

Y 4 . L 11/2: Em 7/2/966 1043
89 Y 4
L 11/2
Em 7/2/966

AMEND THE FEDERAL EMPLOYEES' COMPENSATION ACT

GOVERNMENT

Storage



SUBCOMMITTEE ON LABOR
OF THE
COMMITTEE ON
LABOR AND PUBLIC WELFARE
UNITED STATES SENATE
EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

S. 2517 AND H.R. 10721

BILLS TO AMEND THE FEDERAL EMPLOYEES' COMPENSATION ACT TO IMPROVE ITS BENEFITS, AND FOR OTHER PURPOSES

S. 3154

A BILL TO AMEND THE FEDERAL EMPLOYEES' COMPENSATION ACT SO AS TO PERMIT INJURED EMPLOYEES ENTITLED TO RECEIVE MEDICAL SERVICES UNDER SUCH ACT TO UTILIZE THE SERVICES OF CHIROPRACTORS

S. 3253

A BILL TO AMEND SECTION 33 OF THE FEDERAL EMPLOYEES' COMPENSATION ACT SO AS TO PROVIDE FOR THE ESTABLISHMENT OF A FEDERAL EMPLOYEE ACCIDENT PREVENTION PROGRAM

MAY 3, 1966

Printed for the use of the
Committee on Labor and Public Welfare

U.S. GOVERNMENT PRINTING OFFICE

Y. A. L. 11/5: Em 7/5/90

COMMITTEE ON LABOR AND PUBLIC WELFARE

LISTER HILL, Alabama, *Chairman*

WAYNE MORSE, Oregon
RALPH YARBOROUGH, Texas
JOSEPH S. CLARK, Pennsylvania
JENNINGS RANDOLPH, West Virginia
HARRISON A. WILLIAMS, Jr., New Jersey
CLAIBORNE PELL, Rhode Island
EDWARD M. KENNEDY, Massachusetts
GAYLORD NELSON, Wisconsin
ROBERT F. KENNEDY, New York

JACOB K. JAVITS, New York
WINSTON L. PROUTY, Vermont
PETER H. DOMINICK, Colorado
GEORGE MURPHY, California
PAUL J. FANNIN, Arizona

STEWART E. MCCLURE, *Chief Clerk*
JOHN S. FORSYTHE, *General Counsel*
STEPHEN KURZMAN, *Minority Counsel*

SUBCOMMITTEE ON LABOR

_____, *Chairman*

WAYNE MORSE, Oregon
JENNINGS RANDOLPH, West Virginia
CLAIBORNE PELL, Rhode Island
GAYLORD NELSON, Wisconsin
ROBERT F. KENNEDY, New York

JACOB K. JAVITS, New York
WINSTON L. PROUTY, Vermont
PAUL J. FANNIN, Arizona

JOHN B. BRUFF, *Counsel*
FRANK CUMMINGS, *Minority Labor Counsel*

CONTENTS

Text of bills:	Page
S. 2517-----	2
H.R. 10721-----	8
S. 3154-----	22
S. 3253-----	24
Departmental reports:	
Bureau of the Budget, on:	
S. 2517-----	31
S. 3154-----	31
S. 3253-----	31
H.R. 10721-----	32
Department of Labor, on:	
S. 3154-----	33
S. 744 and S. 530-----	34

CHRONOLOGICAL LIST OF WITNESSES

Peterson, Hon. Esther, Assistant Secretary for Labor Standards, Department of Labor; accompanied by Thomas A. Tinsley, Director, Bureau of Employees Compensation, and Miss Carol Cox, Office of the Solicitor, Department of Labor-----	36
McCart, John A., Operations Director, Government Employees' Council, AFL-CIO-----	45
Griner, John F., national president, American Federation of Government Employees; accompanied by Dr. W. J. Voss, director of research, and Thomas G. Walters, legislative representative-----	56
Williams, Hon. Harrison A., Jr., a U.S. Senator from the State of New Jersey-----	61
Adams, Dr. A. A., president; accompanied by Dr. George P. Poe, president-elect, American Chiropractic Association-----	62
Lake, Dr. Grady V., chiropractor, Atlanta, Ga., representing International Chiropractors Association-----	66
Silvergleid, David, secretary-treasurer, National Postal Union, Washington, D.C.-----	74

STATEMENTS

Adams, Dr. A. A., president; accompanied by Dr. George P. Poe, president-elect, American Chiropractic Association-----	62
Prepared statement-----	63
Goodman, Sidney A., president, National Postal Union, prepared statement-----	75
Griner, John F., national president, American Federation of Government Employees; accompanied by Dr. W. J. Voss, director of research, and Thomas G. Walters, legislative representative-----	56
Prepared statement-----	57
Huffman, Floyd E., president, National Rural Letter Carriers' Association, prepared statement-----	85
Keating, Jerome J., president, National Association of Letter Carriers, on H.R. 10721, prepared statement-----	83
Lake, Dr. Grady V., chiropractor, Atlanta, Ga., representing International Chiropractors Association-----	66
Prepared statement-----	66
McCart, John A., operations director, Government Employees' Council, AFL-CIO-----	45
Prepared statement-----	45
Magnuson, Hon. Warren G., a U.S. Senator from the State of Washington-----	34

	Page
Nilan, Patrick J., legislative director, United Federation of Postal Clerks, AFL-CIO, prepared statement.....	76
Peterson, Hon. Esther, Assistant Secretary for Labor Standards, Department of Labor; accompanied by Thomas A. Tinsley, Director, Bureau of Employees Compensation, and Miss Carol Cox, Office of the Solicitor, Department of Labor.....	36
Phillips, Clarence A., chairman of the board, Heald's College, San Francisco, Calif., and president, United Business Schools Association, Washington, D.C., prepared statement.....	81
Silvergleid, David, secretary-treasurer, National Postal Union, Washington, D.C.....	74
Smedley, Lawrence T., assistant director, department of social security, AFL-CIO, prepared statement.....	86
Tarr, Clarence M., president, National Association of Retired Civil Employees, prepared statement.....	80
Williams, Hon. Harrison A., a U.S. Senator from the State of New Jersey ..	61
Wolkomir, Nathan T., president, National Federation of Federal Employees, prepared statement.....	79

ADDITIONAL INFORMATION

Letter from the National Association of Internal Revenue Employees, from John G. Brady, legislative chairman, and Frank J. Mullins, to Senator Morse, April 22, 1966.....	87
Memorandums on:	
Concept of Educational or Training Institution under H.R. 10721, from the Department of Labor.....	43
State workmen's compensation laws—Chiropractic recognition, from the International Association of Chiropractors.....	72
Responses submitted by John A. McCart, operations director, Government Employees' Council, AFL-CIO, to questions from Senator Randolph...	56

AMEND THE FEDERAL EMPLOYEES' COMPENSATION ACT

TUESDAY, MAY 3, 1966

U.S. SENATE,
SUBCOMMITTEE ON LABOR OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 1318, Senate Office Building, Senator Jennings Randolph (acting chairman of the subcommittee) presiding.

Present: Senators Randolph, Prouty, and Fannin.

Committee staff members present: Stewart E. McClure, chief clerk; John Bruff, subcommittee counsel; and Frank Cummings and Peter Benedict, minority labor counsel.

Senator RANDOLPH. Good morning, ladies and gentlemen.

This morning the Subcommittee on Labor of the Committee on Labor and Public Welfare is in session to consider proposals to amend the Federal Employees' Compensation Act.

I am sure that our witnesses and our guests would join in my expression of appreciation once again for the service in the Senate of the late Senator McNamara. This is the first meeting of the Subcommittee on Labor which has been held since his untimely death.

Senator McNamara, as you know, was chairman of the Senate Subcommittee on Labor. He introduced legislation in the area that we are considering this morning. The bills before our subcommittee are H.R. 10721, passed by the House of Representatives on March 7, 1966. This action was taken under what we call suspension of the rules within that body. We then have for consideration S. 2517. This measure represents the broad viewpoint of the administration.

Senator McNamara introduced that measure.

Then we have for study S. 3145. This bill was presented by our colleague, Senator Harrison Williams of New Jersey. That measure would permit injured employees entitled to medical service under the act to utilize the professional talents of chiropractors.

Then lastly there is S. 3253. This bill would provide for the establishment of a Federal employees' accident prevention program.

We have witnesses, I believe five in number, scheduled to testify. We also have other persons representing organizations who have indicated their intention to file statements.

(The bills referred to and departmental reports we have received follow:)

89TH CONGRESS
1ST SESSION

S. 2517

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 1965

Mr. McNAMARA (by request) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Federal Employees' Compensation Act to improve its benefits, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—SHORT TITLE

4 SECTION 101. This Act may be cited as the "Federal
5 Employees' Compensation Act Amendments of 1965."

6 TITLE II—IMPROVEMENTS IN BENEFITS

7 INCREASE OF AUGMENTED COMPENSATION LIMIT

8 SEC. 201. Section 6 (a) (1) of the Federal Employees'
9 Compensation Act, as amended, is amended by striking
10 "\$420" (the limit for computing augmented compensation
11 for dependents), and inserting in lieu thereof "\$546."

1 INCREASED MAXIMUM AND MINIMUM COMPENSATION

2 SEC. 202. Section 6(c) of the Federal Employees'
3 Compensation Act (maximum compensation amount), is
4 amended to read as follows:

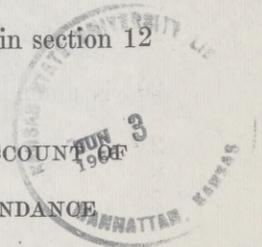
5 "(c) Except as otherwise authorized under section 42,
6 the monthly rate of compensation for disability, including
7 any augmented compensation payable by reason of subsection
8 (a) but not including any sum payable by reason of sub-
9 section (b), shall not be more than \$685 per month and
10 in cases of total disability shall not be less than \$210 per
11 month, unless the employee's monthly pay is less in which
12 case his monthly rate of compensation for total disability
13 shall be equal to his full monthly pay."

14 SEC. 203. Section 10(K) of the Federal Employees'
15 Compensation Act (maximum death benefit amount), is
16 amended to read: "(K) In computing compensation under
17 this section the monthly pay shall be considered not to be less
18 than \$280, but the total monthly compensation shall not
19 exceed the monthly pay computed as provided in section 12
20 or the sum of \$685."

21 AUTHORITY TO CONTINUE BENEFITS ON ACCOUNT

22 SURVIVING CHILDREN FOR SCHOOL ATTENDANCE

23 SEC. 204. Paragraph (C) of section 10 of the Federal
24 Employees' Compensation Act (authorizing compensation
25 for children), is amended by adding the following new sen-



1 tence: "However, as approved by the Secretary and under
2 regulations prescribed by him, compensation payments on
3 account of a child or to a child under any provision of this
4 section, may be extended after his eighteenth birthday to
5 permit him to continue his education or training on a full-
6 time basis until he completes his program of education or
7 training at an educational or training institution, as such
8 terms are defined by the Secretary of Labor, or reaches the
9 age of twenty-three, whichever is earlier. Payments of such
10 compensation may be made on account of or to any un-
11 married child who prior to the effective date of the Federal
12 Employees' Compensation Act Amendments of 1965 has
13 passed his eighteenth birthday (and for whom compensation
14 was being paid prior thereto) but who has not reached his
15 twenty-third birthday nor completed his program of educa-
16 tion or training at an educational or training institution, as
17 defined herein, by such date.

18 SEC. 205. The third sentence of section 10 (H) of the
19 Federal Employees' Compensation Act (defining "child"),
20 is amended by changing the period after "self-support" to
21 a comma, and adding the following: "or on whose account
22 or to whom compensation may be continued under section
23 10 (C) of this Act to permit them to continue their educa-
24 tion as authorized under section 10 (C)."

1 SECRETARY'S RULEMAKING AUTHORITY IN EMPLOYMENT
2 OUTSIDE THE UNITED STATES

3 SEC. 206. Section 32 of the Federal Employees' Com-
4 pensation Act (rulemaking authority), is amended by add-
5 ing the following: "In the adjudication of claims under
6 section 42 of this Act, the Secretary shall have the authority
7 to determine the nature and extent of the proofs and evidence
8 required to establish the right to benefits under this Act
9 without regard to the date of injury or death for which
10 claim is made."

11 TITLE III—INCREASE OF COMPENSATION FOR
12 PRESENT BENEFICIARIES

13 SEC. 301. The monthly pay for disability or death
14 awarded under the Federal Employees' Compensation Act
15 at the time of this enactment shall be increased with respect
16 to any period beginning on or after the first day of the first
17 calendar month following the date of this Act by the annual
18 average percentage change in the Consumer Price Index (all
19 items—United States city average), published by the Bu-
20 reau of Labor Statistics, as determined by the Secretary of
21 Labor, since the year in which the award was made, offset
22 on a percentage basis by any increase heretofore authorized
23 by Congress in awards.

1 TITLE IV—MISCELLANEOUS

2 SEC. 401. Except for benefits provided under section
3 10 (C) of the Federal Employees' Compensation Act (com-
4 pensation for children), nothing in this or any other Act
5 of Congress shall be construed to make the increases author-
6 ized herein applicable to military personnel or to any person
7 or employee not within the definition of "employee" in
8 section 40 (b) (1) or (2) of the Federal Employees' Com-
9 pensation Act. However, these amendments shall apply
10 to employees of the government of the District of Columbia
11 other than members of the police and fire departments who
12 are pensioned or pensionable under the provisions of the
13 Policemen's and Firemen's Retirement and Disability Act.

14 SEC. 402. (a) No provision of the Federal Employees'
15 Compensation Act Amendments of 1965 shall be construed
16 to permit the amount of compensation on account of an
17 employee's disability or death to be reduced on the basis
18 of changes in the Consumer Price Index as determined by
19 the Secretary hereunder.

20 (b) No increase in compensation authorized under sec-
21 tion 301 shall exceed the percentages of annual average
22 change in the Consumer Price Index as determined by the
23 Secretary.

6

1 SEC. 403. The provisions of this Act shall be applicable
2 to cases of injury or death occurring before or after the date
3 of the enactment only with respect to any period beginning
4 on or after the first day of the first calendar month following
5 date of such enactment.

1 the body or involves disfigurement, basic compensation for
2 such disability shall be payable to the disabled employee,
3 as provided in the following schedule, at the rate of $66\frac{2}{3}$ per
4 centum of his monthly pay. Such compensation shall be
5 payable regardless of whether the cause of the disability
6 originates in a part of the body other than such member,
7 and regardless of whether the disability also involves an-
8 other impairment of the body. Such compensation shall be
9 in addition to compensation for any temporary total or tem-
10 porary partial disability. The schedule referred to in the
11 first sentence is as follows:”

12 (b) Section 5 (b) of such Act is amended to read as
13 follows:

14 “(b) With respect to any period after payments under
15 subsection (a) have terminated, compensation shall be paid
16 as provided in section 3 if the disability is total, or as pro-
17 vided in subsection (a) of section 4 if the disability is
18 partial.”

19 (c) The second sentence of section 5 (c) of such Act is
20 amended by striking out “for the purposes of disabilities
21 specified in subsection (b),”.

22 (d) Paragraph (1) of section 5 (d) of such Act is
23 amended by striking out “(including any disability compen-
24 sable under the schedule to subsection (a) by virtue of sub-
25 section (b))”.

1 (e) Section 6 (a) (1) of such Act is amended by strik-
2 ing out “(including compensation payable under the sched-
3 ule to section 5 (a) by virtue of section 5 (b))”.

4 INCREASES IN MAXIMUM AND MINIMUM LIMITS OF
5 COMPENSATION

6 SEC. 3. (a) Section 6 (a) (1) of the Federal Em-
7 ployees' Compensation Act is amended by striking out every-
8 thing after “wage-earning capacity” and inserting in lieu
9 thereof a period.

10 (b) Section 6 (c) of such Act is amended by striking
11 out “shall not be more than \$525 per month and in cases of
12 total disability shall not be less than \$180 per month,” and
13 inserting in lieu thereof the following: “shall not be more
14 than 75 per centum of the monthly pay of the highest rate of
15 basic compensation provided for grade 15 of the General
16 Schedule of the Classification Act of 1949, and in cases of
17 total disability shall not be less than the lowest rate of basic
18 compensation provided for grade 2 by such General
19 Schedule.”.

20 (c) Section 10 (K) of such Act is amended to read as
21 follows:

22 “(K) In computing compensation under this section,
23 the monthly pay shall be considered to be not less than the
24 lowest rate of basic compensation provided for grade 2 by
25 the General Schedule of the Classification Act of 1949, but

4

1 the total monthly compensation shall not exceed (1) the
2 monthly pay computed as provided in section 12, or (2) 75
3 per centum of the monthly pay of the highest rate of basic
4 compensation provided for grade 15 of the General Schedule
5 of the Classification Act of 1949."

6 INCREASE IN COMPENSATION FOR CERTAIN PERSONS;

7 ALLOWANCES FOR ATTENDANTS

8 SEC. 4. (a) Section 6 (b) (1) of the Federal Employees'
9 Compensation Act is amended by striking out "\$125" and
10 inserting in lieu thereof "\$300".

11 (b) The second proviso of the first section of the Act
12 of February 15, 1934 (5 U.S.C. 796), is amended—

13 (1) by striking out "\$150" in clause (a) and in-
14 serting in lieu thereof "\$300"; and

15 (2) by striking out "\$150" in clause (b) and in-
16 serting in lieu thereof "\$450".

17 ELIGIBILITY OF RETIREES FOR SCHEDULE AWARDS AND
18 MEDICAL SERVICES, ETC.

19 SEC. 5. (a) The first sentence of section 7 (a) of the
20 Federal Employees' Compensation Act is amended by in-
21 serting after "Civil Service Retirement Act" the following:
22 ", or any other Federal Act or program providing retire-
23 ment benefits for employees,".

24 (b) The first sentence of section 9 (a) of such Act is
25 amended by inserting after "Civil Service Retirement Act"

1 the following: "or any other Federal Act or program pro-
2 viding retirement benefits for employees".

3 REEMPLOYMENT RIGHTS

4 SEC. 6. Section 9 of the Federal Employees' Compensa-
5 tion Act is amended by adding at the end thereof the follow-
6 ing new subsection:

7 "(c) Upon the application of any employee in receipt
8 of compensation under this Act to the United States Civil
9 Service Commission, said Commission shall enter his name
10 on each appropriate register or employment list, or both,
11 maintained by the Commission, for certification for appoint-
12 ment to any vacant position for which he is physically and
13 otherwise qualified, in accordance with regulations of the
14 Commission and with the same priority which the Com-
15 mission accords a career or career conditional employee who
16 has been involuntarily displaced from his position through no
17 fault of his own."

18 CONTINUATION OF BENEFITS ON ACCOUNT OF SURVIVING
19 CHILDREN ATTENDING SCHOOL

20 SEC. 7. (a) Paragraph (G) of section 10 of the Fed-
21 eral Employees' Compensation Act is amended by adding
22 at the end thereof the following new sentence: "Notwith-
23 standing any other provision of this section, compensation
24 payable to or for a child, a brother or sister, or a grandchild

1 which would otherwise be terminated because such child,
2 brother or sister, or grandchild has reached the age of
3 eighteen shall be continued if he is a student (as defined in
4 paragraph (M)) at the time he reaches the age of eighteen
5 for so long as he continues to be such a student or until he
6 marries.”

7 (b) Section 10 of such Act is amended by adding at
8 the end thereof the following new paragraph:

9 “(M) For the purposes of this section, a person shall
10 be considered a student while he is regularly pursuing a
11 full-time course of study or training at an institution which is
12 an educational or training institution as defined by the Secre-
13 tary, but not after he reaches the age of twenty-three or has
14 completed four years of education beyond the high school
15 level, except that, where his twenty-third birthday occurs
16 during a semester or other enrollment period, he shall con-
17 tinue to be considered a student until the end of such semester
18 or other enrollment period. A child shall not be deemed to
19 have ceased to be a student during any interim between
20 school years if the interim does not exceed four months and if
21 he shows to the satisfaction of the Secretary that he has a
22 bona fide intention of continuing to pursue a full-time course
23 of education or training during the semester or other enroll-
24 ment period immediately following the interim or during
25 periods of reasonable duration during which, in the judgment

1 of the Secretary, he is prevented by factors beyond his
2 control from pursuing his education."

