

OBSERVATIONS CONCERNING THE FUTURE
ORGANIZATION AND POLICIES OF ADMINISTRATION
OF RELIEF IN NEW JERSEY

N.J. Emergency Relief Administration
1934

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STATE OF NEW JERSEY
N.J. EMERGENCY RELIEF ADMINISTRATION

Observations Concerning the Future Organization
and Policies of Administration of
Relief in New Jersey

Submitted to the Joint Committee on Relief of
the Senate and General Assembly of the State
of New Jersey by John Colt, Chairman of the
Administrative Council

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I

In analyzing our present relief situation we may, for greater convenience and accuracy, say that the problem falls into two main divisions: the chronic poor, or unemployables, and those who are in temporary need. The first step in approaching the problem of how best to handle relief in the immediate future is to clearly define and separate these two main divisions of the people now on the relief rolls. It is abundantly evident that they must be handled separately. People may pass from one class to the other, but their handling must be based on their needs according to the class in which they are found at the time of being given relief. No doubt there are many border-line cases and cases which will not readily be placed in one or the other class. But the great mass of those needing relief will be found in the two classes mentioned above.

An important factor to be taken into account in any consideration and classification of the case load is the large number of children now on our rolls. Studies of our present case load show that about 42% of the number of individuals now receiving relief are children under 16 years old. This means that over 200,000 children of this age group are under our care at this time.

Transients should be considered separately. By transients I do not mean single people who are residents of New Jersey but who do not have a home. Transients under this definition are those without settlement or with settlement in other states.

In the class of the chronic poor or unemployables will be found a considerable number who are really institutional cases. There are others who can probably be taken care of by some of the existing organizations like the old age pensions, Board of Children's Guardians, the Commission for the Blind, the Commission for Vocational Rehabilitation, etc. We will, however, still have a large number who, because of a lack of settlement or the inability to comply with all of the necessary rules of these various agencies, cannot be taken care of through them. The success of these various agencies in New Jersey shows the means by which many of the cases mentioned above can be taken care of. The laws and regula-

tions governing these agencies could possibly be expanded to include a greater number of cases. Thus, the Old Age Pension Law might be modified by lowering the eligible age to, say, sixty-five. Also, some change in the length of residence might be considered.

There are many unemployables who are beyond the effective age limit or who are below the employable age. There are also the chronic sick, the mentally unstable, and those who have always constituted the mass of our chronic poor.

It is generally recognized, not only in New Jersey but also throughout the entire country, that we cannot go back to the old Overseer of the Poor system. That system is thoroughly discredited. The onset of the present depression had much to do with bringing to light the deficiencies of the old Overseer of the Poor system. Both the plan of financing and of administering relief as formerly in vogue cracked when confronted with the crisis, and it is clear that the administrative governmental machinery for meeting both current and emergency needs must be modernized. Possibly the form indicated by Chapter 132, Laws of 1924, as amended, under which the county as the unit has already been established by referendum in three counties in New Jersey might serve as the model. This plan makes provision for recognizing the interest of municipal groups in those instances where the local governing body requests such local recognition. Even if this course is not adopted, I greatly doubt if at the present time many New Jersey municipalities could bear alone the expense of taking care of their greatly augmented number of chronic poor. Help for some time to come will have to be extended from outside.

There must of necessity be a close coordination of the various agencies having to do with the care of the chronic poor as defined above. Uniform policies will have to be adopted. Our experience has shown already that unless these are achieved, division of authority and conflict are bound to arise.

Some agency such as the present Administrative Council of the Emergency Relief Administration will be required for a time longer to act as a coordinating authority, to define policies, to make them uniformly effective throughout the State, and to bring about the transition from the period of the emergency to the permanent set-up which must function after the acute phases of the depression are past.

I would suggest that initially in any permanent set-up the expense be covered half and half by the municipalities and the State, the municipalities bearing their share through the medium of the counties.

