would then have to pay the full Federal tax as well as the contributions required by the State itself.

"The subsidy plan would operate directly upon the States to stimulate action and to maintain standards.

"5. The requirement in the pending bill that the States turn over to the Federal Treasury the contributions which they collect within their own borders encounters constitutional barriers in some States which will make it impossible for them to comply. Since the subsidy plan is based *on* a tax, levied and collected by the Federal Government, control of the funds by a Federal agency is assured.

"The present proposal levies the tax on the earnings of all employees including the highest paid executives, yet the States are left free to limit benefits to workers earning less than designated amounts. Under the bill as now written it will be possible for a State to provide an insignificant benefit of a few dollars for 3 or 4 weeks only, af cer a long waiting period. Workers moving from one State to another are left wholly unprotected, while under the subsidy system it would be possible to provide for such workers by a simple administrative device.

"The subsidy plan will foster effective Federal-State cooperation in the development of an unemployment-insurance system suited to our national needs. It is simple, clear and certain, and easily and economically administered. It would achieve a substantial measure of uniform protection and yet leave the States free to experiment in making more liberal provision. At the same time it would guard effectively against unfair competition among the several States."

JANUARY 31, 1935.

Non. **ROBERT** F. **WAGNER,** *Chairman,*
Committee on Education and Labor, United States Senate,
Washington, D. C.

MY DEAR SENATOR WAGNER: Following my brief discussion with you yesterday, at our meeting arranged by Congressman Connery, I am taking the liberty of presenting in documentary form, as executive secretary of the American Federation of Actors, a resume of the matter affecting actors, and other classes of workers similarly situated, contained in section 4, Senate Bill No. 1130, relating to old-age assistance, etc.

The bill as introduced by you provides in section 4, subsection (e) (2); page 4, that State plans for old-age assistance offered for approval shall be approved only if such plans do not deny assistance to any person, who (among other things)—

"has resided in the State for 5 years or more within the 10 years immediately preceding application for assistance."

Actors and actresses, including those who appear in vaudeville, legitimate, cabarets, motion-picture presentation theaters, outdoor amusements,' and other classes of entertainers, by the very nature of their work would be unable to qualify under this provision because a large proportion of our members are constantly and continuously required to travel between cities in one or more States, and, according to the measure of their success and the consequent demand for their services, are never in any one city or State for a sufficient period of time to qualify under the 5-year-residence requirement of the bill.

As a matter of fact, large numbers of our members are, and for years have been, completely disfranchised because they are continuously traveling, and either do not have a permanently established home and family, or, if they do, are not able to meet the qualifications of States like New 'York which require registration by appearance in person in the voting precinct, even though actual voting by mail is authorized by statute. This is easily understandable when considering the number of artists who are either unmarried or whose wives or husbands accompany them on their tours.

Attached hereto is a copy of page 914 of the World Almanac of 1935 showing the residence requirements of the various States for voting qualifications, a representative requirement being 1 year residence in the State, 4 months in the county, and 1 month in the town and voting precinct. Our members are now more conscious of their voting privileges and benefits than ever before in the history of show business, and the requirements for voting, though much less stringent than the provisions of the bill (S. 1130), have for years proved impossible of fulfillment by actors and entertainers required to do a great deal of traveling, because they cannot control the conditions of their employment and must follow itineraries arranged by their employers and booking agents. If, as *is* true in some cases, an actor plans to be at his legal residence to register or vote (where

personal appearance is necessary within specified dates, and he should have an opportunity to get a week or a month's booking outside the State or county of his residence, the loss of income and possible extension of proffered employment is too great for him to afford the sacrifice.

It seems to us that the 5-year period is unduly long, and for the benefit of all classes affected, might well be reduced to approximately the same period as now required for voting qualifications. Old people, without adequate subsistence income, are often shunted from pillar to post and forced to go from place to place, accepting the charity (sometimes for comparatively brief periods) of relatives and friends and a too stringent residence requirement may easily defeat the humanitarian purpose of this legislation.

Approximately 43,000 men and women are employed in our jurisdiction, and needless to say every actor and actress throughout the country is vitally interested in looking forward to the old-age assistance contemplated by this humanitarian legislation. No employees in any field of endeavor work under more trying conditions or are subject to greater mental or physical strain than as those of our calling. To these fortunate few who win and retain for many years the public favor which results in large incomes the terrors of old age mean little or nothing, but to that large majority of the rank and file who must perforce suffer from advancing years when they are no longer a box-office attraction and when the public demands youth and new faces, the proposed legislation, if its scope is extended so as to give them the same benefits as employees in other vocations, will prove a source of everlasting satisfaction and comfort. It cannot be questioned that our people devote their lives to bringing pleasure to others, and it is not conceivable that because of the migratory nature of their work, they should be excluded from the benefits of this great social-security legislation.

As you know, our members during the war and on other occasions where a worthy purpose or charity was concerned, have always given freely and generously of their talents to benefit performances in order to bring financial aid to those in distress. It is not believed that Congress would intentionally, by too stringent requirements as to residence, deprive us of the benefits of this social-security legislation.