3 LUMP-SUM COMPENSATION UPON REMARRIAGE

4 SEC. 8. Section 14 of the Federal Employees' Compen-
5 sation Act is amended by inserting "(a)" after "SEC. 14."
6 and by adding at the end thereof the following new sub-
7 section:

8 "(b) Upon remarriage, a widow or dependent widower,
9 entitled to compensation under section 10, shall be paid a
10 lump sum equal to twenty-four times the monthly compen-
11 sation payment (excluding any compensation on account
12 of another person) to which he was entitled immediately
13 prior to the remarriage."

14 TIME FOR CLAIMS

15 SEC. 9. Section 20 of the Federal Employees' Compen-
16 sation Act is amended by inserting "(a)" after "SEC. 20.",
17 by striking out of the second sentence "due to radiation or
18 other causes", and by adding at the end thereof the follow-
19 ing new subsection:

20 "(b) The time limitations in subsection (a) shall not
21 begin to run against a minor until he reaches the age of
22 twenty-one or has had a legal representative appointed, and
23 shall not run against an incompetent person while he is
24 incompetent and has no duly appointed legal representative."

1 RECOVERIES IN ACTIONS AGAINST THIRD PARTIES

2 SEC. 10. (a) The third paragraph of section 26 of the
3 Federal Employees' Compensation Act is amended by in-
4 serting before the period at the end thereof the following:
5 “: *Provided*, That in any event the beneficiary shall be paid
6 not less than one-fifth of the net amount of any settlement
7 or recovery remaining after the expenses thereof have been
8 deducted”.

9 (b) Paragraph (B) of section 27 of such Act is amended
10 by inserting before the period at the end thereof the follow-
11 ing: “: *Provided*, That the beneficiary shall have the right
12 to retain not less than one-fifth of the net amount of such
13 money or other property remaining after the expenses of a
14 suit or settlement have been deducted, and, in addition, to
15 retain an amount equivalent to a reasonable attorney's fee
16 proportionate to the refund to the United States”.

17 (c) Section 35 of such Act is amended by adding at the
18 end thereof the following new subsection:

19 “(d) As used in subsection (a) of this section, the
20 term ‘administrative expenses’ does not include expenses for
21 legal services rendered by or on behalf of the Secretary
22 under sections 26 and 27.”

23 HEARINGS

24 SEC. 11. (a) The first sentence of section 32 of the
25 Federal Employees' Compensation Act is amended by in-

1 serting after the comma the following: "including rules and
2 regulations for the conduct of hearings under section 36,".

3 (b) Section 36 of such Act is amended by inserting
4 "(a)" after "SEC. 36." and by adding the following at the
5 end thereof:

6 "(b) (1) Prior to any review under section 37, any
7 claimant for compensation not satisfied with a decision of
8 the Secretary under this section shall, upon request made
9 within thirty days after the date of issuance of such de-
10 cision, be afforded an opportunity for a hearing upon his
11 claim before a representative of the Secretary. At such hear-
12 ing, the claimant shall be afforded an opportunity to present
13 evidence in further support of his claim. Within thirty days
14 after the conclusion of such hearing, the Secretary shall
15 notify the claimant in writing of his further decision on such
16 claim and any modifications of the award he may make and
17 of the basis of his decision.

18 "(2) In conducting such hearing the representative of
19 the Secretary shall not be bound by common law or statutory
20 rules of evidence, by technical or formal rules of procedure,
21 or by section 5 of the Administrative Procedure Act except
22 as provided by this Act, but may conduct such hearing in
23 such manner as to best ascertain the rights of the claimant.
24 For this purpose he shall receive such relevant evidence as

1 may be adduced by the claimant and shall, in addition, re-
2 ceive such other evidence as he may determine to be neces-
3 sary or useful in evaluating such claim."

4 SECRETARY'S RULEMAKING AUTHORITY IN EMPLOYMENT
5 OUTSIDE THE UNITED STATES

6 SEC. 12. Section 32 of the Federal Employees' Com-
7 pensation Act is amended by adding the following: "In the
8 adjudication of claims under section 42 of this Act, the
9 Secretary shall have the authority to determine the nature
10 and extent of the proofs and evidence required to establish
11 the right to benefits under this Act without regard to the
12 date of injury or death for which claim is made."

13 INCREASE IN EXISTING AWARDS

14 SEC. 13. The Secretary of Labor shall determine the
15 per centum rise in the price index on the basis of the annual
16 average price index for calendar year 1958 and the price
17 index for the month during which this Act is enacted. Effec-
18 tive on the first day of the third month which begins after the
19 enactment of this Act, compensation payable under the Fed-
20 eral Employees' Compensation Act on account of disability
21 or death which occurred more than one year before such
22 first day shall be increased by the per centum rise deter-
23 mined under the preceding sentence adjusted to the nearest
24 one-tenth of 1 per centum and rounded to the nearest dollar,
25 except that such increase shall in no case be less than \$1.

1 For purposes of this section, the term "price index" means
2 the Consumer Price Index (all items—United States city
3 average) published monthly by the Bureau of Labor
4 Statistics.

5 COST-OF-LIVING ADJUSTMENTS IN FUTURE

6 SEC. 14. The Federal Employees' Compensation Act
7 is amended by redesignating section 43 as section 44, and by
8 inserting after section 42 the following new section:

9 "ADJUSTMENTS IN COMPENSATION TO REFLECT FUTURE
10 PRICE INCREASES

11 "SEC. 43. (a) Each month after the month during
12 which this section becomes effective, the Secretary shall de-
13 termine the per centum change in the price index. Effective
14 the first day of the third month which begins after the price
15 index has equaled a rise of at least 3 per centum for three
16 consecutive months over the price index for the most recent
17 base month, compensation payable on account of disability
18 or death which occurred more than one year before such
19 first day shall be increased by the per centum rise in the
20 price index (calculated on the highest level of the price
21 index during the three consecutive months) adjusted to the
22 nearest one-tenth of 1 per centum.

23 "(b) The monthly compensation, after adjustment under
24 this section, shall be fixed at the nearest dollar, except that

1 the monthly compensation shall, after adjustment, reflect an
2 increase of at least \$1.

3 “(c) For purposes of this section—

4 “(1) the term ‘price index’ means the Consumer
5 Price Index (all items—United States city average)
6 published monthly by the Bureau of Labor Statistics;
7 and

8 “(2) the term ‘base month’ means the month this
9 section becomes effective and each month thereafter
10 which is used as a basis in calculating an increase in
11 compensation under this section.”

12 APPLICATION TO MILITARY PERSONNEL

13 SEC. 15. Except for benefits provided under section 7
14 of this Act, nothing in this or any other Act of Congress
15 shall be construed to make the increases authorized herein
16 applicable to military personnel or to any person or em-
17 ployees not within the definition of “employee” in section
18 40 (b) (1) or (2) of the Federal Employees’ Compensation
19 Act. However, these amendments shall apply to employees
20 of the government of the District of Columbia other than
21 members of the Police and Fire Departments who are pen-
22 sioned or pensionable under the provisions of the Policemen’s
23 and Firemen’s Retirement and Disability Act.

1 EFFECTIVE DATES

2 SEC. 16. (a) The amendments made by sections 3, 4,
3 and 5 shall be applicable to cases of injury or death occurring
4 before or after the date of enactment only with respect to
5 any period beginning on or after the first day of the first
6 calendar month following the date of such enactment.

7 (b) The amendments made by sections 2, 6, and 11
8 shall not apply with respect to any injury sustained before
9 the date of enactment of this Act.

10 (c) The amendments made by section 7 (relating to
11 continuation of benefits on account of surviving children
12 attending school) shall apply with respect to persons who,
13 on the date of enactment of this Act, have not reached
14 twenty-three years of age or completed four years of educa-
15 tion beyond the high school level.

16 (d) The amendments made by section 8 (relating to
17 lump-sum compensation upon remarriage) shall be appli-
18 cable only with respect to remarriages occurring after the
19 date of enactment of this Act.

20 (e) The amendments made by section 9 (relating to
21 the time for claims) shall be applicable only with respect to
22 injuries occurring after the date of enactment of this Act.

23 (f) The amendments made by section 10 (relating to

1 recoveries in actions against third parties) shall apply in
2 the case of any recovery occurring after the date of enact-
3 ment of this Act.

Passed the House of Representatives March 7, 1966.

Attest:

RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
2D SESSION

S. 3154

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, MARCH 25), 1966

Mr. WILLIAMS of New Jersey (for himself and Mr. MAGNUSON) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Federal Employees' Compensation Act so as to permit injured employees entitled to receive medical services under such Act to utilize the services of chiropractors.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first two sentences of section 9 of the Federal
4 Employees' Compensation Act, as amended (5 U.S.C.
5 759), are amended to read as follows: "For any injury sus-
6 tained by an employee while in the performance of duty,
7 whether or not disability has arisen, the United States shall
8 furnish to the employee all services, appliances, and supplies
9 prescribed or recommended by duly qualified physicians or
10 chiropractic practitioners which, in the opinion of the Sec-

1 retary of Labor, are likely to cure or to give relief or to re-
2 duce the degree or the period of disability or to aid in lessen-
3 ing the amount of the monthly compensation. Such serv-
4 ices, appliances, and supplies shall be furnished by or upon
5 the order of United States medical officers and hospitals, but
6 where this is not practicable they shall be furnished by or
7 upon the order of private physicians and hospitals, or chiro-
8 practic practitioners, designated or approved by the Secre-
9 tary of Labor."

10 SEC. 2. Paragraph (e) of section 40 of such Act, as
11 amended (5 U.S.C. 790), is amended to read as follows:

12 "(e) The term 'medical, surgical, and hospital services
13 and supplies' includes services and supplies by osteopathic
14 and chiropractic practitioners and hospitals as licensed by
15 State law and within the scope of their practice as defined
16 by State law."

89TH CONGRESS
2D SESSION

S. 3253

IN THE SENATE OF THE UNITED STATES

APRIL 20 (legislative day, APRIL 19), 1966

MR. BREWSTER introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend section 33 of the Federal Employees' Compensation Act so as to provide for the establishment of a Federal employee accident prevention program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Federal Employees'
4 Safety Act".

5 SEC. 2. Section 33 (c) of the Federal Employees' Com-
6 pensation Act, as amended (5 U.S.C. 784 (c)), is amended
7 to read as follows:

8 “(c) (1) In order to assist in the prevention of acci-
9 dents in Federal activities and aid in the advancement, dis-
10 semination, and exchange of knowledge relating to their

2

1 causes, it shall be the duty of the head of each Federal
2 agency, in conformity with the standards, programs, and
3 regulations prescribed by the Secretary under this subsec-
4 tion and in order to protect the lives, health, and safety of
5 employees under his jurisdiction—

6 “(A) to provide places and conditions of employ-
7 ment which shall be reasonably safe for such employees;

8 “(B) to acquire, use, and maintain safety devices
9 and other safeguards which are reasonably necessary to
10 protect such employees;

11 “(C) to prescribe safety standards and practices for
12 such employees;

13 “(D) to keep records of injuries and accidents to
14 employees under his jurisdiction, whether or not result-
15 ing in loss of time in employment or the payment or
16 furnishing of benefits; and

17 “(E) to make such reports to the Secretary with
18 respect to such injuries and accidents as the Secretary
19 by regulation may prescribe.

20 “(2) (A) It shall be the duty of the Secretary—

21 “(i) to develop, promulgate, and promote minimum
22 standards for the protection of the lives, health, and
23 safety of employees of Federal agencies and, to the ex-
24 tent feasible, promote uniformity in such standards;

25 “(ii) to collect and analyze data with respect to

1 safety standards and programs in operation in the respec-
2 tive Federal agencies;

3 “(iii) to conduct studies and investigations of
4 the causes of injuries and accidents in employment
5 in the respective Federal agencies and the means of
6 prevention of such injuries and accidents;

7 “(iv) to develop and make available to the
8 respective Federal agencies information and personal
9 services for the establishment and maintenance in
10 such agencies of programs for the education and
11 training of the officers and employees thereof in the
12 recognition, avoidance, and prevention of unsafe
13 conditions of employment;

14 “(v) to formulate and develop plans and pro-
15 grams to reduce the number of tort claims against
16 the Government resulting from injuries to private
17 persons attributable directly or indirectly to em-
18 ployees of the respective Federal agencies;

19 “(vi) to the extent appropriate, to collect infor-
20 mation, from time to time, on safety programs,
21 practices, and procedures generally, both in and out-
22 side of Government, and, upon appropriate request,
23 make such information available to interested Fed-
24 eral agencies and other Government agencies;

25 “(vii) from time to time, to inspect the prem-

4

1 ises of the respective Federal agencies, and interview
2 any of the personnel thereof, in order to ascertain if
3 the minimum safety standards of the Secretary are
4 being followed by such agencies;

5 “(viii) to issue to the head of each Federal agency,
6 at least annually, a complete evaluation of the agency
7 safety activities and programs summarizing accomplish-
8 ments, recommendations, and other matters deemed per-
9 tinent; and

10 “(ix) to prepare for the issuance annually to the
11 Congress by the Secretary a report showing the progress
12 made in the field of accident prevention in the Federal
13 agencies through the reduction of the number of acci-
14 dents and injuries among the officers and employees
15 of such agencies by the elimination of work hazards and
16 health risks.

17 “(B) The Secretary shall be represented as a member
18 on all boards of investigation and inquiry determining causes
19 of incidents involving the safety and welfare of Federal civil-
20 ian employees.

21 “(3) (A) There is hereby established in the Department
22 of Labor a council to be known as the ‘Federal Safety Coun-
23 cil’ (referred to in this subsection as the ‘Council’). The
24 Council shall be composed of such qualified representatives
25 of the Federal agencies and such qualified representatives

5

1 from national or international Federal Government employee
2 unions as shall be appointed from time to time by the Secre-
3 tary. The length of tenure of Council members shall be
4 determined by the Secretary. The heads of the Federal
5 agencies shall nominate the representative and alternate
6 from their respective agencies and the heads of national or
7 international unions having Federal employee members shall
8 nominate the union representatives and alternates. The
9 members of the Council shall serve as such without com-
10 pensation. The Council shall include, as an integral part of
11 its organizational structure and operation, such field councils
12 as it deems necessary to perform its function. It shall be the
13 function of the Council to collect, coordinate, and furnish
14 to the Secretary and to the Safety Advisory Committee any
15 information relating to safety of Federal employees which,
16 in the opinion of the Council, may assist the Secretary and
17 the Safety Advisory Committee in carrying out their func-
18 tions under this subsection, together with such recommenda-
19 tions as the Council may deem appropriate.

20 “(B) There is hereby established in the Department of
21 Labor a Safety Advisory Committee composed of nineteen
22 members selected by the Secretary from among the member-
23 ship of the Council. Not less than nine members of the
24 Safety Advisory Committee shall be representatives from

6

1 national and international Federal Government employee
2 unions and the Chairman of the Committee shall be a repre-
3 sentative of the Department of Labor designated by the Sec-
4 retary. The Safety Advisory Committee shall advise the
5 Secretary with respect to the development and maintenance
6 of effective accident prevention programs in the Federal
7 agencies and with respect to criteria, standards, and proce-
8 dures designed to eliminate work hazards and health risks,
9 and to prevent injuries and accidents in Federal employment.

10 “(C) The Federal Safety Council, reestablished pur-
11 suant to Executive Order 10990, dated February 2, 1962
12 (27 F.R. 1065), is hereby abolished.

13 “(4) As used in this subsection—

14 “(A) the term ‘Federal agency’ includes (i) the
15 executive departments, (ii) the Departments of the
16 Army, Navy, and Air Force, (iii) the independent
17 establishments and agencies in the executive branch,
18 including Government corporations and instrumentalities
19 of the United States wholly owned by the United States,
20 and (iv) upon the express consent of the Commis-
21 sioners of the District of Columbia and after publica-
22 tion in the Federal Register of a resolution by the Board
23 of Commissioners of the District of Columbia of such
24 consent, the municipal government of the District of
25 Columbia; and

1 “(B) the term ‘Secretary’ means the Secretary of
2 Labor.

3 “(5) The Secretary is authorized to prescribe such
4 regulations as may be necessary to carry out the purpose of
5 this subsection.

6 “(6) There are hereby authorized to be appropriated
7 such sums as may be necessary to carry out the provisions
8 of this subsection.”

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., October 5, 1965.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will acknowledge your request of September 14, 1965, inviting the Bureau of the Budget to comment on S. 2517, a bill to amend the Federal Employees' Compensation Act to improve its benefits, and for other purposes.

S. 2517 provides interim improvements in the Federal Employees' Compensation Act. These changes are designed to correct some of the inadequacies which have developed in the level of benefits since the Federal Employees' Compensation Act was last amended in 1949. Since the level of benefits was last set, consumer prices have increased by 31 percent and consequently the purchasing power of compensation awards has declined proportionately. This bill would restore the purchasing power of previous compensation awards and would adjust maximum limitations on future awards. The other major feature of this bill is the provision for continuing benefits to surviving children from age 18 until age 23 if the child is still attending school.

A second step to improve this program is being taken through an auxiliary study being conducted by the President's Cabinet Committee on Federal Staff Retirement Systems. This study is to be completed on December 1, 1965, at which time data should be available upon which to base long-range improvements in the workmen's compensation protection for Federal employees. The recommendation contained in the present bill would provide some relief to the present inadequacies of the program and at the same time not to curtail the consideration of the recommendations arising from this study.

Accordingly, Bureau of the Budget recommends enactment of S. 2517.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 11, 1966.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, 4230 Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of March 30, 1966, requesting the views of this Office on S. 3154, a bill which would amend sections 9 and 40 of the Federal Employees' Compensation Act to permit the use of chiropractors.

The Secretary of Labor is recommending against this bill in the report being made to your committee.

The Bureau of the Budget concurs with the views expressed in the Department of Labor's report on S. 3154, and accordingly recommends against enactment of the bill.

Sincerely yours,

WILFRED H. ROMMEL,
Acting Assistant Director for Legislative Reference.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 12, 1966.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, 4230 Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report from the Bureau of the Budget on S. 3253, a bill to amend section 33 of the Federal Employees' Compensation Act so as to provide for the establishment of a Federal employee accident prevention program.

S. 3253 would direct the Secretary of Labor to promulgate safety and health standards, to develop safety programs, and to take other specified actions designed to reduce the incidence of occupational accidents and injuries to Federal employees. The bill would also replace the currently permissive provision in the act under which the President has established the Federal Safety Council by a provision establishing a similar Council.

The Bureau of the Budget believes that the objectives of S. 3253 can be attained more effectively under existing authorities. To this end, the President, in February 1965, launched Mission Safety-70, a program to achieve a 30-percent reduction in Federal employee accidents by 1970. Pursuant to his request the agencies have reported to the President on their activities and have also described their plans to improve their safety programs. Preliminary indications are that Mission Safety-70 has already had a salutary effect on the frequency of accidents involving Federal employees. We look forward to greater progress.

The Bureau of the Budget has set forth the policy of the executive branch on interagency committees in Circular No. A-63. As indicated by that circular, the administration generally opposes the establishment of such committees by legislation. This policy is designed to permit maximum flexibility in determining the membership, functions, and duration of interagency committees.

For the foregoing reasons, we recommend against favorable consideration of S. 3253 as its enactment would not be consistent with the administration's objectives.

Sincerely yours,

WILFRED H. ROMMEL,
Acting Assistant Director for Legislative Reference.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 12, 1966.

HON. LISTER HILL,
*Chairman, Committee on Labor and Public Welfare,
U.S. Senate, 4230 New Senate Office Building,
Washington, D.C.*

DEAR MR. CHAIRMAN: This is with reference to H.R. 10721, a bill to amend the Federal Employees' Compensation Act to improve its benefits, and for other purposes, which is now before your committee.

The purpose of H.R. 10721 (when proposed by the Department of Labor in 1965) was to provide interim improvements in benefits for employees injured on the job, primarily by increasing the maximum benefits in relation to the change in the cost of living since 1949. However, the House of Representatives made a number of changes designed to convert H.R. 10721 to a long-term adjustment in the Federal Employees' Compensation Act, for example, by providing for subsequent adjustment of awards in relation to future changes in the Consumers Price Index. We have carefully considered the bill, as passed by the House, and believe that the changes are generally desirable—except for those relating to the changes in the minimum and maximum benefits.