Transients, or those without settlement or with settlement in other states, should also be handled through the above-mentioned board on a statewide basis. They should not be a charge on the county or local board or authorities, though both county and local board and authorities should cooperate whenever necessary. Those having settlement in another state should be returned to their proper residence in cooperation with the authorities of such state. Other transients should be handled in homes or camps where they can be put to work. When possible a home and occupation should be found for them. Transients should not be allowed to wander around. Since these transients are persons who are not a proper charge on the State, Federal funds should be sought to defray the expense of handling them.

The employables who are temporarily out of work and destitute through illness or lack of work present an entirely different problem. They must be taken care of in several different ways depending on their needs and circumstances.

A well thought-out system of unemployment, sickness and accident insurance to take care of this class when temporarily without work seems imperative. There should be a means test. There should be a work test. Except in times of general business depression, resulting in widespread unemployment, an unemployed allotment for a restricted period only should be granted. But the law should be so framed as to make it necessary to seek work if there is work. Such temporary benefits should apply to all classes of workers: teachers, engineers, and other white collar workers, factory workers, skilled and unskilled labor.

The fund to build up a reserve for these kinds of insurance cannot be created in a short time. It will be necessary to arrange for preliminary payments through public appropriations. It would seem just that both Federal and State governments should contribute to this preliminary fund. The permanent fund should be built up through contributions from employee and employer, deducted from the wages and supplemented by the employer's contribution and paid into the fund at the time the wages are paid.

During times of general business depression it may be necessary to supplement the insurance fund from governmental sources. Made work programs for taking care of the unemployed have proved to be wasteful. The proportionate cost of materials in any worthwhile project makes these work programs too costly. Also these projects care for only a certain class of unemployed. Those receiving unemployed benefits should work for the money paid them. An adaptation of the Emergency Relief Administration "Work-for-Relief" program would meet this need for work. Such a program would take care of all classes of employables who are temporarily out of work, would give them a chance to continue working and would produce something worth while to the community in return for the benefits received by the unemployed.

This problem of the employables temporarily unemployed will require a close-working arrangement with the employment bureau of the Department of Labor.

Any new legislation on this problem of relief must take into consideration full coordination with Federal agencies and be sufficiently flexible so that New Jersey may avail itself to the fullest extent of any temporary or permanent Federal aid. There is a possibility of Federal legislation which will permit the granting of Federal funds to assist in making possible a larger measure of protection and security for the aged. The President's Planning Committee of Social Security is now studying fundamental solutions of the unemployment and relief problems as outlined by the President in his last message to the Congress.

In closing this memorandum it should be noted that the present New Jersey plan, which has been in operation during the current year, is viewed by students of public welfare administration and students of government generally, as offering the framework of one of the most promising means of solving the problem of local interest, responsibility, decentralized personnel, and individual work with relief clients. It is integrated into County, State and Federal programs. It preserves for each of the several governmental levels that part of administrative responsibility, policy-making, and financial support as they are best able to bear. It also conserves the interest of the volunteer serving on the County and State Advisory Boards more than any similar law in any other state. It has gone a long way in eliminating any reasonable criticism of partisan politics in relief.

In the above memorandum I have not attempted to go into details of the problem or of its solution. I leave that for further memoranda which I shall prepare in the near future. I now attempt to paint only the background.

II

In my first memorandum on the relief situation in the State an attempt was made to describe in general terms the problem as it now faces us and to divide into certain broad categories those who are now on our relief rolls. It, therefore, seems to me pertinent, before making any concrete proposal for the carrying on of the work in the future, that we look in a more detailed fashion at the picture which is presented by relief today.

Up until the depression, the system of poor relief in vogue in this country was that brought to America from England, where it originated in the fifteenth century. New Jersey like the other colonies adopted many of the poor laws and customs of England. These laws saw little change in New Jersey until 1848 when the State inaugurated a system of institutions for specialized care of the poor suffering from mental diseases. Since then our institutions have been greatly extended, and a Department of Institutions and Agencies created to take care of this phase of the work. The latest revision of the poor law took effect in 1924. This much history is cited simply to show that our basic relief problem in this State is not a new one for from colonial days we have always had it to take care of. Our present economic crisis has only aggravated an ever-present situation until relief has become one of the major functions of government not only in this State but in every state of the Union.