While it is difficult to suggest a revision of the provision of S. 1130 which will cover all our people, it is worth noting that most of them have one place where their bookings are made, principally in the cities of New York, Chicago, and Los Angeles, and they would be qualified to obtain assistance if the provision of section 4, subsection (e) (2) were amended to provide that—

"for the purposes of this act the 'residence' of an actor, actress, public entertainer, or other class of employees, engaged in migratory vocations whose employment requires frequent changes of residence and who are thereby unable to meet the residence requirements of this paragraph, shall, with the approval of the States concerned, be considered as the place where the applicants have regularly returned upon completion of their engagements and have resided until required to travel for the purpose of filling future engagements."

It would be highly desirable to make provision that the application for assistance should be made in the State where the employer is located and where during productive years the contribution to the fund is deducted from the salary of the actor, but unfortunately, except in cases of employment by large concerns operating chains or circuits, the actor while booked in New York may be paid by a different employer in a different State every week and under the present provisions of the bill it would be impossible for all his contributions to the fund to go to one particular State, unless his services were performed for an employer or employers located in that one State.

Of course, this wording is not the result of mature thought as to exact language, but is sufficient to convey the idea which it is desired to have considered by you, and through your good offices by the committee considering the bill and finally by the Congress itself.

You may rest assured that the large number of our members, your constituents, whose headquarters are in New York, as well as the many thousands in other places, appreciate fully your outstanding services to the State and Nation in promoting legislation for social improvement and security, and will be everlastingly grateful to you and to all members of the Congress for your assistance in bringing within their reach the benefits of the proposed old-age-assistance legislation.

Respectfully yours,

AMERICAN FEDERATION OF ACTORS,
RALPH WHITEHEAD, *Executive Secretary.*

P. S.—It might be advisable to substitute the words "legal domicile" or "domicile" for the word "residence" in the paragraph in question if (as you of course will know) the effect of such substitution will be to extend and make less stringent the requirements of this provision.

STATEMENT BY C. A. KULP, UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA., BEFORE THE SENATE FINANCE COMMITTEE

I am professor of insurance in the Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, and a fellow of the Casualty Actuarial Society. In 1931 and 1932 I served as commissioner for Pennsylvania on the Interstate Commission on Unemployment Insurance initiated by the then Governor of New York, Franklin D. Roosevelt. In 1933 I acted as advisor to the Pennsylvania Commission on Unemployment Insurance. During the past 2 years I was chairman of the Pennsylvania Commission on Workmen's Compensation and Insurance, which published its final report in December 1934.

I wish to say that, although there are a number of things in the Wagner-Lewis bill (S. 1130) I do not like, I favor its general objectives. It is not the purpose of the following statement to provide a list of reasons why no economic-security bill should be passed. The statement is not intended to be a complete or detailed list of criticisms. Some of the defects may be eliminated before the bill becomes law.

The principal criticisms are these:

1. The omission of provision for contributory compulsory public-health insurance. In a way this is the most important defect of the bill. Public-health insurance, of all that cover social risks, is technically the easiest to put into operation. There are no actuarial problems of calculating long-time rates and reserves. The insurance fund would be expended currently, practically all within the period of collection. There would be no danger of piling up in this generation long-time obligations to be met by the next. No additional finances would need to be found. It would be possible to provide for substantially the whole wage-earning population a standard of medical and hospital care considerably higher than today at a cost no greater than under the present system. The health risk moreover presents greater opportunity for preventive work than any other. It is quite true that public-health insurance will be handicapped as long as the medical professions do not cooperate heartily in health-insurance administration. This is the time for enlisting this cooperation. Two Nation-wide medical and hospital associations are already on record as favoring health insurance in principle.

2. In the unemployment-insurance section I favor the intent of the bill to allow choice of the fundamental insurance plan (establishment reserve, industry reserve, State-wide pool) to the States. I believe at this time it would be a mistake to try to write into the law one plan or another. It would probably have the effect of canceling any action at all at this stage. I favor also the collateral objective of the bill: to secure a system of unemployment-insurance basic benefits and administration uniform as nearly as practicable between the States. Any unemployment-insurance system attempting both objectives must compromise to a greater or less degree on one of them, because obviously a completely uniform system requires a single insurance unit. In its attempt to play completely safe on the first point, the present bill fails badly on the second. The failure to require standards for insurance administration particularly is a very serious one. I am told that this absence of standards is related directly to the use of the pay-roll tax and to the desire to minimize attacks on its constitutionality. If this is true, some other method of achieving comparative uniformity between the States should be substituted.

I believe also that the unemployment-insurance fund, whatever its base, should not ask workers to contribute. As with the social insurance of the industrial accident risk, the employer should collect the cost of the insured part of the risk from the consuming public. This does not mean that employers only are responsible for the hazard of unemployment, although it is quite true they are more responsible than are workers and are in a position to do more about it. The cost of unemployment must be recognized for what it is, a part of the cost of the goods and services consumers demand. I do not believe that workers must help pay unemployment benefits in order to make them realize their blessings. There is no feeling of degradation in the noncontributory workmen's compensation system we have used in this country for 25 years.. Finally, no matter how you arrange