The bill as introduced would have increased the maximum benefit from \$525 to \$680 per month. The bill as amended by the House would provide a maximum benefit of \$1,397.81 per month (\$16,774 per year), which is more than double the maximum benefit provided in H.R. 10721, as introduced. In view of the tax-free status of benefits, as well as the need to maintain comparability with other Government benefit programs, such as the military survivorship program, we believe a maximum of this amount cannot be justified. Therefore, we urge the adoption of the benefit formula proposed in the testimony of the Department of Labor on May 3 before your Subcommittee on Labor. While this formula would result in lower benefits for high-salaried employees than under the House-passed bill, they would be substantially higher than under the introduced bill. Furthermore, it would provide identical benefits to those under the bill before your committee for all employees up to GS-13.

The approach proposed in the Department of Labor testimony uses a so-called bent formula, under which credit is given for a lower proportion of higher salaries. Such a bent formula is now used in computing OASDI, VA dependency and indemnity compensation benefits, as well as family allowances under the present Federal Employees' Compensation Act. Under this approach, the fixed limitation on benefits would be eliminated; and all of the worker's salary which did not

exceed the base of GS-13, and one-third of any remaining salary, would be used as the wage base for computing benefits. In this manner, the wage-relatedness of compensation benefits would be continued through the higher grades, but without introducing excessive benefits for high-salaried employees. For example, in the event of the total disability of a GS-18 employee with dependents (current salary of \$25,382) the proposed formula would yield benefits of \$12,600 per year, calculated as follows: all of the wages up to the base of GS-13, or \$12,510, and one-third of the remaining \$12,872 salary, or \$4,291—for a total wage base (for purposes of computing benefits) of \$16,801; against this wage base, the same 75-percent formula which is in the present statute would be applied (but without fixed limitation) to calculate the total benefit of \$12,600. (This would be double the maximum award under the present statute.)

The minimum benefit provision contained in the House-passed bill would allow the full salary of a GS-2 in cases of total disability. This is probably an error because, in the event of death, survivors would not receive more than 75 percent of a GS-2 salary. We recommend that the bill's minimum benefit for survivors be applied to disability cases as well, inasmuch as both have been subject to the same minimum heretofore. The defect in the bill arises from making \$3,81V per year a minimum total disability benefit rather than the minimum wage base for computing benefits.

There are a few other minor problems in the bill on which we think some action is desirable. Staff of the Bureau and of the Labor Department would be available to work with committee staff toward that end.

If amended as recommended above, the enactment of H.R. 10721 would be consistent with the administration's objectives.

Sincerely yours,

W. H. ROMMEL,

Acting Assistant Director for Legislative Reference.

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, May 2, 1966.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare
U. S. Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This is in further response to your request for comments on S. 3154, a bill, to amend the Federal Employees' Compensation Act so as to permit injured employees entitled to receive medical services under such act to utilize the services of chiropractors.

As you know, on August 20, 1965, we reported to you on S. 530 and S. 744, bills which are similar to S. 3154. We opposed the enactment of these bills pointing out, among other things, that chiropractors usually lack hospital privileges and that there are statutory limitations upon their prescription of drugs or medicines in most States. In addition, we noted that it was not necessary to amend the act to permit treatment by chiropractors. Their services may now be used when they are recommended by and carried out under the direction of a U.S. medical officer or a duly qualified physician trained and licensed to engage in the practice of medicine.

The present bill is broader than S. 530 and S. 744 in that it would not limit participation of chiropractors to cases of injuries involving strains or sprains, as in the case of S. 530 or to "spinal adjustment by hands and spinal X-rays" as would S. 744. It follows from this that objections to S. 530 and S. 744 apply with greater force to the proposed bill.

Please consider our report on S. 530 and S. 744 as an expression of our views on S. 3154.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 20, 1965.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to your request for comments on S. 744 a bill to amend the Federal Employees' Compensation Act so as to permit injured employees entitled to receive medical services under such act to utilize the services of chiropractors, and S. 530, a bill to amend sections 9 and 40 of the Federal Employees' Compensation Act, as amended.

These bills would amend sections 9 and 40 of the Federal Employees' Compensation Act to grant statutory authority to duly qualified chiropractic practitioners to participate on an equality with physicians of medicine and osteopathic physicians in prescribing and recommending medical services, appliances and supplies for beneficiaries under the act.

In general, chiropractors, where licensed to practice under State law, are prohibited from the practice of surgery, and the administration or prescription of drugs or medicines. In addition to such statutory limitations, they usually have no hospital privileges. In view of these restrictions, it is doubtful whether Federal employees who sustain personal injuries in the course of their employment would be able to get adequate medical treatment under this particular theory of healing.

Moreover, the Federal Employees' Compensation Act does not preclude the use of chiropractic services in appropriate cases. The services of chiropractors, physiotherapists and other specialists may be used where recommended by and carried out under the direction of a U.S. medical officer or a duly qualified physician trained and licensed to engage in the practice of medicine. In view of this fact, it is not necessary to amend the act to permit the use of such services.

We note that S. 530 differs from S. 744 in that S. 530 limits chiropractic services to cases in which an injury involves a strain or a sprain. However, after carefully considering this difference, we are of the opinion that S. 530 is still subject to the above objections. Certain ailments which are entirely unrelated to strains or sprains are sometimes first manifested by the same symptoms. In such situations we doubt that a person who is not a medical doctor would be the best qualified to correctly diagnose the illness or to prescribe treatment therefor.

For these reasons, we are opposed to the enactment of these bills.

The Bureau of the Budget advises that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

Senator RANDOLPH. I call attention to the excellent statement of Senator Warren Magnuson. He is testifying on Senate 3154. He had hoped to be present but he is unable to be here because of a difficult schedule. Without objection we shall consider Senator Magnuson's statement not for insertion but placed as if it were read. (The statement of Senator Magnuson follows:)

**STATEMENT OF HON. WARREN G. MAGNUSON, A U.S. SENATOR
FROM THE STATE OF WASHINGTON**

Senator MAGNUSON. Mr. Chairman, I want to thank you and the members of your subcommittee for extending me this opportunity to testify in favor of my bill, S. 3154. This measure would amend the Federal Employees' Compensation Act so as to permit injured employees entitled to receive medical services under such act to utilize the services of chiropractors. I have cosponsored this proposal because I believe that in those States where chiropractic is a licensed healing profession, the individual choice on the part of the patient should prevail.

The purpose of my bill is expressly to permit Federal employees who are injured in the performance of their duties and are entitled to receive medical care at Government expense under the Employees' Compensation Act, to utilize the services of chiropractors.

Forty-seven States, Puerto Rico, the District of Columbia, the Canal Zone, most provinces in Canada—all have licensing laws which recognize chiropractic as a healing profession.

The public is utilizing services of chiropractors in ever increasing numbers. A large and growing number of people are convinced that the chiropractic method of treatment affords better means for the remedy and care of certain illnesses and injuries. Also, the chiropractic profession has been carrying on continuous and successful efforts to raise its educational requirements and professional standards.

Many Federal employees suffering injuries utilize the services of chiropractors. The Government is penalizing those employees injured in performance of their duty by causing them to pay for chiropractic treatment—even when such treatment hastens the employees' return to duty and reduces the cost of the injury to the Government.

It has been said that the Employees' Compensation Act gives the Commission discretion to permit the services of chiropractors to be utilized at Government expense. However, the Commission has so administered the law that the services of the chiropractor have to be recommended by a U.S. medical officer or a duly qualified physician. Experience has indicated that recommendation for chiropractic treatment is rarely, if ever, made by a medical doctor.

The Employees' Compensation Appeals Board is consistently denying Government employees the services of chiropractors. I am personally familiar with a case of several years ago where an employee received treatment from a chiropractor. He went back to work promptly. The chiropractor's bill for professional services in the amount of \$6 was turned down for payment by the Federal Government. In deciding the case, the chairman of the three-man Appeals Board stated: "If we can stay with the law, as I understand it, I think your remedy is with the legislature."

The Appeals Board has consistently refused relief to Government employees, claiming that their remedy is with the legislature and that the present act denies a free choice of the healing arts.

For the above reasons, Mr. Chairman, I have cosponsored and am supporting S. 3154. I respectfully urge your committee to act favorably on our proposal.

Senator RANDOLPH. Now it is my personal privilege to extend a welcome to our hearing to the Honorable Esther Peterson, Assistant Secretary for Labor Standards. Mrs. Peterson, you are going to introduce the persons who accompany you so that our record will be complete and then the subcommittee members might wish to question or at least confer with your assistants.

STATEMENT OF HON. ESTHER PETERSON, ASSISTANT SECRETARY FOR LABOR STANDARDS, DEPARTMENT OF LABOR, ACCOMPANIED BY THOMAS A. TINSLEY, DIRECTOR, BUREAU OF EMPLOYEES COMPENSATION, AND MISS CAROL COX, OFFICE OF THE SOLICITOR, DEPARTMENT OF LABOR

Mrs. PETERSON. Before we begin officially, if I may just add my word, Senator Randolph, to the remarks that you so beautifully stated at the beginning of the hearing.

I must state it is with a bit of a heavy heart today that I come before you, having appeared before Senator McNamara on many issues of mutual concern. Memories of his great warmth and feeling for people come to mind vividly today.

It seems to me we do great honor to him to proceed with this work in which he believed so deeply. As you have pointed out he expressed an interest in the Federal Workmen's Compensation Act by introducing one of the bills we have before us today.

Senator RANDOLPH. Mrs. Peterson, we gave some thought to the canceling of the subcommittee hearing but we felt that this would not be in the character of Pat McNamara when he was in the Senate. He would wish us to proceed.

Mrs. PETERSON. Exactly, and therefore it is not only with a heavy heart but also with the feeling that this hearing is the kind of thing that would give him pleasure, that we proceed today. I have Tom Tinsley, director of the Employee Compensation Bureau, who administers the Federal Employees' Compensation Act and who has over 20 years experience with the intricate working of this act.

I have with me also Carol Cox from the Office of the Solicitor. The two of them I am sure will be able to help us on any of the technical points that come before us.

I am pleased to speak in support of improvements in the Federal Employees' Compensation Act which provides benefits for Federal employees who are injured in employment. The principle of this law, to provide wage replacement for disabled employees or their survivors in fatal cases, was first inscribed in our Federal statutes in 1908 as to certain employees. In 1916, it was extended to all employees.

What I am pointing out is that we made a start with a gradual evolution of improvement and have moved ahead in the principle of wage replacement for workers who are injured in employment.

It is now almost 17 years since the Compensation Act has been revised in any broad way. It is unbelievable that the vast economic changes in that span of time have not prompted improvements in keeping with these changes.

Thus, today the reasonable hope of Federal employees that they or their survivors will have a decent income when employment causes disability has proved in many instances, to be only a sad illusion.

We are greatly encouraged however, that this situation will soon be corrected. The passage of the Hathaway-O'Hara bill by the House of Representatives and the prompt consideration your committee is now giving the amendments it proposes to the FECA point to the probability of needed corrective legislative action.

It seems appropriate now that one of the bodies has acted on this bill, that we should proceed with that measure. This bill before you, H.R. 10721, proposes a variety of well-thought-out improvements in our Federal workmen's compensation program. These improvements are grounded either in persuasive principles of equity or greater administrative efficiency.

The amendments are addressed, not only to improving compensation standards, but also to providing a mechanism for future increases in awards, as the cost of living rises. Further, the bill would raise the level of benefits for the beneficiaries on the rolls when the bill is enacted in relation to the cost-of-living advance since the last adjustment in awards was made by the Congress.

Other amendments would make changes of a more limited, but extremely significant import.

It is these areas I want to go into a little more in depth.

One major change is needed and some perfecting amendments or modifications of H.R. 10721 may be found to be necessary. In the main, however, the Department of Labor endorses the bill and urges the favorable consideration of your committee.

The most out-of-date provision in the FECA is that which places an absolute limit of \$525 a month, or \$6,300 a year, on benefits. This is the maximum amount which may be drawn by a totally and permanently disabled Federal employee or by his survivors if an injury proves fatal. Typical of workmen's compensation acts, the FECA also specifies a maximum percentage of monthly pay which may be reflected in benefits.

An employee without dependents, the act states, may receive up to 66½ percent of his monthly pay when disabled, or 75 percent if he has one or more dependents. The dollar limit, however, negates this percentage for many employees. It is readily seen that the percentage of wage restoration diminishes as the salary scale goes upward.

When the \$525 limit was set in the FECA in 1949, 99.4 percent of all Federal employees when deprived of earnings by employment injury could receive the full 75 percent entitlement which the act specifies. Today, less than 85 percent can draw this entitlement. The inadequacy of this static limit is demonstrated by other graphic facts. In 1949, the top salary for classified employees was \$10,330. Now it is more than double, \$25,382. Since 1949 the Consumer Price Index has increased by almost 35 percent. The amount of \$525 must, therefore, be stretched in some magical way to meet the mounting cost of living of which the unchanging maximum takes no account.

H.R. 10721 provides that 75 percent of an employee's salary may be drawn up to the top of a GS-15, which is \$22,365 a year. This would give a benefit of \$16,773.75 a year, more than double the amount in the bill as introduced.

Our position is that a liberalization of the maximum is imperative. We desire, of course, to restore a disabled employee's wage lost to the largest extent that can be justified. We do have reservations, however, as to the proposed maximum. The benefit is without income tax or retirement reduction.

The increased benefit, if H.R. 10721 is enacted, would be accompanied by other liberalizations which would be valuable in monetary terms and involve additional expense to the employee's compensation fund. Further, the proposed benefits would be out of line with such

important other Government-benefit programs as the military survivorship program.

Because of these facts a more moderate limitation would, in our opinion, be desirable. We recommend, therefore, that an approach which has been used in other programs be adopted. Under this approach the full 75 percent would be permitted up to the base of a GS-13, which is \$12,510. This would provide a benefit of \$9,382.50 a year.

For higher paid employees, an additional 33 $\frac{1}{3}$ percent of the remainder of their salary above this sum should be taken into consideration in computing their compensation benefits. This would permit an award of close to \$13,000 per year to a GS-18 employee with a family.

The important point, Senator, is that the principle of this law is a wage replacement law. In the past, the fixed dollar maximum has been static approach despite wage increases. The approach we suggest to place the amount of the base figure up to the bottom of 13 but allowing the 33-percent add-on above that, seems to me to reestablish the principle which is important. The principle that was written into the law when the law was first passed is the wage replacement theory.

That principle requires that there must be flexibility, that we cannot freeze maximum compensation to a static amount. We must have a flexibility to move the maximum as our economy changes.

Then there is the other principle of the 33 $\frac{1}{3}$ -percent add-on. This shows that we do believe as a Government that the people in the higher brackets have a right to replacement of wages correlated to their salary when the cause of their loss of wage-earning capacity is an injury related to job activity.

H.R. 10721 has a built-in feature to prevent awards from lagging farther and farther behind the cost of living as the economy moves forward. The bill provides that whenever the Consumer Price Index advances by as much as 3 percent after an adjustment of awards has been made, and holds that level for as long as 3 months, the Secretary of Labor will increase existing awards by such percentage increase. The pattern of the CPI in the past 5 years or so has been to advance by a percentage of some 1.3 percent a year.

Based on this pattern, awards under H.R. 10721 stand to be increased every two and a half to 3 years. Again, what I am saying is that it gives a built-in flexibility so that the law automatically could adjust to the changes that take place in the economy.

The bill also provides for an updating of awards on the books when the amendments are passed. Increases would be authorized by the advance in the CPI since 1958 when Congress granted the last increase to old awards. The proposed increase, I believe, would aggregate about 11 percent.

On the benefit side, the O'Hara bill has another progressive feature. Surviving children of deceased employees, if they are full-time students when their supporting parent dies from Federal employment injury causes, will be permitted to continue to draw compensation under the FECA until they reach the age of 23 or have had 4 years of schooling beyond high school.

This provision has great merit. As Secretary Wirtz has so often pointed out, the lack of education in today's industrial world is a handicap of tragic proportions.

I think in keeping with our philosophy, that we want to do everything we can to be sure that all students attain the maximum of their educational possibility and that they not be handicapped in attaining this if they have the loss of support from their parents to which they were accustomed.

We look with favor upon the provision of the O'Hara bill which would authorize claimants under FECA to request administrative hearings before a representative of the Secretary for a review of the initial adjudication of his claim. The hearings would be informal in nature and the claimant would be notified in writing of the Secretary's decision and its rationale. This would be an interim review and would not prevent the employee from appealing to the Employees' Compensation Appeals Board for a final decision, as he may do under present law. The record of the hearing would tend to facilitate any proceedings of the Board.

I would even like to add a personal note. In my position from the correspondence which goes over my desk I am really amazed and very keenly aware of the work that the Bureau of Employees' Compensation now does to make understandable to the claimant what their rights are and why in some cases they are not able to get compensation under the law.

But it is a very human thing, to want to understand situations affecting one's rights. It seems to me that the provision for hearings would be a help in bringing this understanding to the claimant in many cases.

As the committee knows, employment injuries which are compensable under the FECA are often caused by the negligence of third parties. Drivers of Government vehicles, for example, may be injured by drivers of other cars. In these cases, compensation is paid as soon as the claim of injury growing out of employment is established. The employee is then usually requested by the Department to seek to collect the third party's liability through settlement or court action.

The FECA provides that the amount of recovery must be used to pay the expenses incurred, such as attorney's fees and court costs, and to repay the Government for the compensation the injured employee has drawn. The balance, if any, may be retained by the employee but is set up on the Government compensation records against any further compensation which may become due by reason of the injury. To compensate the employee for his trouble and inconvenience in pressing collection, H.R. 10721 provides that the employee may retain one-fifth of the recovery after payment of expenses.

Further, under the bill he may also retain from the recovery, an amount which represents attorney's fees proportionate to the repayment of compensation to the Government.

The lump-sum payment of 24 installments of compensation which would be permitted to widows or dependent widowers upon remarriage, is preceded by similar provisions in many other workmen's compensation laws and Federal survivorship programs.

The increase of an attendant's allowance from \$125 to \$300 a month for disabled employees, who are helpless, is much needed then in order to secure reasonably desirable assistance for these employees.

It is important that Federal employees under retirement systems other than civil service, of which there are 11, be permitted to have the same rights as civil service retirees under FECA. This result,

H.R. 10721 would accomplish by permitting all retirees to receive retirement benefits at the same time they receive scheduled awards for loss of members of or functions of the body.

These awards are paid for a specified number of weeks, are not related to wage loss and may be paid even after an employee returns to work. The bill would also permit all retirees to receive medical care, attributable to employment injuries, after they have retired.

The technical amendment proposed to authorize the Secretary of Labor to make rules regarding mode of proof and time limitations in foreign claims cases would establish as substantive legislation a provision which Congress put in the Labor Appropriation Act because of a situation with respect to foreign claims.

The Department has been asked repeatedly by the Appropriations Committee to propose substitute legislation as an amendment to FECA in order that the authorizing provision could be removed from the Appropriation Act.

An amendment is also proposed to allow employees with partial loss of members or functions of the body to draw a scheduled award and also a loss of wage-earning capacity benefit when the scheduled award has been exhausted. This also applies to those cases where other bodily impairments are involved.

In more simple terms, it would place an employee with a partial loss in the same relative position as an employee with a major loss.

During recent years, Congress has demonstrated its concern for the welfare of employees by many types of different legislation. Training, equal pay, fair employment, to name a few. It is in keeping with this concern that Congress should look closely at the economic plight of the injured Federal employees and give them a firmer helping hand.

We are concerned here with the distinctive situation of employees who by reason of injuries incurred in employment can no longer earn. Whether the condition is temporary or permanent, it is unforeseen and therefore cannot be planned for. We urge that the Congress amend the FECA so that the wage replacement will help employees to meet the contingencies of economic stress which follow the misfortunes of disabling injuries.

Senator RANDOLPH. Thank you very much, Mrs. Peterson. This statement is helpful information and has elements of counsel that members of the subcommittee certainly will want to consider.

I was especially interested in that part of the statement which had to do with H.R. 10721. That was the provision which had your commendation for continuing the education of dependents through age 23. Now it is my understanding that this provision is only for the dependents of deceased persons.

Would you favor an amendment that would extend these benefits to dependents of disabled persons? I think this is a very important point.

Mrs. PETERSON. I think this is important, Senator, and I would favor that.

Senator RANDOLPH. Tell us why.

Mrs. PETERSON. I think it is very important that the child is not prevented from continuing his education, whether a fatal case or disability case is involved. Anything that prevents a child from proceeding with a reasonable expectation of an education is regrettable.

Senator RANDOLPH. Thank you. I am in agreement with you on this matter. I wish to make this point as a clarification.

