools is especially needed and such work has been developed extensively in Puerto Rico.

The problems of the islands are complicated by the fact that the population of 26,000 is distributed over three islands, and the organization of adequate services for all children in the islands is more complex than would be the case in the development of services for a population of similar size on the mainland.

The small population of the Virgin Islands would mean that the funds available would probably be limited substantially to the flat allotments provided in the Social Security Act, title V—\$20,000 each for maternal and child-health and crippled children's services, and \$10,000 for child-welfare services. Only such part of the amounts provided would be used as could be justified in plans and budgets submitted to the Children's Bureau for approval. The nearest comparable situation under the social-security program is Alaska, which has a population of approximately three times that of the Virgin Islands. Funds provided in Alaska for services to crippled children and child-welfare services are little higher than the amounts of the flat allotments, but even with these sums of approximately \$20,000 and \$10,000 substantial progress has been made in developing and extending services to children.

As I have said, it is of the utmost importance that the public assistance titles of the act as well as the maternal and child-welfare titles should be extended to the Virgin Islands as the chief problems affecting children are the lack of economic resources necessary for stable family life. The children of the Virgin Islands are citizens of the United States and should be afforded the protection and care to which children in other parts of the United States are entitled. The leadership now available in the islands in both the health and welfare departments assures the development, with Federal aid, of well-administered and soundly planned services.

The CHAIRMAN. Are there any questions?

Is there anyone else who wishes to say anything for the record?

STATEMENT OF BENJAMIN W. THORON, DIVISION OF TERRITORIES AND ISLAND POSSESSIONS, OFFICE OF THE SECRETARY OF THE INTERIOR

Mr. THORON. Senator, I want to apologize for being late. I was misdirected as to where the hearings were being held.

I just want to say that the Interior Department feels that these representatives of the Federal Security Agency, the Public Health Service, and the Children's Bureau, are in a much better position than we are to explain in detail the needs, and they have done so. We feel very strongly the desirability of extending these benefits, which, as I have already said, are unrelated to any relief programs for employable persons, to these last Territories of the United States, and we urge that the committee will give favorable consideration to this measure, which will remove what appears to be a discrimination against a small group of citizens of the United States.

The CHAIRMAN. Thank you, sir.

Mr. VAN HYNING. Mr. Chairman, Miss Mercedes Velez, of the insular division of public welfare, is here. The Commissioner asked that she be present, and she would like to say a few words.

The CHAIRMAN. Will you come around here, please?

STATEMENT OF MERCEDES VELEZ, CHIEF, BUREAU OF CHILD WELFARE, DIVISION OF PUBLIC WELFARE, INSULAR DEPARTMENT OF HEALTH, SAN JUAN, P. R.

Miss VELEZ. Three organizations of Puerto Rico have saked me to represent them in this hearing: in the first place, the insular department of health, to which our division of public welfare is attached; in the second place, the College of Social Workers of Puerto Rico; and in the third place, the Puerto Rico Chapter of the American Association of Social Workers. The latter two professional organizations, as well as the insular department of health, have been working for several years toward the extension to the island of the Social Security Act.

My own personal experience as chief of the child welfare bureau of the division of public welfare of the insular department of health, in which capacity I have been responsible for the administration of title V, part 3, of the Social Security Act, that is, the child welfare services, has shown the need for providing basic social services to the island in order to solve its fundamental social problems. By providing child welfare services to the island it has also been possible to study the extent of the problems of the needy aged, the needy blind, and the dependent children of the island.

Child welfare workers in Puerto Rico have been dealing with the problems of homeless, abandoned, neglected, dependent, and pre-delinquent children and their families. Experience has revealed these problems to be very closely related to the fundamental problem of economic need. No effective treatment can be given to most of these problems when the need to provide food, shelter, clothing, and the minimum essentials for a decent and healthful life has not been met.

We speak of behavior and personality problems in children. Generally these children come from homes where there is no food, no

clothing, no adequate shelter, no true family living or wholesome family ties, primarily because of the dependency situation. How can you expect a child to behave, to adjust to school, home, or community if he is underfed, poorly clothed, and poorly sheltered, if he looks at his relatives as persons who have failed to provide him these primary necessities of life?

We speak of strengthening the family unit as the basis for a sound democratic living and yet around 85 percent of the children who have been placed in the three government institutions for dependent children in the island, have been placed there not because their mothers or fathers did not love them or did not care for them, but because they could not afford to give them food, clothes, books, schooling, recreational facilities. Puerto Rican mothers do not want to be separated from their children because of economic need only. In fact, many of them prefer to keep them even at the expense of additional suffering and deprivation, and yet, up until very recently the three government institutions for dependent children were the only facilities available in the island for the care of needy children.

Take the child-labor problem, for example. We have a fine, an excellent child-labor law which prohibits the employment of children in industry below 16 years of age, and below 18 if in dangerous occupations. But what can such a law accomplish in a country where there were no funds for economic assistance until last year, and where even those funds that we now have at our disposal are insufficient to take care of the needy children in the island? Can you very well deny a child an opportunity to help support his mother and orphaned brothers and sisters unless you provide some kind of economic help to the family?