Welfare administration is really an extension of old-fashioned neighborliness, which still may be found in many communities and particularly in the rural sections, where when a farmer suffers failure of crop, injury to himself, or some other misfortune, his neighbors volunteer to help with contributions of produce or with personal service until the difficulty has been overcome. This sort of neighborly service is probably as ancient a form of welfare work as the world knows. As communities become more and more urban, however, a different system must be employed for the reason, primarily, that as money takes on added importance the further one is removed from occupation of the land. Assistance tends to become less personal, and contributions pass through organized

channels, which may take the form of charitable, religious or fraternal societies or the welfare departments of local or State government.

For a long time past the State of New Jersey has paid part or all of the cost of taking care of the indigent, insane, feeble-minded, epileptics, tuberculosis cases, aged soldiers, blind, deaf, aged poor, needy children, crippled children, those needing vocational rehabilitation, and other classes of dependent persons.

The counties and municipalities are paying for hospitals for the poor, clinics, almshouses, mothers' aid, crippled children, and care of poor, through Overseers of the Poor and similar officials and through subsidies to private welfare agencies.

Private charities are also continuing to make a real contribution in the care of many classes of poor and special problem cases.

The extent of the above-mentioned work may be indicated by the following recent figures:

	PERSONS
County and State Hospitals for Mental Disease	13,625
State Institutions for Feeble-minded	3,517
State Institutions for Epileptics	1,340
State and County Tuberculosis Institutions	2,599
Veterans' Homes	232
Old Age Relief	9,455
Board of Children's Guardians	27,137
State Commission for the Blind	2,003
Bordentown School	425
School for the Deaf	425
TOTAL	60,758

We thus see that when the depression overtook us in 1929, the people of New Jersey were already carrying a considerable burden in the form of relief. The demand for outdoor relief due to the present crisis overwhelmed the facilities available to the municipalities, and forced the organization of the Emergency Relief Administration in New Jersey on October 13, 1931 to give supplemental aid to the municipalities in the handling of relief problems. But in two years' time the problem had become so gigantic that no longer were the states able to bear the load alone, and in May of 1933 the Federal Emergency Relief Administration was organ-

ized, though the Federal government had previously given some aid to the states through the Reconstruction Finance Corporation.

Until July 1932 the State Relief Administration aided the counties and municipalities mainly through grants for public works. Experience demonstrated, however, that this form of relief was extremely costly, and that the funds available would not take care of all the needy who were applying. The system was therefore changed to direct relief in the form of food.

Persons numbering 312,000 were being aided through the State Relief Administration in August 1932. This number grew steadily, reaching the peak in March 1933, when there were 513,000 persons receiving aid. From then on for some months there was a decline due to improving business conditions. In October 1933, the Civil Works Administration was launched to give paid work during the winter.

This plan temporarily took care of a large number of families, but it was so framed that only a certain class of the needy was reached. Moreover, due to the registration requirements through the National Reemployment Service, the unemployed became registration conscious, and unfortunately many persons became convinced that they could not obtain work unless they were registered with the Emergency Relief. This and other causes resulted in a large increase in the relief rolls especially after the C.W.A. was terminated in March 1934. Another reason for the increased relief load since that time has been the progressive exhaustion of people's resources due to the prolongation of the crisis. The result has been that our rolls this summer have been higher than in any preceding year and show no signs of decreasing. Our experience in New Jersey is typical of the experience in other nearby states.

At the end of August 1934, there were 504,000 persons on our rolls. About 42% of these, or 212,000, are under 16 years of age. Almost 17%, or 85,000, are over 45 years of age. The largest class is that between 6 and 13 years. Preliminary studies indicate that about 12% of the family heads are widows or widowers and that about 8% of the family heads are divorced, separated, or deserted.