Mrs. PETERSON. Yes.

Senator RANDOLPH. Now in the same bill (H.R. 10721) we think in terms of section 7(b) that amends the section 10 of our Federal Employees Compensation Act by adding a new paragraph, designated "(M)", to the guidelines that would be issued under a broad definition of educational institutions. The Department of Labor as I understand it has responded to this subject matter during the House hearings?

Mrs. PETERSON. Yes.

Senator RANDOLPH. I found that on pages 22 and 23 of the House hearings that matter was discussed. I presume that the Department of Labor has that viewpoint today as it did during the hearings in the House but I think we would want to State the position again.

Mrs. PETERSON. Very definitely. I would say that those guidelines would hold. I think it is well to note that the Secretary of Labor has the responsibility to be sure that educational institutions that would really serve the student well would be approved.

Senator RANDOLPH. Yes. Because you do speak about the requiring of evidence of an accreditation of an institution.

Mrs. PETERSON. Yes.

Senator RANDOLPH. So that its courses would not be fly-by-night, hit and miss.

Mrs. PETERSON. Exactly.

Senator RANDOLPH. They would be courses where there was a genuine background of teacher effectiveness and the course itself would be presented in such a way as to bring proficiency to the person who was in the process of training.

Mrs. PETERSON. That is correct. As you know we have some institutions better than others and have guidelines which do require evidence of accreditation which is a very important safeguard for these young students.

Mr. RANDOLPH. I am sure, Senator Fannin and I, as we were students in educational institutions, remember not only those teachers who were proficient but also those teachers who inspired us. I think it is important that the teacher be not only an informative teacher but an inspired teacher. In this way we will build into the person in a course of study not just the aptitude but also the attitude. This to me is very, very important.

I don't want to belabor the point but if it is old fashioned to talk about the need for persons to really dig in and to learn I would like to be old fashioned this morning.

I think one of the problems, perhaps not only of the parents but teachers, is that the tendency to provide too many shortcuts by which students skim the surface and don't get the full benefit from what they are attempting to learn.

I hope that the tools of labor, whatever those tools may be, will be used by young people and older people who realize that as we utilize these we will remember always that we must apply ourselves.

I just hope that sometimes in our curriculums of abstract subject matter we will remember that this is very important.

Mrs. PETERSON. As a former teacher, Senator, I may say that I endorse completely what you say.

Senator RANDOLPH. Thank you very much, Mrs. Peterson. And a final question. I recall from the testimony of Representative Edwards of Alabama during the debate in the House that the question was raised concerning this same section, section 10(M), providing the student must not have a break longer than 4 months in his process of education, if he or she were to receive benefits.

I believe that that was raised in the debate. At that time Representative O'Hara, who was the manager in the House of H.R. 10721, made it very clear, that the student shall continue to be eligible, and he used the language "during periods of reasonable duration during which in the judgment of the Secretary he is prevented by factors beyond his control from pursuing his education."

I believe that was the quote.

Now, Mrs. Peterson, in your opinion is this language strong enough or appropriate enough to cover the student who intends to continue education but must go beyond the formal period because of situations or circumstances which are uncontrollable?

Mrs. PETERSON. I feel that it is. Let me give you some reasons for it. Let me say also that I think it is an extremely important provision. I know with my own children and my experience in teaching how very frequently there have to be interruptions which would be possible under this law as changed along the recommendations that Representative O'Hara has made. So I endorse this very much.

I think we are in good hands when we say the judgment of the Secretary will be exercised in permitting school breaks. May I say right now especially, in the judgment of this Secretary. I know working with Secretary Wirtz one of the things that is uppermost in his mind is that we recognize today the importance of education and that we extend education as far as possible.

We should see that every person, every child has the possibility of going on in education, because we, in that way, can meet the future. I am positive that the guidelines that would be established under this bill would make it possible for the student to do this.

Senator RANDOLPH. Thank you, Mrs. Peterson.

Now we have addressed our questioning and answers to three points. I could continue but I believe matters have been clarified through your useful responses that supplement the formal statement.

Mrs. PETERSON. I thank you for your comments on those points because I do not have those in my statement.

Senator RANDOLPH. Now Senator Fannin.

Senator FANNIN. Thank you, Mr. Chairman.

I would like to ask the Secretary a couple of questions. To expand on the matter of the educational training institutions, as I see it in this legislation, there is a variance from the Social Security Amendments of 1965, Public Law 89-97 which specifically defines an "educational institution"—you no doubt are familiar with that, but would you like me to read just exactly how it is defined, or are you familiar with that definition?

Mrs. PETERSON. I am not but I will be glad to look into this.

Senator FANNIN. Just to clarify and I am sure you are familiar with this—I did not mean it in that category—but the Social Security Act defines an educational institution as—

(i) a school or college or university operated or directly supported by the United States, or by any State or local government or political subdivision thereof, or

(ii) a school or college or university which has been approved by a State or accredited by a State-recognized or nationally recognized accrediting agency or body, or (iii) a nonaccredited school or college or university whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited.

I am wondering why the difference? In other words, should not these guidelines be stipulated in this legislation? Would it be in order for us to follow and be consistent with what is in the Social Security Act, to follow through rather than simply to say "an educational or training institution as defined by the Secretary," so as to stipulate them in the legislation?

Mrs. PETERSON. I think spelling it out with that detail might have some advantages certainly. I think that there really is no conflict between them. The accreditation does bring this in in its fullness. I think it complicates the law a great deal if you spell out the conditions with such precision. Under the Hathaway-O'Hara bill we have the authority to require evidence of accreditation. Now one never knows what kind of situation might develop. I don't know whether Miss Cox might want to add to that.

Miss Cox. We considered the provisions of other laws on this point. The provision in H.R. 10721 seemed to be a more flexible way of handling it and easier to administer.

Senator FANNIN. Miss Cox, I understand from what Mrs. Peterson said that the intent may be the same, but at the same time the interpretation might vary. Would not definitely stipulated guidelines strengthen the legislation?

Miss Cox. We could look at it further, Senator.

Senator FANNIN. You would have no objection to that change?

Mrs. PETERSON. I think that I would like to look into this thoroughly and read the guidelines and see how they work out before I am sure. Why don't we submit further comments to you. Let me look at the social security provisions carefully and see how they operate. I think it is terribly important to be sure before we commit ourselves. We want flexibility. We want to be sure that these children get the best possible education.

We don't want the limitations. I would like an opportunity to examine the social security guidelines to see how they have operated.

Senator FANNIN. In other words, if it would give clarity and intent to have these guidelines stipulated along with what you think would be in order, the purpose you have just stated?

Mrs. PETERSON. Yes. May we look into this? I would be glad to do this. I would like to reserve the right to examine them closely.

Senator FANNIN. Would you want to supply a statement for the record?

Mrs. PETERSON. Yes, I will be happy to do this.

(The information subsequently supplied follows:)

MEMORANDUM FROM THE DEPARTMENT OF LABOR ON CONCEPT OF EDUCATIONAL OR TRAINING INSTITUTION UNDER H.R. 10721

The Department has again examined section 7 of H.R. 10721 in the light of the language of the Social Security Act provisions relating to student benefits.

The purpose of prolonging benefits to permit children of FECA beneficiaries to continue in school is to allow and encourage them to acquire education or training necessary to a livelihood. The Department believes that this purpose can be best achieved by vesting in the Secretary of Labor the authority to approve schools. A

technical definition of "educational institution," could serve unreasonably to nullify in some cases the intent of the provision. Whether the broad spectrum of education and training we visualize will in every instance meet rigid school standards in this era of changing technology and jobs, we cannot at this time determine with any certainty. We are, therefore, reluctant to endorse a definition of schools which may be unduly restrictive.

Tentative guidelines furnished at the hearings before the House Select Committee by the Solicitor in connection with eligibility of children to complete education under H.R. 10721 are still within the contemplation of the Department. They read in pertinent part, as follows:

"'Educational institution' would be defined generally as public or private secondary school, vocational school, or approved training program, business school, junior college, teacher's college, college, normal school, professional school, university, or scientific or technical institution, or any other institution if it furnishes education at the secondary school level or above.

"The Secretary of Labor may require evidence of accreditation of an educational institution or approval of a training course or such other evidence as he may deem appropriate to establish that the institution or course meets a desirable standard of educational or training proficiency."

The provision relating to student's benefits in section 306 of Public Law 89-97, which amends section 202(d) of the Social Security Act, is written primarily in terms of accredited schools, colleges, or universities. On its face, it would not appear to comprehend, or give any latitude for, training courses or technical courses which, while they might be vital in many instances to secure a job opportunity, would not meet a formal established school accreditation system.

It is evident from the guidelines submitted to the House Select Labor Subcommittee that the Secretary's approval of a school, even though not bound up with a fixed definition, would be predicated on compliance with sound and realistic educational or training standards. We believe the safeguard of approval of only proper schools is implicit in H.R. 10721, as well as, the potentiality of its meeting sustained educational and training needs of eligible students on a broad basis.

Flexibility is especially important with respect to provisions of the FECA since, as the record well shows, it is so infrequently amended.

Senator PROUTY. Mrs. Peterson, I am sorry I was not here when you were presenting your statement.

You understand we have many things to do. I have not had a chance to go through all of your statement. However, I understand that you have recommended one change in the House approved bill?

Mrs. PETERSON. Yes.

Senator PROUTY. I think I understand that recommendation, and I have no further questions.

Senator FANNIN. I do want to commend you for your statement and your clarification and explanation in several instances where questions did arise. Do you feel that this legislation will bring the Federal program into line with what is now in existence in private industry?

Mrs. Peterson. I don't think you can parallel them exactly. There are different plans in the private industry. The thing that this program would do is to bring up to date what was the intent of Congress when the FECA was passed. I would not want to compare it specifically because there are so many varied plans.

Senator FANNIN. I realize that. But you feel that this proposal is acceptable, would be more in line with what has been customarily accepted by industry and business?

Mrs. PETERSON. I would say that it would certainly bring it more in line with what the big employer would consider equity. I have not examined those enough to make an exact comparison.

Senator FANNIN. Certainly. But we could consider this as a matter of comparison with other programs?

Mrs. PETERSON. I think some far exceed this and some are far below. We have in our country a great deal of flexibility in the way different firms and different industries handle questions of disability benefits.

Senator FANNIN. I realize that but at the same time we do have programs in industry that are considered as fairly standard.

Mrs. PETERSON. I would say yes to that, this would be putting it in line with a reasonable program.

Senator FANNIN. Very good. And not in excess.

Mrs. PETERSON. No, this if fair.

Senator FANNIN. Thank you.

Senator PROUTY (presiding pro tempore). The next witness is Mr. John H. McCart, operations director, Government Employees' Council.

Thank you, Mrs. Peterson.

Mrs. PETERSON. It is good to see you.

**STATEMENT OF JOHN A. McCART, OPERATIONS DIRECTOR,
GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO**

Mr. McCART. Good morning, Mr. Chairman. My name is John A. McCart. I am the operations director of the Government Employees' Council, AFL-CIO. There are 30 unions associated with the council representing postal, classified, and wage board employees in the various Government agencies.

Mr. Chairman, we have supplied the subcommittee with copies of our prepared statement. With your approval I would like to have that statement appear in full in the record and to proceed extemporaneously to summarize it.

Senator PROUTY. Without objection your statement will be included in the record. Please proceed.

(The prepared statement of Mr. McCart follows:)

**PREPARED STATEMENT OF JOHN A. McCART, OPERATIONS DIRECTOR,
GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO**

Mr. Chairman and members of the subcommittee, the Government Employees' Council and its 30 affiliated unions representing employees in the classified, postal, and wage board services of the Federal Government desires to extend its appreciation to you and your colleagues for arranging this hearing on desirable changes in the Government's program for its employees who experience on-the-job injuries and the prevention of additional accidents, which result in compensation claims.

With the press of legislative business experienced by members of the subcommittee, it is particularly encouraging that you have scheduled this prompt hearing on a subject of vital concern to Federal employees and their families.

We are especially grateful to Senator Pat McNamara for introducing S. 2157 and to Senator Daniel Brewster for sponsoring S. 3253. Senators Harrison Williams and Warren Magnuson have offered S. 3154 relating to chiropractic services.

The last revision of the Federal Employees' Compensation Act occurred in 1960. Six years have elapsed. It is most appropriate that Congress undertake a comprehensive review of the statute to determine its application to the current needs of employees covered by the compensation statute and the Federal Government as the employer.

We propose to comment first on H.R. 10721.

Under section 5 of the Federal Employees' Compensation Act, an individual's compensation rights terminate as soon as he receives the amount the law provides for loss of an arm, leg, hand, where that loss is the sole disability. Despite the fact that his injury may affect his earning ability, he receives no further payments.

If the employee experiences multiple injuries involving loss of a member and other disabilities, he can continue to obtain compensation benefits for his loss of wage-earning capacity, but not for the scheduled award.

The bill under consideration corrects this inequity by permitting payment of the scheduled award and compensation for loss of wage-earning potential at the conclusion of the scheduled payments. We believe it is highly meritorious.

The council feels this revision of FECA will eliminate the disparity of treatment among employees who suffer a loss in opportunity to earn a living to the same degree as before the injury occurred.

In 1949, Congress fixed the maximum compensation payment available to injured Federal workers at \$525 a month. At that time, the \$525 figure was adequate to cover more than 99 percent of all Federal employees. A disabled Federal employee receives two-thirds of his monthly pay. If he has dependents, compensation payments may attain three-fourths of his salary. But in no case can they exceed \$525. Thus, today, less than 86 percent of the workers are covered.

From 1949 to the present, maximum salaries of Federal employees have advanced from \$10,330 to \$25,382. Yet the maximum compensation is limited to \$6,300 annually.

H.R. 10721 increases the present limitation to 75 percent of the maximum step of GS-15. For individuals in the lowest wage categories the first step of GS-2 would be the minimum benefit. However, employees earning less than that level would be entitled to their full base pay.

Use of GS-15 to determine the maximum payments available has two virtues. It will assure almost every injured employee that he will be able to receive regular compensation payments. The need to revise from time to time the present dollar limitation on maximum benefits is eliminated. Thus, there will be a continuing basis for relating benefits to the grade an individual occupies rather than the amount he earns. Future general pay adjustments for postal, classified, and wage board employees would not require a change in the maximum dollar level.

Insertion of minimum compensation payments in the new bill is a valuable addition because it assures those in the lowest wage levels—those who can least afford loss of take-home pay—that they will receive sufficient income to defray most normal living expenses.

It is unnecessary to emphasize the sheer inability of compensation recipients to even subsist on \$180 monthly or \$2,160 a year. Official administration sources have designated \$3,000 as the line between poverty and economic existence. From this standpoint, the adjustment to the entrance step of GS-2 is modest, indeed.

The bill adjusts from the present \$420 to his entire salary the pay to be used to determine the additional benefits an injured worker may secure because of dependents. The original House bill increased the figure from \$420 to \$546. We are pleased to note that the measure finally approved by the House adopts the principle of computing augmented compensation in the same manner as payments to the injured employee alone. This is a desirable change, which will guarantee equal consideration in both instances.

H.R. 10721 contains another important policy. I refer to section 6 prescribing reemployment rights for employees receiving compensation benefits.

Where compassion and genuine understanding are an essential part of operating a successful compensation system, it has been a constant source of wonder to us that so little has been done to provide employment opportunities for injured employees.

The underlying concept of compensation legislation is that income should be available during the period of job-related disability and that the employer should take every reasonable step possible to rehabilitate the worker. Included, of course, is the opportunity for the employee to resume work with the employer following maximum recovery.

Certainly in a Government as large as ours with as many diverse functions and occupations, it should be possible to secure injured employees reasonable consideration for reemployment with the Federal Government. While the bill gives no preferred consideration to individuals on compensation in relation to other displaced Government workers, it does assure those who incur on-the-job injuries that they will receive equal consideration.

One of the most desirable provisions of H.R. 10721 extends to age 23 the age at which surviving dependents may continue to receive compensation payments. Present law limits these benefits to age 18. With the increasing number of boys and girls continuing their education into college, 18 is somewhat unrealistic.

In addition, loss of benefits at that time may discourage or make it impossible for children of these disabled Federal employees to fully utilize their potential by higher education.

Generally, the Federal Government has recognized this principle in recent enactments by extending beyond 18 the age limits for benefits for surviving children of veterans, income tax, social security, civil service retirement, and health insurance programs available to employees of the Federal Government.

The economic plight of beneficiaries now on the compensation rolls is serious. There has been no adjustment since September 1960. Even that amendment to FECA was applicable only to injuries which occurred prior to January 1, 1958. H. R. 10721 provides that these benefits be recomputed on the basis of annual average Consumer Price Index changes since 1958. Future beneficiaries would be entitled to increases when the CPI rises 3 percent for 3 consecutive months. This action represents simple justice to injured Federal employees and their survivors, many of whom are wholly dependent upon compensation payments as their only source of income. I need not recite in detail the financial difficulties faced by the numerous citizens existing on fixed incomes geared to earnings many years ago. Compensation beneficiaries can certainly be counted in this number.

However, the council offers an alternative, which supplies a more satisfactory solution.

Relating the adjustment in compensation to the pay changes of active employees merits serious consideration by the subcommittee. The virtue of this approach is that it maintains the connection between the income of those on the payroll and those entitled to injury payments. In our view, this kind of formula would reflect wage changes more quickly and accurately. Moreover, it is consistent with the philosophy of compensation—continuation of income with the least economic hardship to the individual experiencing an on-the-job disabling injury, which prevents him from working.

The provision in section 11 for an informal hearing on compensation claims while they are under adjudication by the Bureau of Employees' Compensation is most desirable. The existing statute permits a hearing only if the employee appeals to the Board of Appeals. And such hearings are conducted only in Washington. As a consequence, many appellants throughout the country are physically unable to present their cases. For others it is impossible for them to afford the time and expense involved in traveling from their homes to Washington. Acceptance of this provision would enable the Bureau of Employees' Compensation to secure necessary information at first hand, and should reduce the necessity for many employees to carry their claims to the appeal stage. Our information indicates that a similar hearing process is common throughout State compensation systems.

An informal hearing is preferable because of the desirability of retaining consideration of claims as a nonadversary procedure. Provision for a formal hearing would make the action subject to requirements of the Administrative Procedure Act. In addition to introducing unnecessary legal factors, further delay in adjudicating claims could result. As you know, the time now elapsing between presentation and payment of claims is a pressing problem for the employees our unions represent.

Section 8 of the pending bill removes another conflicting provision in the Federal Employees' Compensation Act by providing a lump-sum payment to a widow or dependent widower beneficiary upon remarriage. The language is designed to eliminate the present discrepancy, which permits such individuals to continue receiving compensation benefits upon the death of the legal spouse by simply omitting the formal marriage procedure and continuing to live with another spouse.

Compensation beneficiaries who are disabled to the extent that they must have a full-time attendant experience great difficulty in securing the services of these skilled aids. The present monthly allowance of \$125 is totally inadequate. Adoption of the increase in this allowance to \$300 monthly will do much to alleviate the situation where beneficiaries are unable to obtain this necessary assistance.

The council desires to emphasize the need for substantial changes in the Federal Employees' Compensation Act in addition to those found in H. R. 10721.

For example, an injured worker who presents a compensation claim for adjudication is not entitled to his regular salary or compensation benefits until his claim is processed. He may use leave during the waiting period, but his normal salary is discontinued. In addition, the employee may not receive compensation for the first 3 days of temporary disability unless the disability continues for more than 3 weeks or becomes permanent.

A Federal employee who is paid compensation benefits is not entitled to earn sick and annual leave during the period he is on the rolls of the Bureau of Compensation.

The time between submission of an injured worker's claim and completion of the Bureau's consideration is precisely the period when the individual is experiencing considerable financial strain. Claimants should be permitted to continue receiving regular pay while the case is under consideration. We believe this principle is a justified improvement in the Compensation Act.

The existing Annual and Sick Leave Act permits Federal workers to continue earning these two types of leave while away from work using their leave. However, an individual who is on leave without pay status and is also receiving compensation payments may not earn annual or sick leave. Obviously, an employee who is unable to work because of an injury incurred on the job should not suffer a reduction in his working conditions because of an occurrence beyond his control. The present laws are inconsistent in their treatment of Federal employees. An individual who has no leave available and must rely solely on payments under FECA is penalized. It is inequitable to apply a different rule on earned leave to the worker who has been injured on the job.