Think of our problem of adult and child mendicacy. Tourists going to the island frown with disgust upon seeing decrepit and ugly-looking adults and sickly children in the island. They can only understand that they are a poor sight, something that makes them feel disgusted.

Well, we cannot do much toward the solution of that problem—I mean, social workers can do so very little in trying to help these persons if they can only give them \$7.50 a month, as this is barely sufficient to pay house rent and a few essentials. Think of the many other things that these persons need; \$7.50 a month, mind you. We will not be able to help these persons solve their basic needs unless we have additional funds to provide adequate assistance to them. As I see it, and with no assistance to meet the economic problem of children and families, child welfare services are only the top of the cake. In a great many cases, the basic thing for the cake to stand on is not there yet.

We only have \$7.50 for 25,000 families in the island. We have 35,000 pending applications because, for lack of funds, we have been unable to take care of them. The assistance grants that we are giving now are very inadequate, but with additional Federal funds we will be able to do a great deal more, not only for our aged and blind needy persons but also for our children. However, there is very little hope for many of them unless Federal funds are also provided.

In other words, this is what I want to say: We have been able, with the help of the funds extended to the island for child-welfare services,

to develop programs in behalf of homeless children, and of children who live with their families but who are living under very undesirable conditions. For them we have developed a sound foster-home program. It is just starting, but I am proud to be able to state that it has started under very sound auspices. But we cannot very well think of foster homes for children who have good homes as far as love, happiness, and emotional growth are concerned. In fact, we cannot think of foster homes for children whose mothers and fathers love them and want to keep them. They may have been neglected but the main reason has been that their parents have not been able to give them food and the other things they need. These children, we want to keep with their parents by providing economic assistance for them in their own homes. We welfare workers do not want to continue placing children in the insular homes supported by the government, because they do not have food or clothing in their own homes. We recognize that it is only through the provision of funds to meet the basic needs of these families that we will be able to develop a sound social-service program for the island.

The CHAIRMAN. Thank you.

Is Mr. Domenech here?

(No response.)

The CHAIRMAN. There is a cablegram from the Resident Commissioner of Puerto Rico for transmittal to the Senate committee, which will be entered in the record, in which this legislation is requested.

(The cablegram referred to is as follows:)

SAN JUAN, P. R., February 15, 1944.

SENATE COMMITTEE ON FINANCE,
Senate Office Building, Washington, D. C.:

As Resident Commissioner of Puerto Rico to the United States, representing nearly 2,000,000 American citizens, it is my purpose to go on record urging the approval of Senate bill 1328—to amend the Social Security Act as to extend certain titles thereof to the Virgin Islands and Puerto Rico, and for other purposes—which is now under consideration by your committee. The bill tends to amend the Social Security Act by extending to Puerto Rico and the Virgin Islands the benefits and facilities of public health work, old-age assistance, aid to the blind, and special health and welfare services. The immediate extension to Puerto Rico of such programs will place the island in a better position to solve many of the most critical social and economic problems which have deeply affected our progress. In my aim and purpose to face and solve these numerous health, social, and unemployment problems of my island, on January 11, 1943, I introduced in the House of Representatives H. R. 1020, which is quite similar in its provisions to S. 1328. The bill is before the House Committee on Ways and Means.

Up to this time, with the cooperation of the Children's Bureau of the United States Department of Labor, Puerto Rico has been developing to a certain extent the following programs: Maternal and child-health service, services for crippled children, and child-welfare service.

Like many other problems, the improvement of welfare services and the promotion of health services are stepping stones toward winning a war on the home front. More than 200,000 American citizens, native-born Puerto Ricans, have been serving in the armed forces. During the last World War they rose shoulder to shoulder with our fellow citizens of the mainland in the defense of our Nation, and in World War II they are standing in vigilance and fighting in all battle-fronts for our Stars and Stripes so that when they come marching home to the Gibraltar of the Caribbean from a long and hard fighting in land, air, and sea, they will find security with freedom from fear and want.

A combination of all social and health programs will be the lifesaver for our community. It will mean a better standard of living in the pursuit of peace and happiness. We have to be prepared in Puerto Rico to escape the effects of the tramping of any horse of the Apocalypse.

On behalf of my people, I request and urge the favorable report of S. 1328 to have Puerto Rico and the Virgin Islands sharing the same benefits which every other area in the mainland is now enjoying, whose relieving measures will make a better Puerto Rico in a better world.

BOLÍVAR PAGÁN,

Resident Commissioner of Puerto Rico to the United States.

The CHAIRMAN. We will not take any vote on the matter this morning, because Senator Byrd asked for certain information, which you will please get for the record as soon as you can, so we may act upon the matter.

Mr. VAN HYNING. Yes, sir.

(Whereupon, at 12 o'clock noon, the committee adjourned.)

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