Preliminary figures of a study which we are making would indicate that about 177,000 persons on the relief rolls are able to work; about 115,000 are unable to work at the present time, leaving about 212,000 children under 16 years of age. If those able to

work could get full-time work, they would probably take care of some 130,000 of the children under 16 years old. But it is hardly to be expected that all those able to work will even get jobs in the immediate future, much less full-time work, and, therefore, it is reasonable to suppose that somewhat over 100,000 children must be taken care of out of public funds. These figures are purely estimates and are subject to wide fluctuations due to local and changing conditions, but they do serve us as a guide in studying our problem.

From the above we may estimate that some 227,000 persons should be considered in the unemployable class at present and 277,000 in the employable class. Necessarily these figures will vary from time to time as economic conditions change. The number of persons in the unemployable class will in time be somewhat lower than the above estimates if my recommendation that the basis of admission to certain pension funds and institutions be liberalized is adopted. Again, studies which have been made in certain parts of the State indicate that there are a considerable number of cases on the relief rolls which should properly be in institutions. This will also shrink the number of unemployables.

My estimate, however, is that 200,000 persons in the unemployable class must be taken care of during the next few years. If my calculations are correct, then the expense of the present old age and Children's Guardians pensions and of many of the municipal, county, and State institutions will be considerably increased in the near future. And all of these are considerations which must be taken into account in any plan for permanently, comprehensively, and effectively handling the relief situation.

Chapter 318, Laws of 1933, made the State's contribution to old age and Children's Guardians pensions a charge on relief funds provided by the State. These pensions cannot be paid from Federal funds. In addition the relief administration is giving financial help to the Commission for the Blind and the Rehabilitation Commission.

In the beginning the relief administration confined its help very largely to supplying food to its clients. Many of them had reserves of clothing and were able to find shelter by doubling up with relatives or friends. Credit could be obtained in many cases for sundry needs, and hospitals and doctors gave free service. But as reserves were exhausted, clients had to rely more and more on the relief

administration. Merchants and landlords reached a state where they were unable to give further credit. The hospitals and doctors also found that they were unable to carry further the continuously increasing demands for free services. Municipalities and counties were forced to restrict appropriations for free services through hospitals, clinics, dispensaries, institutions, and other agencies for attending to the needs of the poor. Consequently the relief administration was forced to supply a constantly-broadening and increasingly-expensive service to its clients. All of such services were not required by all of our clients, but we had to be prepared for such calls when the necessity presented itself.

In order properly to control and supervise these manifold services, it has been necessary to organize the most competent inspection or family service that is possible. Applicants must be investigated, their real needs ascertained, and a constant contact must be maintained with the clients. Only in this way is it possible to maintain any proper control over expenditures or the type and quality of service rendered. Standards of relief had to be studied and established, and these standards are still based on emergency needs on a subsistence budget.

The Federal government quite properly has required many reports and statistics in connection with the funds supplied by them, and accounting, distributing, statistical, and report systems have had to be set up to conform to their requirements. Our accounting system has also to take into consideration the requirements of the State system of financial accounting.

The aid now given relief clients includes food, clothing, shelter, gas, electricity, water, hospitalization, medical care, medicines, dental care, fuel, nursing, burials, as well as many minor matters. To help people care for themselves, we gave seeds, fertilizer and supervision for over 40,000 subsistence gardens during the past summer, and have given aid in the canning of much of the produce of these gardens. Gift products of a wide variety received from the Federal government have been distributed and accounted for. Work programs, especially those taking care of the white collar class, have been organized in cooperation with local authorities and State institutions.