While addressing ourselves to the matter of processing claims, it is appropriate here to note the inordinate delay encountered by many injured workers in receiving compensation payments.

Evidence presented to the House Committee on Education and Labor indicates that an average of 7 weeks elapses between the time an employee is injured and the date his agency presents his claim to the Bureau of Employees' Compensation. An additional 1 or 2 weeks transpires before the claimant obtains his first payment.

For individuals and families the period immediately following an accident may be crucial from the standpoint of expenses. Any interruption in receiving a regular paycheck—particularly at the reduced rate of compensation—can work a significant economic hardship on a worker and his dependents.

We are most pleased to note that President Johnson has directed agencies to review their claims-processing methods in order to substantially reduce this waiting period. Further, the House committee has communicated with all agencies urging immediate attention to this serious problem.

And now, Mr. Chairman, I will devote the remainder of these comments to a vital element in any successful compensation program. I refer to the improvement needed in the Federal Government's safety program as a means of reducing injuries, suffering, compensation costs to the Government and economic hardship to employees and their families.

The bill introduced recently by Senator Brewster is designed to establish a coordinated safety program among Federal agencies. The purpose of S. 3253 is twofold:

- (1) To vest in the Department of Labor authority to develop and enforce the application of safety standards by Federal agencies;
- (2) To provide a statutory basis for the participation of employees in formulating the Federal Government's safety program.

President Johnson's inauguration of Mission Safety-70 on February 16, 1965, is evidence of his personal concern about the suffering and cost involved in injuries to Federal employees. The Government Employees' Council and the AFL-CIO have endorsed this program. We commend the President for his initiative in developing this plan to reduce accidents by 30 percent in the next 4 years.

During the past 20 years, considerable improvement has been achieved in the safety record of the Federal Government. But the prevention of accidents and injuries and consequent reduction in the suffering and cost involved must be a never-ending quest for the ideal.

In its report for calendar 1964—the latest information available—the Bureau of Employees' Compensation notes that the total direct cost of injuries is the highest ever recorded—\$39 million. This, of course, does not include indirect expenses, such as damage to machinery and equipment, and the value of lost production time.

During 1964, nearly 106,000 injuries were encountered by employees in Federal agencies. Lost man-days exceeded 2.7 million.

Deaths of 172 Federal employees were attributed to job-related injuries in 1964.

In each of the 9 years from 1956 to 1964 the frequency rate of injuries in private industry has been considerably below the Federal Establishment. Moreover, the reduction in the frequency rate has been much less in the Federal Government than in the private sector.

In fairness it must be noted that the Federal Government's performance in the field of severity rates is generally better than industry. However, progress in reducing this rate is much more substantial in private firms than in Federal agencies.

With the exception of general language in section 33(c) of the Compensation Act, there is no specific statutory charter governing the activities of the Secretary of Labor in the Federal safety field. And there is no general statute describing objectives for Federal agencies in developing their safety programs.

S. 3253 remedies this situation by outlining the responsibilities of the Secretary of Labor and Federal agencies in providing minimum safety standards and safe working conditions.

It constitutes the Federal Safety Council and authorizes union membership on it and a Federal Safety Advisory Committee to assist the Secretary of Labor in attaining the objectives of the bill.

During the President's Conference on Occupational Safety, in March 1962, Mr. L. B. Worthington, president of the United States Steel Corp., made this pertinent comment:

"Certainly the very nature and importance of safety suggest a mutual interest on the part of business, labor, and government in the effectiveness of injury prevention programs."

We concur completely with this view.

No panacea for all the safety problems in Federal agencies is offered in S. 3253. However, we feel strongly that it provides the mechanism for achieving a much more satisfactory rate of progress in reducing worker injuries, material and property loss, and the large expenditures involved. It offers a highly effective tool in President Johnson's Mission Safety-70 campaign to reduce substantially the suffering and loss of money resulting from job-related accidents.

Mr. Chairman, the Government Employees' Council is convinced that with the bills pending in the subcommittee and the changes we suggest there exist the roots of a comprehensive revision of the Compensation Act. For years, the statute has been viewed as one of the model laws throughout the entire world for individuals who suffer the misfortune of on-the-job injuries. We believe it is a landmark in Federal personnel policy of which we can all be proud. But to maintain that position, it is essential that the act be thoroughly reviewed and revised. We urge that the subcommittee take favorable action at an early date on the bills we have discussed.

Mr. McCART. First, let me express the appreciation of the council to you gentlemen. With the pressing business now confronting the Senate, we are very grateful for your scheduling the hearing so promptly on such a vital piece of legislation as H.R. 10721 and the other pending bills.

I want to echo the comments of the acting chairman of the subcommittee with respect to the late beloved Senator McNamara, who in addition to his work in behalf of all the people of this country, is the author of S. 2157, pending before the committee. We are deeply appreciative of his work over a long period of years in this field. And also to Senator Brewster for his sponsorship of S. 2353.

I would like to comment first, Mr. Chairman, on H.R. 10721 and then to raise several related matters.

I think one of the interesting features of the pending bill which has been passed by the House is that it will permit employees who incur a loss of a member and thereby are eligible for a scheduled award, will permit those employees to continue to receive compensation benefits upon the expiration of that scheduled award.

The present law terminates benefits after the scheduled award has been granted. We believe the revision in H.R. 10721 on this item is highly meritorious.

The feature of H.R. 10721 increasing the maximum compensation benefit to a level of the top step of GS-15 and providing a floor of the level of GS-2 are desirable changes in the present statute. Inclusion

of the GS-15 figure will simply update the Federal Employees' Compensation Act with respect to the maximum benefits available.

But equally, if not more important, is the provision for a GS-2 floor on benefits or guaranteeing employees who occupy jobs below that level that they will receive their full rate of pay.

At the present time, the minimum benefit is \$180. There is no need for me to engage in a long justification about the inadequacy of \$180 a month in terms of today's living standards and needs. So, we subscribe fully to the provisions of H.R. 10721 in making the minimum compensation available at the rate of GS-2.

In our view another desirable portion of H.R. 10721 grants reemployment rights to injured workers. It has been a source of concern to us for a good number of years that employees who experience job-related injuries upon reaching maximum improvement in their physical condition and actually being reemployable may very well find themselves without a job.

The bill does not give these individuals preferred entitlement to jobs, but does place the injured, recovered worker in the same status as other separated career Federal employees. So that if there are job opportunities the injured employee can receive equal consideration with those who have been separated from their jobs by other means through no fault of their own and are thus eligible for reemployment.

The subcommittee has received testimony relative to another section in H.R. 10721 increasing from 18 to 23 the age at which benefits are available to dependent children. It goes without saying that none of us would want to deprive a qualified young man or woman of the opportunity of continuing his education to the normal undergraduate level.

Age 23 is justified by recent changes in the Social Security Act, the Civil Service Retirement Act, the civil service health insurance program, and the income tax laws in the same vein.

With respect to the problem of beneficiaries of compensation, their economic situation is really pitiful. There has been no increase in the benefits available to these permanent recipients of compensation since 1958.

The bill provides a formula geared to the Consumer Price Index. For those who have been on the rolls in the past it would relate to 1958. For future beneficiaries their compensation would be increased each time that the Consumer Price Index increases at the rate of 3 percent for 3 months.

This is a needed improvement. However, Mr. Chairman, we respectfully suggest that the subcommittee give consideration to relating the changes in compensation benefits to the changes in pay of active employees because this is much more in keeping with the philosophy of compensation. As a matter of fact, when a worker is injured, his compensation is computed on the wages he was earning at the time the accident occurred.

So, it is logical that benefits as a permanent recipient of compensation should likewise be geared to changes in pay of his coworkers. We support section 11 of H.R. 10721 making available to compensation claimants an informal hearing.

Under the present law, a hearing is possible for injured employees only at the Washington level when they appeal to the Compensation

Appeals Board. As a consequence, many of them are unable to afford to come to Washington to present their appeals.

Many of them are physically unable to do so. We feel that the informal hearing process provided by section 11 will enable them to fully acquaint the bureau of employees compensation with all aspects of their claims closer to the scene of the injury, will expedite claims, and will enable the claimants to understand more readily the provisions of the compensation act to which they are eligible.

Moreover, the informal nature of these hearings is desirable because it will continue the practice of not having compensation claims treated as an adversary proceeding and therefore not subject to the legal requirement of the Administrative Procedure Act which could entail actual litigation.

Mr. Chairman, I would like to emphasize one or two additional points.

One of the problems experienced by Federal employees who are injured is the disposition of their annual and sick leave. And also the continuation of their salary payments once they are injured.

Under existing law, an employee's salary ceases when he is injured. He receives no payment until his compensation claim is adjudicated.

Of course, he may use his annual leave, his vacation leave, to obtain income while his claim is being processed, but he is not entitled to his actual pay. In addition he is not entitled to any pay for the first 3 days of his disability unless that disability continues for a period of 3 weeks.

In our view, an employee's salary should be continued until final disposition is made of his compensation claim. In any case he should certainly not be required to forego his salary especially during the early days when he is unable to work.

Another aspect of this problem with respect to annual and sick leave is that employees who are in leave without pay status—in other words, an employee whose leave has been exhausted—are not entitled to earn leave during that period.

We believe that an employee who is injured on the job should not suffer a reduction in his working conditions because of that injury. So, we recommend that the subcommittee give consideration to permitting these employees to earn leave even though they may be in a leave without pay status through no fault of their own.

One of the interesting features of the report of the House committee, with respect to H.R. 10721 is the attention that it gives to the undue amount of time now required to process claims. The House found that the average time elapsing between the presentation of the claim and its receipt by the Bureau of Employees Compensation is about 7 weeks.

The Bureau requires an additional 1 or 2 weeks to process the claim which means a total average of about 9 weeks before the individual begins to receive benefits. We are very pleased that the House committee devoted its attention to this matter. The Bureau of Employees Compensation has done a splendid job in recent years in reducing the amount of time required to process claims. It is also salutary that the President has instructed Federal agencies to do whatever is possible to speed up their handling of claims to the Bureau of Employees Compensation and that the House committee has likewise communicated with the Federal agencies on this subject.

Mr. Chairman, I would like to address a few comments now to S. 3253. This is the bill introduced by Senator Brewster to establish a Federal safety program by statute.

At the present time there are 57 safety programs in the Federal Government because each agency operates its own. The only basic reference to safety in a statute is in the Federal Employees Compensation Act, section 33(c), which is a very general reference.

We believe that S. 3253 deserves serious consideration by the subcommittee in connection with the pending compensation changes because S. 3253 amends the present FECA.

S. 3253 does two basic things: It places in the hands of the Department of Labor the responsibility for developing and enforcing the application of safety standards by Federal agencies. Secondly, it permits employees to participate in the formulation of that safety program.

This matter of the participation of employees in the development of sound personnel practices is a policy now of the Federal Government. We believe it is much more desirable to establish the safety program as a matter of legislative direction, rather than by purely administrative action.

President Johnson embarked on a "Mission Safety 70" in February 1965. The Government Employees' Council and the AFL-CIO have endorsed this program. It is an indication of the President's personal concern about human suffering.

The simple fact is that in 1964, the latest year for which figures are available, it was necessary for the Government to expend \$39 million on compensation claims. This is the highest figure ever recorded in the history of the compensation law. Some 106,000 Federal workers incurred injuries. In excess of 2.7 million man-days were lost and 172 Federal workers lost their lives. These are stark figures that really represent people.

And they represent loss of efficiency to the Federal Government; they represent loss of production time, and certainly they represent a large amount of indirect costs which are not normally computed, such as damage to machinery and equipment and lost production time.

In the matter of frequency rates the Federal Government has not kept pace with private industry, nor has the rate of decline in the Federal Government equaled that in the private sector.

With respect to severity rates, I must tell you in fairness that the record is much better. The Federal Government has a better severity rate than private industry. However, in that area also the rate of decline has been less than in private industry.

Senator RANDOLPH. What is the reason for the rate of decline being less?

Mr. McCART. This is what is involved in the basic safety program, Mr. Chairman. We don't know all the reasons. But we feel that if we have an effective safety program, it will help prevent these injuries.

Senator RANDOLPH. At this point in the record I am recalling that I authored legislation when I was in the House of Representatives which had to do with the coordination, cooperation, let us say, within the agencies in reference to safety programs.

Mr. McCART. I recall your work with respect to the establishment of health programs in the Federal Government. I don't know whether

that is what you were alluding to. That did become law. While the progress has not been as great as it should be with respect to administration of that health program, in recent years there has been a much better support of the Federal health units. That is the legislation I recall.

Senator RANDOLPH. This seems to have pertinency to our discussion. We will look back and see the progress that has been made since it was made law.

Mr. McCART. Progress has been made. We are not here accusing the Federal Government of being a laggard in this field, but you can never make enough progress in preventing suffering to individuals and preventing the consequent costs that flow from it.

So, we believe that if S. 3253 were incorporated in the pending legislation it would give the Federal Government a vehicle for making greater progress in the field of accident prevention.

In 1962 at the President's Conference on Occupational Safety, Mr. L. B. Worthington, president of the United States Steel Corp. made this comment:

Certainly the very nature and importance of safety suggests a mutual interest on the part of business, labor and Government in the effectiveness of injury prevention programs

We subscribe completely to this comment, Mr. Chairman, and we believe that S. 3253 will go a long way toward achieving the objectives outlined by Mr. Worthington.

That concludes my presentation, Mr. Chairman.

Senator RANDOLPH. Thank you, Mr. McCart.

Before asking two questions would you explain to the members of the subcommittee exactly what the Government Employees' Council is and the purpose you are serving?

Mr. McCART. Yes, Mr. Chairman, the Government Employees' Council consists of 30 AFL-CIO unions having Federal employees in the wage board, postal and classified services among their members. Some of these unions are exclusively Federal such as our postal organizations, the American Federation of Government Employees and others.

Some of them are primarily private industry unions, such as our craft organizations, which also represent some Federal employees. Our basic function over the years has been to coordinate the legislative activities of these various groups in the field of Federal employment and to deal with Federal officials at the Civil Service Commission level on matters of basic personnel policy.

Senator RANDOLPH. I thought the record should reflect that when there is a council we think in terms of those under the umbrella of working in this effort.

Mr. McCART. So far as we can determine, the total number of Federal employees represented by the council is about 1 million.

Senator RANDOLPH. Mr. McCart, in your prepared statement, you have recommended adjustment in compensation in the pay changes of active employees rather than the relating of the adjustment to the consumer price index.

I wonder if you would explain how such a formula would operate?

Mr. McCART. I think it is relatively easy for the classified and postal employees.

It would be feasible to take the average increase granted to these groups of employees by Congress and apply this to the benefits of those who are receiving compensation in the Post Office Department or Classification Act jobs.

The same thing could be done for wage board employees. You could apply the increase provided by Congress for these other two groups of employees or agencies could develop an average increase for wage board employees over a period of a year and the equivalent increase could be applied to those beneficiaries of compensation who were wage board workers during their active careers.

Senator RANDOLPH. Senator Fannin.

Senator FANNIN. I was concerned about your recommendation in this respect as to whether it would have equity for many of the employees. In other words, you are talking now about averages. In your statement you did not mention anything about averages but I am wondering if in some classifications they do not go forward because of change in the work, automation, whatever may come about, whereas in others there is a rapid increase because of the greater value and the competitive situation with business and industry and the necessity for the increase in that competitive battle.

I am just wondering if you can be fair and equitable to all our Federal employees without using purchasing power or some other formula. It seems to me that you are going to confuse the issue by getting some other criteria that may not follow through and be considered equitable.

Mr. McCART. Actually, Senator Fannin, we do not believe that the compensation benefits for these employees who are on compensation permanently should be geared to the criterion of an index. We think it is much more logical to relate these benefits to the actual wage. This is the way the employee's benefit was determined in the first place.

Now the most logical way to approach it would be to the compensation benefits of those on the permanent rolls to their jobs. But that would provide a serious administrative problem because of changes in jobs and changes in grades.

Senator FANNIN. That is what I am concerned about. In your prepared statement, you just say adjustment in compensation to pay changes of active employees. You do not specify any averages or what criteria were used. I was concerned as to what would happen with many job changes that could come about, the classification, the importance of the job, the rate of increase in the pay of one employee as related to another because of competitive factors as I stated, and I would not want some one to have a lower scale just because his particular activity had been changed.

Mr. McCART. It was for that reason, Senator, that I suggested using the averages.

Senator RANDOLPH. Senator Fannin, I appreciate your discussing this standpoint of the averages. I believe that this was a matter of study and concern in the House, am I correct, the proposal that you are making?

Mr. McCART. We made this proposal in the House.

Senator RANDOLPH. Was it not brought out that it was an expensive process or at least the administration took the viewpoint that this

was very expensive? Questions were raised that the results to be obtained might not be commensurate with the cost.

Now will you clarify that?

Mr. McCART. I have no doubt, Mr. Chairman, that it would be more costly to adjust these benefits on the basis of increases that are made available to active employees.

I think the problem we have is to make certain that employees are not tied to a standard that will permit them solely to keep abreast of increases in living costs. We believe these employees whose present plight results from their work should be able to share in the benefits that are acquired by their fellow workers which they would have received had they not experienced job-related injuries.

Senator RANDOLPH. Again, did the House turn down your proposition in effect?

Mr. McCART. Yes, sir.

Senator RANDOLPH. Well why did the House do this? I am just wondering if you can help us with our thinking, Mr. McCART. This is a very important point and you are stressing and I would like to have your knowledge if you can give it to this subcommittee.

Mr. McCART. To the best of my recollection, Mr. Chairman, the House report does not elucidate this specific point. It provides no justification for the use of the consumer price index. I don't recall any colloquy that developed when I was testifying on the House side on this particular point. So it would be difficult for me to justify the consumers price index approach.

Senator FANNIN. Mr. Chairman, I would not like to classify this as a radical change but it would be a great change in the general procedure, followed. So I was concerned and wanted a clarification as to just how this could be handled, the mechanics of it, and just what would result.

I think the chairman brought out the complications that would be involved.

Mr. McCART. I should underscore the fact that we believe the provisions in H.R. 10721 on this point are a great improvement over the present situation because at the present time there is no formula at all.

Senator RANDOLPH. Mr. McCART, your last statement is correct. I recall Mrs. Peterson did cover that in her statement today.

Mr. McCART. I could not hear Mrs. Peterson, Mr. Chairman.

Senator RANDOLPH. It was difficult at times. I felt that the record should show that that was the position stated.

In your prepared statement you have recommended an amendment that would provide for payment of wages during the time—between the time of submission of the injured worker's claim and the completion of the consideration within the bureau. Do you have an estimate of the cost of such proposed amendment if it were included and do any State workmen's compensation laws contain this provision that you believe is important?

Mr. McCART. Mr. Chairman, I do not have an estimate of the cost. I do not know to what extent this kind of provision exists in the State laws.

Senator RANDOLPH. Mr. McCART, I suggest that you provide for the record, since you have made this proposal, this further information

strengthening at least your viewpoint of what the background for your suggestion is that you are making?

Mr. McCART. I will be glad to, Mr. Chairman.

Senator RANDOLPH. Thank you very much.

That will be helpful.

(The information subsequently supplied for the record follows:)

RESPONSES SUBMITTED BY JOHN A. McCART, OPERATIONS DIRECTOR, GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO, TO QUESTIONS FROM SENATOR RANDOLPH

During my presentation to the subcommittee May 3, 1966, on H.R. 10721 and related bills, I offered a proposal to continue injured Federal employees in a full-pay status until their claims are adjudicated under the Federal Employees' Compensation Act.

You requested information on the additional cost of such an amendment. You asked also whether any State workmen's compensation law contains a similar provision.

We estimate the cost of this change would be somewhat in excess of \$2.5 million annually. Because of the difficulty of predicting the number of employees who will be injured in a particular year, development of an accurate cost figure is impossible.

However, under existing law, employees are able to use their annual leave following injury. At present, use of such leave while compensation claims are pending or in lieu of compensation now costs the Federal Government approximately \$7 million. If a recoupment provision were added to FECA, the Government would recover about \$5 million of this total representing the difference between normal salary and the two-thirds pay available under FECA. Thus, the \$2.5 million figure, which is a simple estimate.

To our knowledge, no State compensation law carries a provision for continuing the regular salary of an injured worker pending a decision on his compensation claim.

A few States authorize temporary disability insurance for work-related injuries. This sum usually is equivalent to unemployment compensation benefits.

Senator RANDOLPH. Senator Fannin, do you have any further questions of Mr. McCart?

Senator FANNIN. I have no other questions.

Senator RANDOLPH. Thank you, Mr. McCart, for your testimony.

Mr. McCART. Thank you, Mr. Chairman.

Senator RANDOLPH. Mr. Griner, if you will identify your colleagues for the record.

STATEMENT OF JOHN F. GRINER, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, ACCOMPANIED BY DR. W. J. VOSS, DIRECTOR OF RESEARCH, AND THOMAS G. WALTERS, LEGISLATIVE REPRESENTATIVE

Mr. GRINER. Mr. Chairman, for the record my name is John F. Griner. I am national president of the American Federation of Government Employees. To my left is Dr. W. J. Voss, who is our director of research. To my right is Thomas G. Walters, our legislative representative.

Mr. Chairman, I would like to submit a statement this morning and make just a few short remarks concerning this legislation before us.

Senator FANNIN (presiding pro tempore). Your full statement will be made part of the record. You go right ahead and submit your testimony.

Mr. GRINER. Thank you.

(The prepared statement of Mr. Griner follows:)

PREPARED STATEMENT OF JOHN F. GRINER, NATIONAL PRESIDENT, AMERICAN
FEDERATION OF GOVERNMENT EMPLOYEES

The bill 10721 has the support of the American Federation of Government Employees because it would bring about several basic improvements in the Federal Employees' Compensation Act. These improvements are so urgently needed that they merit approval at the earliest practicable moment.

In stating our support of this bill, I am speaking for the AFGE membership of approximately 200,000 Federal employees in the 50 States as well as in about 40 countries around the world. To them the changes in this law are important because of the ever-present possibility that any employee may suffer an injury which may cause lost time from his work and the resultant expense of its treatment. If the injury results in permanent disability, it may seriously affect or terminate his wage-earning capacity.

There are two features of this bill which are especially significant in that they have long-range advantages for those who will benefit in the years to come. They also would remove certain inequities inherent in existing law. These features are the removal of dollar limitations on certain benefits as well as the assurance of more nearly adequate benefits by relating such benefits to salary levels in effect at the time compensation awards are made. Furthermore, some compensation payments already authorized and future payments would, under this bill, be increased in proportion to changes in the Consumer Price Index. Thus the injured employee would be further compensated in proportion to any lessening of the buying power of pay levels stated in the law as limiting compensation payments.

An example of this removal of fixed-dollar limitations on compensation payments is the provision which eliminates the dollar ceiling of \$525 and the floor of \$180 applicable to payments for temporary total disability. Presently the minimum payable is two-thirds monthly pay or not less than \$180, which is less than the minimum rate of GS-1.

This bill as it passed the House would fix the minimum at \$317.83 a month, or the equivalent of the lowest rate of grade GS-2. The maximum payable under terms of this measure would be \$1,397.81, which is the equivalent of three-fourths the maximum rate of GS-15. Current law fixes the maximum monthly compensation payment at \$525. In terms of three-fourths the monthly rate of pay, this maximum at present rates of pay is exceeded by the eighth step-rate of GS-6 and is less than the minimum rate of GS-9. The administration proposal was to fix the maximum compensation payment at \$685 a month which, in terms of three-fourths monthly pay, was the full payment only through the seventh step-rate of GS-11. About 15 percent of Federal employees could not receive the full payment at that figure.

The effect of raising the maximum compensation payment is to make it possible for the same proportion of Federal employees to receive the full payment to which the law entitles them when it provides that they may receive up to 75 percent of their monthly basic rate of pay. When the maximum compensation payment was fixed at \$525 a month in 1949, 99.5 percent of all employees were eligible to receive that maximum. At current rates, it would require the top step-rate of GS-15 to produce a compensation payment for which 99.5 percent of all employees would qualify.

The obvious advantage of establishing the maximum compensation payment by relating it to a specific pay level and not in terms of dollars is to maintain the same relative pay level as the basis for compensation payments. As pay rates are increased, either statutory or administrative in the case of wage-board employees, relatively the same proportion of all Federal employees will continue to receive the full payment to which the law entitles them. The advantage is just as great for wage-board employees as it is for classified, though it is expressed in terms of a classified rate of pay.

Another improvement of some significance, which is written into this bill, is the elimination of the present dollar-restriction on the amount by which a compensation payment may be increased if the injured employee has one or more dependents. Present law adds 8½ percent of the employee's monthly rate of pay, but that percentage may be based on no more than the first \$420 of the monthly pay rate.

In other words, the additional payment for one or several dependents is limited to \$35 a month. The administration bill would have increased this allotment to \$45.50. Under the bill approved by the House and presently before this Senate subcommittee, the added amount could be as much as \$155.31. I believe this change is most desirable, because it would establish the additional amount for dependents on a more equitable basis, maintaining the percentage as a proportion of total basic pay.

I also urge approval of the higher allowance for providing an attendant if the employee is blind, paralyzed, or otherwise seriously disabled so as to need constant assistance. Presently the allowance is \$125, which is utterly unrealistic. H.R. 10721 would raise this figure to \$300 a month.

Another provision in this bill makes it possible for an injured or disabled employee to receive compensation for loss of wage earning capacity after the scheduled award has been exhausted. He also may be compensated for more than one disability incurred at the same time. These are needed improvements.

In the case of partial disability, the Government now may pay the disabled employee two-thirds of the difference between his monthly pay and his wage earning capacity. The limit, as in the case of temporary total disability, is \$525 a month. This means that compensation may vary from 1 cent to \$525. H.R. 10721 would enable the employee to be compensated on the basis of as much as \$1,397.81.

Enactment of H.R. 10721 is desirable because of several other provisions. One is to extend from 18 years to 23 years of age the time limit on a dependent continuing to receive compensation payments. The dependent must continue to be a full-time student. Another provision would permit a widow or dependent widower to receive a 24-month lump-sum payment upon remarriage.

The bill also would provide reemployment rights for a disabled employee which now do not exist. This is important. At present if an employee cannot return to the same job, he may not expect to be given other employment if there is none available. This bill would permit him to be placed on any Civil Service Commission register for which he is physically or otherwise qualified under conditions similar to those provided for employees who have been involuntarily displaced through no fault of their own.

The bill contains a beneficial provision for hearings in the early stages of developing and appraising a claim. Now, there is no specific provision in law for hearing prior to the hearing by the board of appeals. An appeal to that body may be made only on the basis of the written record. There should be an opportunity to present new or additional evidence and bring in witnesses if desirable.

H.R. 10721 provides for an informal hearing at the claimant's request, and at this hearing the employee would have the opportunity to present evidence and witnesses who would be helpful in supporting or developing his claim. This hearing would not be governed by common law or statutory rules of evidence, nor by applicable provisions of the Administrative Procedure Act. This informality would benefit the claimant who could be assisted by any representative of his own choosing. It would eliminate procedural obstacles and argument and permit concentration on development of the facts by the claimant and the Bureau of Employees Compensation.

While on the subject of the Federal Employees' Compensation Act, I would like to recommend approval of another measure, S. 3253, which would amend this same compensation law. This bill has been sponsored by Senator Brewster who is to be commended for offering a fine legislative proposal which would establish a Federal employee accident prevention program, which goes to the very heart of this compensation problem.

This bill would fulfill two valued objectives. It would provide the Department of Labor with the needed authority to develop and enforce observance of safety standards by Federal agencies. At the same time it would provide a statutory basis for participation by employee unions in the development of this Federal safety program.

A safety program can be effective only if sufficient authority is given to some single agency. This authority can be enforced efficiently only if specific safety standards have been developed and promulgated. The Department of Labor now develops standards of safety for employees in private industry. It is the logical agency for heading up such a program in the Government service.

This program is urgently needed to point up the "Safety 70" program inaugurated by President Johnson in February 1965 to bring about the reduction of suffering and economic loss resulting from job-related accidents. The frequency rate for all Federal establishments has decreased from 8.4 to 7.7 disabling injuries per million man-hours in the 15 years from 1949 to 1964. That the rate is still high is somewhat disturbing. That is true of the severity rate which has decreased only from 550 to 516 days lost per million man-hours during the same 25-year period. The President hopes that a program such as that proposed in S. 3253 will reduce accidents 30 percent during the next 5 years. Nothing could commend a bill more than this objective to reduce human suffering.

For the opportunity of presenting my views, Mr. Chairman, I wish to express my sincere appreciation.

Mr. GRINER. Before I begin this morning, Mr. Chairman, I would like to say that all of the Federal employees are sorrowful over the passing of our good friend, Senator Pat McNamara. I knew the Senator before he was elected to the Senate. I knew him as I did at the time of his death, as a man who had dedicated his life to helping others to have better working conditions and to have a better life.

I would like the record to show that the Federal employees as a whole are sorrowful over his passing.

Senator FANNIN. Your statement will be in the record, and I thank you very much. I wholeheartedly agree with what you have said.

Mr. GRINER. This bill, H.R. 10721, has the wholehearted support of the American Federation of Government Employees because we believe that it would bring about several basic improvements in the Federal Employees Compensation Act. The changes that are proposed are important to all Federal employees because of the ever-present possibility that any employee may suffer an injury that may cause the loss of time, total disability, or even his life. And then in addition it may cause considerable expense for his treatment.

I will not go into the different provisions of this bill because I think it has been thoroughly covered by both Mrs. Peterson and Mr. McCart. There are two or three items that I would like to comment on.

This bill provides reemployment rights which have not heretofore been available to a person who has been totally disabled. In that case the individual would be placed on any Civil Service Commission register for which he is physically or otherwise qualified in the same manner as employees who have been involuntarily displaced.

Frankly, Mr. Chairman, we do not believe that that goes quite far enough. There have been all together too many cases when the doctors and the Bureau of Employees Compensation have found that a person has recovered and is able to go back to work and his compensation has been stopped and he has no job to return to.

Human nature being what it is, it is rather difficult sometimes for an officer to select from a list an individual who has been termed as "totally disabled" at one time or the other and I think as we go along we will have more and more of these cases where they will recover.

With the progress of medical science we now find that many injuries, many diseases that have heretofore been known to be permanent, are no longer permanent. I can think of one in particular and that is the case of tuberculosis. Today in most cases that disease is treated just as any other disease. A few years ago it was almost certain death.

I want to congratulate the introducer of this bill on providing for hearings at the appeals level. In other words, it is going to be permissible now for an individual to appeal his case and have it reviewed not only on the record but based on any additional evidence that he might have to place before the appeals board.

I have found that in a lot of cases—and I might say as a background I did work for the Railroad Retirement Board where we had a disability annuity program—of appeal where the disability board could actually see the man and interview him, maybe talk to his doctor or to his friends or witnesses, that it did make a difference in their findings as to whether or not this man was actually totally disabled.

I also would like to comment just a minute on S. 3235 which was sponsored by Senator Brewster. This bill would amend the compensation law and establish a Federal employee accident prevention program. The present program I believe is inadequate because there is no enforcement powers within any agency or within any department.

There is no uniformity. As has been previously stated we have some 57 or 58 different safety programs. Too little attention is being paid to safety within the Federal service. To the best of my recollection the Veterans' Administration which has a total employment of 160,000 to 165,000 people has only about a dozen safety officers.

Just recently the Department of Defense considered very seriously eliminating all of its safety officers and replacing them by part-time military personnel.

I don't think it is possible to place a dollar mark on a man's life or on a man's health, and a good safety program would prevent many of the accidents that now come before the Bureau of Employees' Compensation. When we think that approximately \$40 million is spent each year, or is being spent at the present time to about 106,000 people who are injured on the job, which involves over two and a half million man-days, then the cost of such a program would be absolutely minimum.

We hope that this committee will take into consideration H.R. 3253, either in connection with this legislation or else will hold separate hearings on it because we believe that that bill would go hand in hand with the bill now under consideration; namely, H.R. 10721.

Mr. Chairman, with that statement and with the understanding that generally we are endorsing this bill I want to thank you for the opportunity of appearing before you.

Senator RANDOLPH. Mr. Griner, we are very appreciative of your testimony and the statements that you have made, not only in reference to one bill but the bill which generally covers the area of interest that we have, and this information is helpful to us.

I noticed in your prepared statement, in reference to H.R. 10721, you commend the provision for continuing education to dependents through age 23. You will recall that earlier today I covered this same question in effect as I discussed the matter with Mrs. Peterson. Now I simply refer to my discussion with her.

I presume you would want an amendment to make available those benefits to the disabled as well as to the children of deceased?

Mr. GRINER. Yes, sir; I thought of that angle while you were discussing this with Mrs. Peterson. I certainly would endorse such an amendment. I think every child should have a fair opportunity to get an education in order that he may compete with his fellow man. If because of an injury which his parent had suffered while in the employ of this Government, his parent was unable to extend to him the financial aid that he would be needing to get this education, certainly we would be remiss in our duty if we did not make some provisions for that even though the man was still living.

Senator RANDOLPH. Mr. Griner, I recall also you stress the importance of providing to us a single agency, a sufficient authority to make the safety programs effective. I agree with you on that matter. I think if we speed the authority we weaken the very intent of this legislation because in effect it becomes inoperable actually.

I think that we not only have to have the authority to develop these standards but we really must enforce them.

Isn't this true?

Mr. GRINER. You must enforce them. You must have some degree of uniformity which we do not have at the present time.

Senator RANDOLPH. There is no opportunity today, as I understand it, and you clarify this for me, for participation by employee unions with government in developing such programs.

Mr. GRINER. I believe in some agencies there is. We have a number of agreements that provide for participation of the unions in agency safety committees.

Senator RANDOLPH. You mean on a statutory basis?

Mr. GRINER. No statutory provision, no, sir. The only way we get it is through agreement under exclusive recognition. It is permissible.

Senator RANDOLPH. Mr. Walters, do you have any comment?

Mr. WALTERS. No, except I would like to emphasize the fact that I feel very strongly that we need some mandatory regulations or laws to enforce this. I think the way it has been operating for the past several years just has not done the job, Senator, by any stretch of the imagination.

Senator RANDOLPH. Mr. Griner, Mr. Walters, and Mr. Voss, we appreciate your presence at the witness table.

If there are any further comments we will be pleased to receive them. If not, we are very grateful for your having been present. Your testimony will be weighed by this subcommittee.

Mr. GRINER. Thank you very much, Mr. Chairman.

Senator RANDOLPH. Dr. Adams, will you and your group come to the witness table?

We have also with us today our distinguished colleague, the Senator from New Jersey, who, I understand, wishes to introduce the next group of witnesses.

STATEMENT OF HON. HARRISON A. WILLIAMS, JR., A U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator WILLIAMS. Mr. Chairman, I am happy to appear before this subcommittee in behalf of my bill, S. 3154, which would allow payments to be made to chiropractors under the Federal Employees' Compensation Act. I am happy to introduce to the members of the subcommittee representatives of the two major chiropractic associations. Representing the American Chiropractic Association are Dr. A. A. Adams, president, and Dr. George F. Poe, president-elect. Representing the International Chiropractor's Association is Dr. Grady V. Lake, a practicing chiropractor from Atlanta, Ga., and a member of the Board of Control of the International Chiropractor's Association. I am happy to present these gentlemen to the committee, and I know their testimony will be most helpful and informative. I know from personal experience that chiropractors are men with a high degree of professional training who maintain the highest standards of ethical practice.

Senator RANDOLPH. Is one of these men a constituent of yours, Senator Williams?

Senator WILLIAMS. Yes; Dr. Poe. He keeps a lot of people healthy in Huntington County which is one of our beautiful counties in New Jersey.

Senator RANDOLPH. Thank you, Senator Williams.

Senator WILLIAMS. The bill has one basic objective. It will afford employees of the Federal Government the same rights and privileges in choice of doctor which are guaranteed to millions of non-Federal workers. This legislation corrects an omission in the present Federal employees compensation statutes. Aside from the fact that Federal workers should have the right to choose the doctor they desire—there is another consideration which this committee should take into account. As the law is now written it excludes a legitimate and respected health service. Such an exclusion, it appears to me, creates an arbitrary and unfair restriction. I believe the Federal Government has an obligation to make available to its workers the range and quality of health services which are recognized by examination and licensure in the several states.

It has been most encouraging to review the statistical information which the American Chiropractic Association and the statement of the International Chiropractors Association have already supplied to this committee. Such documentation clearly indicates the strong justification for inclusion of chiropractic care in the statute.

Mr. Chairman, together with the other sponsors of this legislation, I urge your favorable action.

Senator RANDOLPH. Thank you for your fine testimony, Senator Williams, it is always a pleasure to hear your comments.

Our next witness is Dr. Adams, president of the American Chiropractic Association.

**STATEMENT OF DR. A. A. ADAMS, PRESIDENT, ACCOMPANIED
BY DR. GEORGE P. POE, PRESIDENT-ELECT, AMERICAN CHIROPRACTIC ASSOCIATION**

Dr. ADAMS. Mr. Chairman, and distinguished members of the committee, I am Dr. Adams, president of the American Chiropractic Association. I practice in Tacoma, Wash. I have with me Dr. Poe, our president-elect.

Senator RANDOLPH. Dr. Adams, we are very happy to have your testimony.

Dr. ADAMS. Thank you, Mr. Chairman. I want to say I appreciate very much personally that Senator Magnuson from our State of Washington presented a statement here to this committee regarding the amendment to the bill that we are suggesting.

My remarks favor the inclusion of chiropractic services and benefits offered to Federal employees. In my opinion we are not here to make a judgment on the inclusion of chiropractic services in the Federal compensation plan on the basis of the merits of chiropractice as a health service. That fact has been established. It has been affirmed by the enactment of laws in 47 States allowing chiropractors to become licensed in those States. Our consideration here is, Shall those employed by the Federal Government have the same right of free choice in selection of a doctor as do many millions of non-Federal employees; or conversely, shall these fine personnel of our Federal Government be denied such a free choice? Please bear in mind the selection they would

make would be among legitimate licensed and duly qualified practitioners who have met the requirements of established State statutes. The issue seems to revolve around the word "freedom," a passing American concept. We have offered your committee written testimony and some 40 documentations of that testimony. I hope that you will consider the written presentation in complete detail. It indicates the advantage to both employer and employee to have chiropractic service available as a primary ingredient in the Federal workers plan. Is a service commensurate with chiropractic manipulative corrective procedures accorded to Federal workers by any of those presently included in the Federal plan? Of course the answer is "No."

Mr. Chairman, there is no other group so trained and schooled to deliver chiropractic service. I bring this to your attention to counter any possible thought that we seek inclusion as an extra service. Chiropractic is not frosting on the cake. It provides a basic type of care which in certain types of condition gets to the root of the disorder faster and more surely than any other type of care. I want to re-emphasize the point that chiropractic care should be included as a basic benefit in this Federal legislation. It also occurs to me that we may be considering another matter in this hearing. We are weighing the matter of personal rights, civil rights, if you please; in denying a right of choice among legitimate service for which a health plan was conceived, the employee is in reality being denied his civil rights guaranteed by the Constitution of this great country.

In summary, Mr. Chairman, I would like to call several points to the attention of this distinguished committee:

One, the efficacy of chiropractic health care is demonstrated by the fact that 47 States and the territories of the United States examine and license chiropractors. Federal employees should be granted the right of free choice of doctors as a part of their rights as a citizen of this great Nation.

Thirdly, no service commensurate with chiropractic manipulation and treatment is now afforded by the Federal plan. Again I want to thank you very much, Mr. Chairman, for allowing me to present this statement. Then I will turn it over to Dr. Lake.

(The prepared statement of Dr. Adams follows:)

PREPARED STATEMENT OF DR. A. A. ADAMS, PRESIDENT, AMERICAN
CHIROPRACTIC ASSOCIATION

Mr. Chairman and members of the subcommittee, I am A. A. Adams, D.C., a practicing doctor of chiropractic and president of the American Chiropractic Association. I reside in Tacoma, Wash. The American Chiropractic Association headquarters are at 2200 Grand Avenue, Des Moines, Iowa. I am accompanied today by other interested members of our profession.

It is my privilege to offer a statement in behalf of the inclusion of care benefits of chiropractors in S. 3154 by Senators Williams and Magnuson, which you have under consideration.

One of the less understood health problems facing American Government and industry are those injuries involving the human back. I ask your indulgence here to examine with me the gravity of the back problem in our Nation; the cost of this problem to workers, their families, employers, and the gross national product. I wish to offer you a suggested partial remedy by the chiropractic profession for this pressing national health matter.