It was soon seen that the morale of our clients could not be maintained if we did nothing but take care of their physical needs. It also becomes imperative to do everything in our power to sustain

and upbuild the morale of the unemployed. It is this consideration which led us to organize a leisure time department through which we have promoted a program of far-reaching scope in the constructive use of leisure time. Last winter we had a total of 41,000 people enrolled, with a circle affected of ten times that number or 400,000 individuals, which is comparable to the number on our relief lists at that time. In our summer program just ended 48,000 adults and 160,000 children were registered, which made a grand total of 208,000. Playgrounds, education, theatricals, handicraft, and concerts all come within the province of this department. The Federal government has given us a grant to be used for adult education including junior colleges, student aid in regular colleges, and education of adults and illiterates. In addition we have had the invaluable assistance of the churches, the young people's organizations, the fraternal organizations, the women's and civic clubs, the American Legion, and various other religious and philanthropic institutions throughout the State in helping to do this most vital work.

Since the Emergency Relief Administration in New Jersey was organized on October 13, 1931, to August 31, 1934, we have spent on all branches of relief \$82,675,477. This money was contributed as follows:

From Federal Funds	\$33,907,313.
From State Appropriations	34,951,667.
From Municipal Funds	13,193,312.
From County Funds	623,185.

This does not include local charity, Red Cross clothing and flour, government gift products, and similar aid. Neither does it include \$27,719,573 spent by the Civil Works Administration in New Jersey.

The above-mentioned sum of \$82,675,477 has been spent as follows:

Municipal Dependency Relief	\$58,339,652.
County Dependency Relief	668,198.
Work Relief	13,334,326.
State Relief for Children and Aged	3,049,235.
Special Programs	1,117,048.

Administrative Work Relief	\$5,063,051.
Administrative Costs (Executive Salaries and Expenses)	1,103,967.

In August 1932, when the Administration started direct relief, 315 municipalities with 88.4% of the population of the State were receiving relief; 435 municipalities with 96.6% of the population of the State were receiving relief by August 1934, while 128 municipalities with 3.4% of the population were not receiving State or Federal aid.

In August 1932, the State paid 69% of the cost of relief. In November 1933, State and Federal funds paid 95% of the relief costs. In August 1934, 92.4% of the cost was being paid from State and Federal funds. Every effort has been made by this Administration to obtain the fullest possible financial cooperation on the part of municipalities and the results have been most gratifying.

In the final analysis, as I have said many times before, relief is a local and individual problem for, primarily, it is a problem of neighborliness, and local units of government must not only continue to realize their responsibilities in this matter but must be closely integrated in any scheme of operation if relief is to continue to be economical and effective.

The cost of relief in the future, for the most part, will have to be paid for, as in the past, by the local governments and the State. We cannot expect permanent Federal aid in amounts comparable to those which we are now receiving. As stated in my previous memorandum, I feel that the local contributions should be made through the county budgets as the relief organization undoubtedly will continue to be based on the county unit.

In this memorandum I have recalled and reemphasized the fact that care of the needy is no new problem. It is centuries old. The difference today is that, due to the economic crisis and the development of our industrial civilization, the care of the needy has assumed a position of overshadowing importance.

In New Jersey we answered this need three years ago by setting up a temporary relief organization. That organization as a separate and distinct entity of government has, it seems to me, performed its mission and done its job.

Set up for a temporary purpose, it is unfair to expect that it should go on carrying a continuing and growing burden as a separate, transitory agency. No one in the State is more conscious than I of the weaknesses of that body. But is it quite fair to characterize as weaknesses of administration those factors which are an unavoidable result of its inherently temporary nature and structure? It lacks, and will continue to lack, the background of tradition, history, and ideals which attach only to organizations with a permanent and enduring objective.

Moreover, for some time past I have been convinced that the kernel of our problem is not relief but reemployment. Consequently, so long as we continue to devote our thought and effort and to spend vast sums of money to alleviate a symptom rather than to attempt to cure a condition, our efforts will become increasingly costly, wasteful, and futile. Again, the effect on all of us in this State of keeping ever before us the spectacle of relief is comparable to viewing daily the hulk of that ill-fated liner, the *Morro Castle*, for it is a constant reminder of a disaster which has worked irreparable harm which can never be compensated for; nor can a similar recurrence be prevented by concentrating on the disaster itself as a permanency.