THE PROBLEM IN DEPTH

The American Chiropractic Association's Department of Research and Statistics has just completed a nationwide study of back injury cases as reported by State workmen's compensation boards and commissions. This study has been reviewed for accuracy by numerous State and private authorities and its findings are presented to you with full assurance of their validity. A complete photocopy of the study accompanies this statement.

Significant are these statistics recorded in this study:

(1) Back injury cases in the United States have a gross impact on the national economy in excess of \$1 billion per year.

(2) More than 800,000 back injuries occur to people on the job each year. This figure does not include cases in which paralysis is involved.

(3) Workmen's compensation reports from 23 States reveal back injuries for the year 1963 amounted to 18.4 percent of all compensable or disabling cases.

(4) Among Federal civilian employees back injury cases amount to 21.5 percent of all compensable or disabling cases. (1963 figures.)

(5) The average cost for back injury cases in this Nation is \$978 per case.

(6) Conservative estimates of the total direct cost of our Nation's back injury cases is \$234,270,000 annually. (This figure does not include cases classified as "medical only.")

(7) Back injury cases between July 1963, through June, 1964, resulted in 28,489,000 days of restricted activity and 9,714,000 bed-days.

Many more statistical revelations are contained in the accompanying study which I have labeled document A. In summary, relative to the information contained in this document, I wish to call your attention to gravity of the problem, its consequences on the physical and industrial health of our country, and the dire need for your serious consideration of ways and means to pursue a solution to the back injury problem. We realize, of course, that your concern in S. 3154 is only in the area of Federal Government employees, but I hasten to call your attention to the conspicuous fact that these employees experience a higher incidence of back injuries than the national industrial average.

IS THERE A SOLUTION?

Very definitely there is no complete solution to the sizable problem of back injuries and their astronomical costs to all segments of our society. But there is a partial solution which is not now afforded Federal Government personnel through existing statutes.

I submit to you that the present law is inadequate in its provisions in that it does not provide for chiropractic benefits to those affected. Why should chiropractic care be included in Federal compensation statutes? Are not medical benefits sufficient to provide needed services for back injury cases?

The truth is, gentlemen, that every available care will fall short of the tremendous requirements of the problem. Chiropractic health service will make a great contribution toward reducing the magnitude of the situation and I would like to now submit to you substantiating argument for this premise.

I refer to a second exhibit included with this statement which I have identified as document B. This document is a statistical report made in the State of Florida in the year 1956. Though a full decade has passed since the resource material contained in this document was examined and recorded, I cite the findings contained therein as indicative of care costs of that time and indicative of the relative costs of treating back injury cases under the two foremost accepted methods available to you. These methods are medical care and chiropractic care.

Examination of this report from the State of Florida will reveal to you that the study encompassed one full year and included every closed back strain and/or sprain case for one complete year. The basis for this study, then, is concerned with the averages of care cost and time loss for 19,666 individual injury cases. The study was made by First Research Corp., a reputable, independent survey firm with the microfilming and data processing completed by Remington Rand. I submit the findings of this report with full confidence in its authenticity.

A review of the findings of the report is contained in the following statements:

(1) Comparative costs indicate that sprains and strains of the neck, vertebral column, and back general when treated by medical methods cost an average of \$102 per case; while the same conditions when treated by chiropractic methods cost an average of \$60 per case. These costs include both cost of treatment and compensation to the worker.

(2) Time loss figures for the same cases described in the foregoing paragraph indicate that employees under medical care lost an average of 9 days per case; while chiropractic patients lost an average of 3 days per case.

(3) Cases in which surgery was performed or in which there was any degree of permanent disability were likewise compared in the Florida survey with the following results:

	Chiropractor	Specialist
Cost of treatment.....	\$51	\$177
Compensation.....	\$8	\$122
Total.....	\$59	\$299
Time loss (in days).....	2.5	30

In summary, the Florida survey showed that treatment under medical methods cost 27.5 percent more than chiropractic care and compensation cost an average of 311 percent more. Combined treatment and compensation cost an average of 70 percent more under medical care.

Gentlemen, it is not my purpose here to degrade the work and contribution to public health of the medical profession. Medicine serves a vital and rightful place in the health field.

What I am saying as emphatically as possible is that medical methods are not the only techniques for the care of human problems. This is particularly true in the category of conditions so commonly treated under workmen's compensation provisions. That is, the on-the-job injury tends to be an injury to the mechanics of the body and often to the back or spine, itself. It is in this area of care that the doctor of chiropractic can rightfully be called a specialist.

THE SPECIAL KNOWLEDGE OF A CHIROPRACTOR

Since the founding of the chiropractic profession by D. D. Palmer in 1895 the profession has been engaged in a continuing study of the spine and the effect of certain manipulative and related techniques in the remedying of body conditions. The chiropractic profession was, by a unique coincidence, founded the same year in which Wilhelm Konrad Roentgen invented the X-ray machine. Quite naturally X-ray became an early diagnostic tool of the profession and today is well integrated into the formal training of doctors of chiropractic.

Chiropractic professional college requires a minimum of 4 academic years of 9 months each. No degree in the chiropractic profession may be earned with any lesser amount of professional resident study. At the beginning of the 1968-69 academic year—in September of 1968—enrolling chiropractic college students in all eight institutions approved by the American Chiropractic Association will be required to have had 2 years of preprofessional college training.

I wish you to know the foregoing because it will advise you of the years of preparation each doctor of chiropractic must have to qualify for his degree.

His thorough training in the health sciences and in their application through manipulation and various related procedures imparts to him a special knowledge which is possessed by no other branch of the healing arts. He is by any definition a specialist in those techniques in which he is trained.

His training does not include the practice of surgery or therapy by use of drugs. This is the particular province of medicine and that profession's competency in the field of surgery and drug therapy is fully recognized. Doctors of chiropractic do not, however, recognize the medical man as competent to administer nor judge manipulative procedures with which he is unfamiliar and in which his training is lacking. These procedures are the special province of the chiropractic profession.

I submit to you that the most complete and beneficial provisions which can be offered by Federal compensation statutes would include both medical and chiropractic health care. Unfortunately, organized medicine would differ with this point of view for reasons best known to itself. Too often organized medicine expresses its philosophical differences with chiropractic in terms of condemnation of my profession. These unwarranted and baseless attacks have been, in part, responsible for the fact that the Congress has not already provided for the inclusion of chiropractic care in the statute under consideration.

It is my earnest plea that this committee take into account the facts presented in this testimony. I further request that this committee take positive action to

grant to all employees of the Federal Government the right to choose the method of care which they desire. The criteria imposed by law should be that the practitioner of choice be duly licensed and his qualifications verified by the State in which he renders his service. The committee should consider that inclusion of chiropractic care in this statute will not increase the cost of care provided by the act. Please bear in mind that when care is rendered by the doctor of chiropractic it is in lieu of and not in addition to other types of care. It may, in many circumstances, actually reduce the overall cost of care, as indicated by survey results previously quoted.

In conclusion, may I assure your committee of the American Chiropractic Association's desire to contribute to the improvement of our national health. The factual and unbiased survey materials furnished to this committee speak for themselves. May we be given the opportunity to render our services to Federal employees for their personal benefit, for the welfare of their families, and for the lightening of the heavy burden of care costs to the U.S. Government. Thank you.

Senator RANDOLPH. I think before Dr. Lake speaks I would like to refer to his prepared statement.

You have made reference, Dr. Adams, in your formal statement to academic requirements for licensed chiropractors.

Dr. ADAMS. Yes.

Senator RANDOLPH. Now do the chiropractors in all the States meet these requirements?

Dr. ADAMS. In all States in which there is legislation, the 47 States, we meet the requirements set forth by that State. The basic requirements are 4 years. In 1967 there will be added to that 1 year of requirement of preprofessional. In 1968 there will be 2 years requirement for the schools that are accredited by the American Chiropractors Association.

Senator RANDOLPH. You would say then that the requirements throughout the 47 States, according to State statutes, meet in essence the requirements that your association believe necessary for effective practice?

Dr. ADAMS. At this time. I think all but one or two States meet the requirements as set down today by the American Chiropractors Association.

Senator RANDOLPH. I gather from your further comments that you are desirous of improving those programs.

Dr. ADAMS. That is correct; yes, sir.

Senator RANDOLPH. Thank you.

STATEMENT OF DR. GRADY V. LAKE, CHIROPRACTOR, ATLANTA, GA., REPRESENTING INTERNATIONAL CHIROPRACTORS ASSOCIATION

Dr. LAKE. Thank you, Mr. Chairman, if it is customary, Senator, I ask to have this statement submitted as part of the record? May I request that?

Senator RANDOLPH. Yes; we can have it considered as presented and read. You may comment on the points that you feel are important.

Dr. LAKE. Thank you very much.

(The prepared statement of Dr. Lake follows.)

PREPARED STATEMENT OF GRADY V. LAKE, D.C., MEMBER, LEGISLATIVE COMMITTEE, INTERNATIONAL CHIROPRACTORS ASSOCIATION

Chairman Randolph and members of the subcommittee: I am Grady V. Lake, doctor of chiropractic, practicing in Atlanta, Ga.

My appearance before the committee is as a member of the Board of Control of the International Chiropractors Association and member of the legislative committee, and accompanying me today is our Washington, D.C., counsel of ICA, Brig. Gen. Joseph P. Adams and Mr. Kenneth Gingerich, executive director, ICA. International Chiropractors Association, with headquarters in Davenport, Iowa, is an organization composed of doctors throughout the United States and foreign countries. It is dedicated to the public welfare and to the promotion and preservation of high professional standards. It maintains that all peoples of the world are legally entitled to freedom of choice of doctor for their personal health care; and that ICA's standards of membership are intended to assist all peoples, groups, and agencies to obtain responsible health service. In keeping with our declared policy of freedom of choice of doctor, it is our request that the present Federal Employees' Compensation Act be amended so as to permit injured employees entitled to receive medical services under such act to utilize the services of chiropractors.

The major responsibility of the U.S. health profession is to provide comprehensive health care for an ever-expanding national population. Medical doctors, doctors of chiropractic, dentists, osteopaths, optometrists—all share an obligation to the health of every State, every city, every individual.

The rapid growth of specialty sciences within the health professions has become the natural solution to the ever-present problem of attending the human need for health.

To point up the situation as it now exists under the Federal Employees' Compensation Act, I would like to read to the committee a letter written by Harold T. Hickey, Chief of the Audit and Compensation Payroll Branch, U.S. Department of Labor, Bureau of Employees' Compensation, 10th compensation district, under date of January 17, 1962. This letter was written to Mr. Bernard W. Schenken, 1395 10th Street, Marion, Iowa; file No. A10-45156. The letter reads, in its entirety as follows:

"DEAR MR. SCHENKEN: We have received a bill in the amount of \$12 which has been submitted on account of charges for services rendered by Dr. R. A. Hender, chiropractor, for treatment of the injury you sustained on October 4, 1961.

"The Federal Employees' Compensation Act provides that employees injured in the performance of duty shall be furnished services, appliances, and supplies that are prescribed or recommended by duly qualified physicians which in the opinion of the Bureau are likely to cure or to give relief or to reduce the degree or the period of disability or to aid in lessening the amount of monthly compensation. The act defines the term 'physician' to include surgeons and osteopathic practitioners within the scope of their practice as defined by State law. Aside from surgeons and osteopathic practitioners the term 'physician' does not include any practitioners in other fields of healing practice.

"In view of this, there is no basis on which to approve payment for the services of Dr. Hender because his services were not prescribed or recommended by a duly qualified physician within the meaning of the act. We are accordingly enclosing the bill, which you must now consider your personal obligation. Dr. Hender has been informed of this action by way of a copy of this letter.

"Very truly yours,

"HAROLD T. HICKEY,
"Chief, Audit and Compensation Payroll Branch."

To emphasize the importance of the problem, it should be understood that chiropractic has developed and become the second largest healing profession in this country. We point to the fact that some 25,000 chiropractors are now serving 35 million American people. Our ICA files disclose that more than 500 insurance companies make payments to chiropractors for chiropractic services or reimburse policyholders for the payment of such services.

The doctor of chiropractic works hand in hand with men of allied health professions. In an age of specialization, he often finds himself referring patients and receiving referrals. His position in society brings him in contact with many problems concerning the effective and efficient operation of a comprehensive health care program. He finds an obligation to not only provide a service to his patients in the office, but to promote responsible standards of health in his community, State, and Nation.

The role of chiropractic health care in industrial back injury cases has become a most important contribution to the Nation's health needs. The doctor of chiropractic finds himself providing a most essential service to the Nation's work force. For example, 1 of every 10 lost-time injuries is the result of back strain, causing an estimated 10 million lost man-hours each year.

Today, many industrial executives and leaders of the union movement are realizing the efficacy of chiropractic health care in reducing the time required to restore employees to work, and in maintaining a minimum of cost to management, insurance company, and the individual worker.

Insurance companies are quickly realizing the value of chiropractic health care as an added health and accident policy feature, and are encouraging patients with certain conditions to visit the doctor of chiropractic.

The doctor of chiropractic specializes in the adjustment of the spine and the relationship between the spinal vertebra and the nervous system and their relationship to health and disease.

The practice of chiropractic consists of analysis of any interference with normal nerve transmission and expression, and the correction thereof by an adjustment with the hands of the vertebral column for the restoration and maintenance of health, without the use of drugs or surgery. The term "analysis" is construed to include the use of X-ray.

Chiropractic is recognized not only by National, State, or provincial governments but also by independent insurance companies, unions, industry, and the public. As an illustration, the constitution of the Brotherhood of Locomotive Firemen & Enginemen insists that chiropractic care be provided for in its contracts with management. Again, the Painters, Decorators & Paperhangers (AFL-CIO) have several plans with chiropractic provisions. At present the Rubber Union is negotiating for chiropractic inclusion in their work contracts. Every day new labor contracts are going into effect, including chiropractic care.

Forty-eight States, Puerto Rico, the District of Columbia, the Canal Zone, most Provinces in Canada, and many other nations have enacted meaningful licensing laws.

Private insurance companies regularly pay chiropractic claims.

Some industries now have staff doctors of chiropractic and many industries routinely refer injured employees. Management-labor contracts provide for chiropractic care. Workmen's compensation laws in most States provide for chiropractic care.

The public is utilizing services of doctors of chiropractic in an ever-increasing volume.

The U.S. Civil Service Commission, Bureau of Retirement and Insurance, presently provides through a number of its Federal benefits plans chiropractic care under its Federal employees health benefits program. Many States provide chiropractic care to the aged under provisions of the Kerr-Mills bill recently enacted by Congress.

The degree to which the chiropractic profession has been successful in establishing itself as a recognized healing art has been the subject of several articles published in national magazines and newspapers.

On October 16, 1961, the conservative Wall Street Journal published a comprehensive article headlined, "Chiropractors Make Headway in the Struggle To Win Complete Acceptance." I offer to this committee and respectfully request that a copy of this article be made a part of this hearing.

McCall's magazine recently published a story by Reporter Samuel Grafton entitled, "The Case for Chiropractors." In its issue of October 1959 McCall's stated:

"Certainly chiropractic has been attacked by organized medicine for almost two-thirds of a century since, with passion and high anger. The results of the long fight hardly represent a clear-cut victory for medicine. There are 30,000 chiropractors in the country now, and while the art is not licensed in New York (and 3 other States), it is licensed in 46, including Alaska and Hawaii."

Chiropractic is widely recognized in scientific circles throughout the world. The doctor of chiropractic has a proven principle. He has defined his practice and based it on this principle.

While medical associations do not recognize chiropractic and continue to work against its growth, cooperation between doctors of medicine and doctors of chiropractic at the community level appears to be increasing. Certainly instances of this type of cooperation are no longer considered unusual within the chiropractic profession.

An illustration of the kind of attitude which is fostering greater cooperation was reported in the Wall Street Journal article which commented that Dr. Charles Bechtol, chief of orthopedics at the University of California at the Los Angeles Medical Center said:

"Chiropractic has a place in the healing arts * * *. Established professions tend to look down their noses too much at professions which may not be so well established and therefore, the older professions miss what good there can be in the newer ones."

Samuel Grafton in his article in McCall's reports:

"A certain number of M.D.'s have been impressed by chiropractic enough to make use of some of its methods and to offer their patients spinal manipulation. Medical opposition in this country is so strong that this type of acceptance has spread more rapidly abroad. A group of 200 West German M.D.'s, including members of the medical school faculties, has formed an organization for research and work in chiropractic; one of its leaders, Prof. Dr. L. Zukschwerdt, professor of surgery at the University of Hamburg, has praised chiropractic in the German medical press, recommending that physicians not neglect the application of so worthwhile a method."

Dr. Luther L. Terry, Surgeon General of the U.S. Public Health Service, has said:

"The concept of comprehensive health care has emerged within the past decade as scientific progress has taught the health professions that there can be no separation of their basic responsibilities: prevention, care, and restoration.

"In the distant past, it was possible to separate our very few preventive measures from the treatment of acutely ill people. Later on, a few surgeons seized the opportunities offered by their care of severely wounded soldiers to develop rehabilitative, or restorative, medicine. After the war, rehabilitative services were extended to the industrially injured and subsequently to a larger group of handicapped persons in our national programs for crippled children and vocational rehabilitation.

"The goal now is to make sure that preventive, curative, and restorative services are available to all persons who need them, at the times they are needed, and wherever they are needed.

"We need to strengthen and expand our existing schools; and we need to build new ones. We need to recruit our best young men and women for careers in the health professions."

In reaching this goal, the doctor of chiropractic plays a most important part. However, if a comprehensive health program is to be provided it will be necessary for all health professions to keep pace with the rapidly expanding population explosion.

The doctor of chiropractic performs an important function in all walks of life. Spinal injuries can occur anywhere, and spinal misalignments, or subluxations, have been proven to occur under myriad conditions.

In every field of endeavor, whether it be in the city or on the farm, in industry or management, the doctor of chiropractic plays a most vital part in the vast role of the Nation's health team.

Doctors of chiropractic are highly trained men and women. The typical chiropractor has had a thorough and intense training in all subjects needed to practice his profession and to deal with the vital life-or-death problem of health service to the public. He is not learned in the administration of medicines or the performance of surgery, because he prescribes no medications and does no surgery. In fundamental subjects, however, such as anatomy, physiology, bacteriology, neurology, his training is equal to or superior to that of other practitioners of the healing arts. In addition to these, he alone is intensively trained in those subjects peculiar to chiropractic which deal with misalignments of the spinal column that pinch nerves.

Curriculum of a typical chiropractic school

Subject:	Class hours
Anatomy.....	520
Physiology.....	520
Pathology.....	195
Chemistry.....	325
Bacteriology.....	130
Diagnosis.....	520
Neurology.....	130
X-ray.....	292
Psychiatry.....	65
Obstetrics.....	65
Pharmacology.....	-----
Clinic.....	585
Hygiene.....	65
Chiropractic technic.....	553
Chiropractic philosophy.....	195
Public speaking.....	65
Principles and practice.....	195
Ethics and jurisprudence.....	65
Total hours.....	4, 485

After earning a degree from an accredited college of chiropractic, the candidate normally must pass a comprehensive examination before a State or provincial licensing board before going into actual practice.

As in all professions, the educational process of the chiropractic profession is a continuing one. Seminars, symposiums, and similar type professional meetings are held frequently to discuss new techniques and developments.

There are thousands of doctors of chiropractic serving in every State of the Union, Canada, and in other parts of the world. It is estimated that some 35 million Americans have been to a doctor of chiropractic one or more times. In the United States, the geographic distribution of doctors of chiropractic indicate that chiropractic care is within easy reach of the residents of practically every community.

Chiropractic is also practiced in Canada, Mexico, Denmark, Switzerland, England, Belgium, Germany, Sweden, Australia, New Zealand, South Africa, and other foreign nations.

Since the discovery of chiropractic in 1895, this profession has been constantly growing in size and stature and service to the American people. Within its confines of the spine and its relationship to the nervous system chiropractic has built a most enviable record. It is the opinion of International Chiropractors Association that S. 3154 can better serve the needs of the American people.

We hope that you members of the committee, as national thought-leaders will be responsive to the need of the Federal employees and favorably report this bill so they may utilize the services of chiropractors.

I wish to thank you personally for inviting me to present this testimony and to thank you on behalf of the International Chiropractors Association.