It is agreed by experts all over the country that relief as an agency of recovery is basically a regrettable and unsound business. It has no real foundation. Its very qualifications are that a person must have reached the end of his resources before being eligible for assistance. It is just as if a climbing party in the mountains were in jeopardy of life and limb and a rescue party, having been organized and arrived at the scene of impending disaster, were to say, "We cannot do anything to help you from slipping or falling. Our plan of organization won't permit of it. But when you have hit the bottom, we will be here to pick you up and keep you from passing out."

So the inevitable result of our present system has been that millions of our fellow citizens—self-respecting, resourceful Americans—have slid to the bottom of the abyss of the depression before aid was extended.

Now what I have just stated is neither a stricture nor criticism of any person or group of people. For this is not the time to waste breath and energy in an attempt to assess personal responsibility for our present plight, nor for our failure as yet to have discov-

ered an effective remedy. Rather should we look facts in the face, be willing to admit defeat even when the result of the best intentions in the world, and courageously endeavor to find a new and better way out.

Not only has relief proved to be a wasteful form of assistance, but, more important still, it is rapidly undermining the morale and character of our people. Moreover, the great majority of those on our relief rolls do not want relief. They want work. For, contrary to the all-too-popular conception, from personal contact and knowledge, I am convinced that the great bulk of relief clients want nothing so much as the opportunity through honest effort and toil at a fair wage to rehabilitate themselves. The courage, fortitude, patience, and endurance of hundreds of thousands of our fellow citizens of this State who have been crushed in this depression have impressed me as perhaps no other phase of the situation. And it is for the sake of the recipients of relief themselves rather than simply for the saving of money, vital as that is, that I am eagerly looking forward to the time when the relief system as we know it today shall be no more.

I have, therefore, reached the conclusion, after much thought and study as well as deliberation with my associates in the work, that the Emergency Relief Administration as a separate governmental agency should be terminated. I feel that the time has definitely come when we should as quickly as possible split up the relief problem into its component parts, distribute the work among the appropriate permanent agencies of our State government, and thus attack our problem on all fronts with every resource at our command and with a view—necessarily a long view but the only sound one—of correcting, if possible, the causes of this terrible and still-growing trouble. If after this division is made there still remains a purely temporary relief problem, that could be handled as a department of some already existing permanent State agency.

The State can provide leadership for the coordination of public welfare enterprises. It needs, however, the intelligent, enthusiastic cooperation of local citizens and local organizations to make them effective. The State has set an example of what can be done in administering certain permanent types of relief through well-coordinated, well-planned, non-political institutional and non-institutional agencies. It is possible to provide through county boards, such as our welfare and advisory relief boards, properly integrated

into the permanent agencies of government, a nucleus of public welfare service for the community equipped to lend a humane local touch to the functions which public welfare administration assumes in behalf of those who need care, protection, and training.

I know that it will be argued, first, that this is not the time to make any drastic change in our relief machinery because we are at another peak case load. My answer to this is that the history of relief demonstrates that relief itself now tends to create one new peak load after the other. If we propose to wait until a marked decrease in our relief rolls occurs before trying any new system, I fear that we will wait for a good many more years in vain.

Second, it will probably be claimed that the better plan would be to revamp our present relief organization; to which I would reply that just so long as we concentrate on a relief problem rather than on a reemployment problem, no matter how we may reorganize or revamp the organization, we will continue to have a major relief problem on our hands.

Third, it has already been asserted that we at present have no permanent agency in existence in the State capable of as effectively or inexpensively carrying on the necessary outdoor relief problem which will remain for some time to come as we have in our present Emergency Relief Administration. I would reply to this that if no permanent agency now exists in which an outdoor relief division could properly and advantageously be set up, a separate welfare department might be organized although I personally do not feel that this will be found necessary.

The program herein outlined I am conscious is fraught with difficulties and drastic readjustments. Its consummation will call for courage, for preserverance, for broad-mindedness, for ability to see and face facts; in fine, for statesmanship of the highest order; but it is the only constructive plan I have been able to discover, and it seems to me not only the present but the imperative answer.

In conclusion I would state most emphatically that there is nothing in this memorandum which indicates that I feel that we will not be called upon to help large numbers of our citizens with some form of direct relief for some time to come. And if any impression has been gained from this memorandum that I am not just as concerned as I ever have been with relieving the plight of those on

our relief rolls, I assert to the contrary that it is because I want us to help these people fundamentally and not superficially that I propose this change.

In my closing memorandum I shall expect to treat of a possible permanent set-up and indicate ways of financing the cost.

III

In my first memorandum on the future organization and policies of relief in New Jersey I stated that the problem falls into two main divisions, i.e., the chronic poor, or unemployables, and those who are in temporary need. And I affirmed my belief that these two classes must be handled separately, indicating in broad general lines possible methods.

In my second memorandum I sketched the history of the system of relief in the State from early times, laying special stress on the period since 1931. In that memorandum I asserted that the heart of our problem is not relief but reemployment, and set forth my conviction that the present Emergency Relief Administration as a separate governmental agency should be terminated as quickly as possible. And I further stated that the time has come to split up the relief problem into its component parts, distribute the work among the appropriate permanent agencies of our State government, and thus attack this problem on all fronts with every resource at our command. After this division is made there will still remain an outdoor relief problem, and I gave it as my opinion that this phase should be handled as a subdivision of some already existing permanent State agency.

In this memorandum I shall endeavor to present some concrete proposals for the carrying out of the program I have thus far outlined.

1. A well thought-out system of unemployment, sickness and accident insurance should be instituted by State law.

We must frankly face the facts, for while such a system is popularly denominated as insurance it cannot be reduced to a scientific actuarial basis. The fund to build up a reserve for these kinds of insurance cannot be created in a short time. It will be necessary to arrange for preliminary payments through public appropriations. It would seem just that both Federal and State governments should contribute to this preliminary fund. The permanent fund should be built up through contributions from both employee and employer. During times of general business depression it may be necessary to supplement the insurance fund from governmental sources.

This problem of the employables temporarily unemployed will require a close-working arrangement with the employment bureau of the Department of Labor.

2. There should be assembled in one department all public assistance activities of government, both permanent and emergent, with the exception of the insurance system treated in No. 1 above. This agency should be the administrative unit through which all State appropriations and Federal grants in the field of public assistance should be apportioned to the various special commissions or local units; the funds to be administered in accordance with standards set by the Federal and State governments; the State agency to be responsible for the maintenance of such standards.

3. The present Department of Institutions and Agencies should be renamed the Department of Public Welfare, and should be the administrative unit suggested above.

4. The local administrative unit for public assistance to those in need in New Jersey should be the unpaid County Welfare Boards provided for in Chapter 373, Laws of 1931, as amended by Chapter 393, Laws of 1931, with such further modifications as may be found necessary to make them conform to the new needs which have developed.

5. The County Welfare Boards should be made mandatory for every county.

6. The County Welfare Boards should be composed of seven members, at least two of whom shall be women: six members to be appointed by the Freeholders of the county from a panel submitted by the State Board of Control for overlapping terms of four years (two for two years, two for three, two for four years), and one appointed each year by the Freeholders for a term of one year to represent that body.

7. The County Welfare Board should function through an appointed technically-trained salaried staff subject to standards of personnel qualifications set up by the State Board of Control. The County Welfare Director, however, should be exempt from Civil Service and should be appointed by the County Welfare Board from a panel certified by the State Board of Control.

8. There should be set up in the proposed new Department of Public Welfare, and subject to the State Board of Control, a section or agency for public assistance.

9. This section should have charge of transient activities, should supervise the care of those receiving poor relief who do not fall within the purview of other institutions or boards, should care for needy persons who can no longer be taken care of by the unemployed allotment, and should, under the general lines of policy laid down by the State Board of Control, define the State policy for the County Welfare Boards with respect to the matters under the control of this section.

For some time to come the Federal government may cooperate with the states in the handling of relief problems. This section should handle all such matters when they do not properly fall within the scope of another board or agency. Reference is made particularly to such matters as the distribution of government gift products, cooperation with the C.C.C. Camps, rural rehabilitation, educational programs, etc. If Federal grants are made to the State to pay for special relief programs of a statewide nature, or involving more than one county, the program and the funds should be handled by this section.

10. The Poor Law of New Jersey should be entirely revised and brought in line with modern social practice. It is suggested that it be called the "Public Assistance Act."

11. The powers now vested in the overseer of the poor should be vested in the County Welfare Boards, subject to State supervision. These Boards should also be empowered to administer, subject to State supervision, old age assistance, mothers' aid, assistance to the blind, crippled children, etc. When in the judgment of the State Board of Control any County Welfare Board shall have perfected its organization and administration sufficiently, there shall be turned over to it the responsibility for service to dependent and neglected children. Legal guardianship should continue to be vested in the State Board of Children's Guardians.

12. The present rules and regulations governing eligibility for old age assistance and aid to children and mothers should be studied with the object of meeting the need for a wider scope in these fields.

13. Any new legislation on this problem of relief must take into consideration full coordination with Federal agencies and be sufficiently flexible so that New Jersey may avail itself to the fullest extent of any temporary or permanent Federal aid.

14. If Federal, State or local funds are available for work projects of any nature, these work projects should be handled by an independent body entirely separate from the welfare organizations mentioned above. Of course, there must be the fullest cooperation between such a works board and the welfare organizations and the Department of Labor. The works board must be set up in full accord with the interested Federal agencies.

FINANCES

The cost of relief is at present so overwhelming that local and State resources are inadequate to cope with the needs. The Federal government will have to help in this work for some time to come. But it is not to be expected that this Federal assistance will continue indefinitely. Wisdom therefore dictates that we so lay our plans as to be able to carry this burden without Federal aid if and when the necessity arises.

The plan I have outlined above does not imply greater costs than at present; on the contrary the expense should be lower because of savings in overhead and administrative charges through the use of existing agencies. There should also be savings due to the greater efficiency of a permanent organization.

I recommend that the cost of old age relief, women's and children's care, the welfare homes and other institutions and agencies and general relief under the care of the County Welfare Boards be paid for one-half by the county and one-half by the State. And so long as Federal funds are available for any of these purposes, I further suggest that they be so apportioned as to reduce equally the cost to the State and the county.

If this plan is followed, the local contributions toward relief will be shared equally by the locality and the State, for the people of each municipality will bear their share of the cost through the taxes paid to the county. The citizens, as should be the case, will have a direct local interest in relief. This, it seems to me, is the desirable situation, as relief of its very nature should ever remain a local problem—one best conducted on the basis of true neighborliness. On the other hand, the State by bearing its share will continue to have a voice as to the administration of relief and can insist on certain standards and exercise a necessary degree of control and supervision.

We must face the fact that relief is essentially a normal function of government. The problem remains constant while the degree of need varies from good times to bad. Since relief is a normal function of government, it should be met so far as possible by appropriations from the ordinary sources of income of government.

If the income of local and State governments in an extraordinary period, such as the present, does not permit of the necessary relief appropriations, there are only three ways out—reduce other governmental expenses, increase income, or issue bonds. In this State, before any new taxes or imposts are levied or new bond issues are resorted to, I strongly suggest that we make certain that every economy possible in municipal, county and State governments is being practised.

In closing, I must thank the members of the Joint Committee of the Legislature for bearing with me in this long exposition of the relief problem. I have appreciated your cooperation and am at your command for consultation and discussion on this subject.

JOHN COLT,
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