Dr. LAKE. As appearing in my prepared statement this example would sum up the predicament of the Federal employee who has a spinal injury and comes to us for care. It is summed up quite well here in a letter to Mr. Schenken in Marion, Iowa, and it was sent to him by Harold T. Hickey, Chief of the Audit and Compensation Payroll Branch, Department of Labor, Bureau of Employee's Compensation, 10th compensation district, under date of January 17, 1962:

DEAR MR. SCHENKEN: We have received a bill in the amount of \$12 which has been submitted on account of charges for services rendered by Dr. R. A. Hender, chiropractor, for treatment of the injury you sustained on October 4, 1961.

The Federal Employees' Compensation Act provides that employees injured in the performance of duty shall be furnished services, appliances, and supplies that are prescribed or recommended by duly qualified physicians which in the opinion of the Bureau are likely to cure or to give relief or to reduce the degree or the period of disability or to aid in lessening the amount of monthly compen-

sation. The act defines the term "physician" to include surgeons and osteopathic practitioners within the scope of their practice as defined by State law. Aside from surgeons and osteopathic practitioners the term "physician" does not include any practitioners in other fields of healing practice.

In view of this, there is no basis on which to approve payment for the services of Dr. Hender because his services were not prescribed or recommended by a duly qualified physician within the meaning of the act. We are accordingly enclosing the bill, which you must now consider your personal obligation. Dr. Hender has been informed of this action by way of a copy of this letter.

Now, that points up in my personal practice and that of fellow doctors of chiropractic around the country, a situation that happens we would say hundreds of times a week. There is a paradox here, Senator Randolph, that under many of these cases if they are injured at home through falling or straining or twisting or turning, they have misplaced a spinal vertebra enough to impinge a nerve, they come to us and their insurance that is carried under their group health insurance plan covers this care. In testimony preceding me today I can't help but think, and I think it would be the consensus of opinion of most people, that a man does not enter Federal service under civil service to become millionaire. It creates a burden on him.

I have one instance that is a very personal thing where I was caring for three members of a family who had been injured in an automobile accident. This man being a postal worker and a good friend of mine, he injured himself in the line of duty. He came to me. Yet his bill for his examination, X-ray, laboratory work, and everything, he had to pay, himself. In the past on legislation similar to this the medical fraternity has seen fit to introduce as evidence, which will probably be the case today, in written testimony, that they refer patients to chiropractors when and if they feel as though these services are necessary. So it is not necessary then in their opinion to amend this law. This is not a fact. We have in the files of the International Chiropractors Association, we have never had filed with us an instance where a medical man has referred the patient as a subcontractor. You see, you would become a subcontractor under this situation.

Senator RANDOLPH. Yes; I understand.

Dr. LAKE. That will be brought to the attention of the committee.

Senator RANDOLPH. I noticed that there have been some medical services in West Virginia, regardless of who was performing them, that I think were more in the nature of contracting than really helping through medicine. I say that advisedly. We have had some cases that have been shown in court in which damage actually was done rather than assistance given to the individual. This is just an aside. But we are all interested in helping the patient and that is what you are making reference to.

Dr. LAKE. Yes, sir. You have had some recent experiences I know with this medical question that have been rather heated from my participation in these things.

We were the first to discover the spine and the nerve system and its relationship to one another. We have never asked for acceptance by organized medicine at all. On an individual basis this is much different, sir, locally, because we refer constantly and we get referrals on a local basis.

Senator RANDOLPH. I remember when I was a director of athletics in a college that I had occasion very often to refer football players and players on other sports teams at that institution to what we believe

to be competent chiropractors. This is done many, many times to my personal knowledge. I would say that these young men were helped by the services of the members of your profession.

Dr. LAKE. Thank you very much. We have advanced our merit. Of course, we get the cases that we cannot accept or will not accept for chiropractic care because, as you understand, my success or failure depends on results, as is the case for the chiropractor practicing in the field. So we go ahead in my testimony here before the committee and we, you might say, pat ourselves on the back in some instances and tell of our inclusion in contracts by management and union negotiator services in many instances, our qualifications and our educational background.

We would like to point out in summing this up actually, Mr. Chairman, just two factors.

We feel as though this hangs on the question of inclusion of chiropractic services. We feel, No. 1, that failure to include chiropractic causes a great deal of suffering in some cases for the Federal employee. We know in many instances that it creates a financial burden for this man. It upsets the family finances.

No. 2, we are not here asking that we have a monopoly, that the Congress remove the other professions from this bill. We just ask that we be included and that the patient be given his right which I feel and most Americans feel is the basic philosophy of the American way of life, the freedom of choice, and that he may secure the services of a qualified competent chiropractor if he so desires.

Senator RANDOLPH. Dr. Lake, I note in your prepared statement the fact that you stress that most State workmen's compensation laws provide for chiropractic care. Now, it would be helpful if you would provide a list of States that do provide for this care.

Dr. LAKE. Yes, sir; we can supply you that as soon as I can get to the telephone. I know in my particular State we are well covered. I am posted as a doctor of chiropractic in a very large company with headquarters in Atlanta. These people are regularly referred to me. They have a freedom of choice. They have, I think, two medical physicians they may seek the services of in case of an injury, in addition to myself, or our clinic.

We have a very good workable situation in the State of Georgia under workman's compensation but the Federal worker by law in our State, and I feel as though that is true in the other States that are covered, are not covered by workman's compensation under State statute, sir. The Federal employee is not covered by the Federal Workmen's Compensation. That is true in the State of Georgia.

Senator RANDOLPH. We are talking of coverage by State workman's compensation. That is what I asked for.

Dr. LAKE. Yes, sir. We can give you a list of all the States that do include chiropractic services.

Senator RANDOLPH. It will not be required this morning but you may provide it to the subcommittee at a later time.

Dr. LAKE. I certainly will.

(The material referred to and subsequently supplied follows:)

MEMORANDUM FROM THE INTERNATIONAL CHIROPRACTORS ASSOCIATION RE
STATE WORKMEN'S COMPENSATION LAWS—CHIROPRACTIC RECOGNITION

Pursuant to the request made of the International Chiropractors' witness, Dr. Grady V. Lake, for information regarding present payments by States of the Union

to chiropractors under their workmen's compensation laws, the enclosed is forwarded.

The requested information was prepared by the General Counsel of the ICA at the home office in Davenport, Iowa, and as you will note is in considerable detail, and in my opinion, fully responds to your request.

On balance, it appears that while there may be three States not recognizing chiropractic that could defer such payments, the fact of the matter is that they also make payments for chiropractic services under their workmen's compensation act and so in the final analysis, chiropractors are presently reimbursed in all 50 States.

Our researches have found only six States which include the term "chiropractic" in their workmen's compensation laws. Those six States are Alaska, Connecticut, Delaware, New Mexico, Texas, and Iowa.

On the other hand, a number of States have laws which contain language or indications that in event of challenge, a pretty good argument based on the statutory language itself can be made in behalf of recognition of chiropractic services. Examples of this type of language would be such as the Florida statute at section 440.13 which recognizes "* * * or other recognized practitioner * * *." The Maryland statute at article 101, section 37 states "* * * or other attendance or treatment * * *." The Michigan law states "* * * or other attendance or treatment recognized by the laws of this State as legal." The Minnesota law defines a physician to be one authorized by law to practice his profession within one of the United States and in good standing in his profession.

The Nebraska law recognizes one legally authorized to practice in the State and in good professional standing. The New Hampshire law recognizes "* * * or other remedial care when needed * * *."

The States we have listed which either have such type of language in their workmen's compensation laws or the laws indicate no basis for believing they do not recognize chiropractic services are Oregon, Colorado, Pennsylvania, Wyoming, Virginia, Ohio, Indiana, Arkansas, Oklahoma, Michigan, Missouri, Nebraska, North Dakota, South Dakota, Montana, Vermont, New Hampshire, California, Alabama, Rhode Island, Florida, Washington, Utah, Maryland, Minnesota, Georgia, and New York.

States which appear to exclude chiropractic recognition under their workmen's compensation laws are Louisiana, West Virginia, Arizona, Wisconsin, Tennessee, Mississippi, Massachusetts, Maine, Nevada, Hawaii, Kentucky, Illinois, South Carolina, and New Jersey.

Over the years, particularly in our insurance program, we have made surveys or have received information which would indicate that chiropractors in all of the States, whether having licensing laws or not, have received payments for chiropractic services rendered under workmen's compensation.

Certainly, we can pretty well predict that a challenged workmen's compensation claim based upon recognition of chiropractic services would not be recognized in the three States presently not recognizing chiropractic by licensure. These States are Louisiana, Mississippi, and Massachusetts. Furthermore, the State of Maine definitely does not officially recognize chiropractic services under its workmen's compensation law; bills which would grant such recognition having gone down to defeat in the past. To our knowledge, Wisconsin is another State that frowns upon recognition of chiropractic services under workmen's compensation, and if such services were challenged before the Wisconsin commission, they would likely be denied. However, indications we have received here at the office from time to time are that chiropractors' services have been recognized in all of these States, at least from an administrative standpoint.

Dr. LAKE. I want to thank you for your valuable time. We would like to urge that you report favorable to your whole committee and we would appreciate your support.

Senator RANDOLPH. Thank you, Dr. Lake, thank you, Dr. Adams.

Dr. Poe, do you have a comment?

Dr. POE. I have nothing further at this time.

Dr. ADAMS. Mr. Chairman, my understanding is that my written statement will be included in the record.

Senator RANDOLPH. Yes; both of these statements will be included in the record as read or in their complete presentation.

Dr. ADAMS. Thank you.

I would like to call attention that I have several of my colleagues from throughout the country here. We are having a meeting in Washington.

Senator RANDOLPH. I would be very happy if they would stand as you introduce them.

Dr. ADAMS. Dr. Hightower from California, Dr. Thatcher from Minnesota, Dr. Brassard from Texas, and Dr. Parchen from California, and Dr. Schierholz from Des Moines, Iowa.

Senator RANDOLPH. Thank you, Dr. Adams.

Dr. ADAMS. Thank you again.

Senator RANDOLPH. We appreciate the fact that you indicate the interest of these men with you in the presentation of this testimony. I would say as chairman of the subcommittee for today's hearing that I gather that it is your desire and it is your conviction that the practice of chiropractic be allowed to participate as it were in providing for better health of our Nation, especially now in reference to Federal employees. Is that correct?

Dr. ADAMS. Yes, sir.

Senator RANDOLPH. That is what you are really for?

Dr. ADAMS. That is right.

Senator RANDOLPH. You are saying within the framework you desire to be included in the field, that your record entitles you to that participation.

Dr. ADAMS. Yes, sir.

Senator RANDOLPH. Thank you.

I assure you that the subcommittee will give very serious consideration to what you have said.

Dr. ADAMS. Thank you, Senator.

Senator RANDOLPH. I believe that the National Association of Letter Carriers through its president, Mr. Keating, would wish to present for the record testimony. Jerome, I don't believe you want to make a statement.

Mr. KEATING. We have filed a statement.

Senator RANDOLPH. You have filed a statement and it has been received. We thank you, Mr. Keating, for this information. I know that in a general way you favor the bill as it has been passed by the House. Is that correct, Mr. Keating?

Mr. KEATING. Yes.

Senator RANDOLPH. Now we have the National Postal Union statement which we have also received.

Mr. Silvergleid, that has been supplied.

Do you have any brief comment?

STATEMENT OF DAVID SILVERGLEID, SECRETARY-TREASURER, NATIONAL POSTAL UNION, WASHINGTON, D.C.

Mr. SILVERGLEID. If the Senator please I would like to take 60 seconds. Of course, we endorse H.R. 10721 and we also endorse the Brewster bill, S. 3253. However, I would like to point out that the increase in dollar ceiling in H.R. 10721 does not affect any of the people we represent. They are within the 86 percent mentioned by Mrs. Peterson who are already covered under the present ceiling.

There was a bill introduced last session in the House by Congressman Fascell of Florida, H.R. 5288, which presumably the House Education and Labor Committee considered.

I would like to call it to the Senator's attention because it was raised by a previous witness, John McCart, of the Government Employees' Council. It provides specifically for people in the lower paid categories, those we represent. One item involves the delayed payments of compensation moneys when an employee has been injured. If the Senator recollects, he asked Mr. McCart whether or not any of the States had made provision for earlier payments. Mr. McCart at that point did not have the information. I would like to call to the attention of the subcommittee that many States, and I know particularly New York State, have provisions for disability payments in the event of injury. So that while an employee is processing his compensation claim, he is guaranteed \$50 to \$55 each week tax exempt and, of course, this enables him to carry on temporarily. Our biggest problem, Senator, frankly has been, and the President recognized it recently, that people in the lower salary categories, the people we represent, cannot afford to live 60 or 90 days without any income. In my own personal experience, back in the Brooklyn post office I instituted a program where we advanced each employee \$100 every 2 weeks to carry them. Those moneys, of course, were repaid when he received his checks. I would appreciate if the committee would consider the feasibility of not advancing an employee his full salary, but at least that portion he would be entitled to under the compensation law.

If I may say further, the provision with respect to the loss of annual and sick leave was also considered by the House Education and Labor Committee. Since then the President has signed into law the back pay law of 1966 which provides that employees improperly suspended or removed will be given retroactively the fringe benefits they could have earned. I believe it should be applied similarly in this case.

Senator, thank you very much for your indulgence.

Senator RANDOLPH. Thank you, Mr. Silvergleid.

We are going to also receive the statement through the legislative director of the United Federation of Postal Clerks, AFL-CIO, Mr. Nilan. He indicates the endorsement of that organization of H.R. 10721.

(The prepared statements of Mr. Goodman of the National Postal Union and Mr. Nilan of the United Federation of Postal Clerks follow:)

PREPARED STATEMENT OF SIDNEY A. GOODMAN, PRESIDENT, NATIONAL
POSTAL UNION

Mr. Chairman and members of the subcommittee, my name is Sidney A. Goodman, and I am privileged to serve as president of National Postal Union, located at 509 14th Street NW., Washington, D.C. I am accompanied here by our secretary-treasurer, David Silvergleid. We represent over 55,000 postal employees, organized in excess of 500 local affiliates in all 50 States, as well as Puerto Rico and the District of Columbia.

We are grateful, Mr. Chairman, for your action in scheduling these hearings on H.R. 10721 as approved by the House of Representatives, a bill to amend the Federal Employees' Compensation Act to improve its benefits, and for other purposes. We sincerely appreciate this opportunity to submit our opinions on this vital and important subject.

In his statement on September 8, 1965, before a select Subcommittee on Labor of the House of Representatives, Solicitor of Labor Charles Donahue requested immediate consideration of H.R. 10721, as originally introduced, although he pointed out, "as to an equitable and long-range proposal to perfect workmen's

compensation protection for Federal employees, we are awaiting the finding of the President's Cabinet Committee on Federal staff retirement systems which is making a collateral study of the Compensation Act." Inasmuch as it was routine for administration spokesmen, during the 1st session of the 89th Congress, to advocate deferment of proposals within the scope of the studies of the aforesaid Cabinet Committee, it would appear that some urgency existed with relation to current employees' compensation benefits.

We endorse the provisions of H.R. 10721 as approved by the House of Representatives, as fully justified and warranted, although it is our considered opinion they fall short of what is necessary. The Federal Employees' Compensation Act is so infrequently reevaluated and overhauled, it would appear that improvements should be projected to include pending and anticipated changes in the economy.

We fully subscribe to the proposed increases in the maximum and minimum dollar limits for injured employees, dependents, and survivors. We support the provision that previous compensation awards be increased on a basis which is consistent with increased in the Consumer Price Index. We also believe the extension of benefits for surviving children from age 18 until age 23 if the child is still attending school, is long overdue.

We would like to call to the attention of the subcommittee, H.R. 5288, introduced by Congressman Dante B. Fascell, Democrat, of Florida, and request consideration be given to adding its provisions as an amendment to H.R. 10721.

H.R. 5288 recognizes that under present procedures, an injured Federal worker remains without salary while disabled, until his claim is processed. Therefore, it provides that the injured Federal employee could continue to receive his regular pay, with any difference subsequently adjusted by withholding portions of the compensation payments in such a manner as may be equitable to the employee and the Government. It has been our experience that injured postal employees frequently must resort to credit unions, banks, or welfare funds to tide them over until such time as they receive their first compensation payments.

A further provision in H.R. 5288 would allow an employee injured on the job to be credited with annual and sick leave for the period he is on the compensation rolls. Under present procedures, an injured Federal employee does not earn annual and sick leave credits unless he is performing actual service. In many cases where the employee has already used up his annual leave, he must either pay it back in cash or in deductions from future credits. It is hard to visualize a more glaring injustice, than the denial of credit for sick and annual leave to employees which would have been earned, had not such employees been unable to work for extended periods of time due to injuries sustained in line of duty.

We also endorse and support S. 3253, sponsored by Senator Daniel B. Brewster, Democrat of Maryland, and urge its provisions be included in the bill reported by this committee. S. 3253 proposes development and enforcement of safety standards in Government employment in order to cut down on-the-job injuries. Authority to do so would be in the Department of Labor, but Federal employee unions would participate in development of safety standards.

We wish to thank the subcommittee for this opportunity to present our views.

PREPARED STATEMENT OF PATRICK J. NILAN, LEGISLATIVE DIRECTOR, UNITED
FEDERATION OF POSTAL CLERKS, AFL-CIO

Mr. Chairman and members of the subcommittee, for the record, I am Patrick J. Nilan, legislative director of the United Federation of Postal Clerks, AFL-CIO, with headquarters at 817 14th Street NW, Washington, D.C.

We are the exclusive national bargaining representative for the 245,000 clerical employees in the Postal Establishment under the terms of our national agreement with the Post Office Department.

As one of the oldest groups of organized employees in Government—clerks were first organized in 1890—I can assure you that our members are vitally interested in the efforts of this committee to upgrade obsolete provisions of the Federal Employees' Compensation Act. We would like to express our appreciation to the chairman and members of the committee for scheduling these hearings.

The United Federation of Postal Clerks supports H.R. 10721 and urges this committee to favorably report it to the Senate. We offer our endorsement of this legislation because it makes progress toward elimination of longstanding inequities which have plagued Federal employees receiving compensation awards. In recent years we have heard much about the Federal Government's "forgotten"

retired employees whose annuities have lagged behind accepted standards of being able to live decently. But even more forgotten are the thousands of disabled employees who live in a constant daily struggle to survive with fixed incomes that are progressively eroded by rising prices, expanding taxes, and increases in the cost of living.

From 1916, when the first Compensation Act was passed for Federal employees, 11 years passed before that act was amended to increase compensation to disabled employees. In this period, the Nation experienced the inflationary pressures of World War I and emerged during the 1920's as a mature and advanced industrial society.

By 1927, when the maximum compensation was raised from \$66.67 to \$116.65, the Nation was in the midst of the greatest economic boom in its history. After 11 years of steady rise in prices and costs, legislation had been finally passed to adjust allowable maximum compensation to injured and disabled Federal employees to a level deemed at that time (1927) to be within the realm of decency and human survival.

Twenty-two years later, in 1949, the level was raised again. This time the prosperity of World War II and the ensuing rise in living costs had eroded the "decent" level of 1927 so badly that Congress found it necessary to increase the maximum compensation level by almost 500 percent to bring it back into line with current living costs and wage levels. Salary levels in 1949 were enormous compared with levels in 1927, or for that matter, in 1937. If maximum disability income of \$525, with minor dependents, was considered adequate in 1949, we shudder to think of the privations that were forced upon disabled employees in 1948 whose income was no higher than that received 21 years before.

To Federal employees now on the disability rolls, history has again repeated itself since 1949. Rising costs and prices have driven living costs up by 31 percent. Federal salary levels have more than doubled. State and local taxes have climbed astronomically. But a disabled Federal employee, no matter what his income may have been prior to his injury or sickness, cannot receive compensation in excess of \$525 per month. In 1949, this income was sufficient to insure that 99.5 percent of all Federal employees could receive 75 percent of his current income in the event of total disability.

Since 1949, increasing Federal salary levels have reduced this number by almost 15 percent. Today, only 85.6 percent of Federal employees could expect to receive 75 percent of his salary if he were totally disabled and had minor dependents. This is because his disability compensation continues to be limited by a ceiling that was established 17 years ago—before the Korean war and the spiraling living costs that accompanied and followed that conflict.

The UFPC supports H.R. 10721 because it will not only bring the disability compensation ceiling into line with reality, it will, for the first time in half a century, eliminate the cyclical erosion-of-living standard that is caused by fixed limitations upon the amount of allowable disability income.

It will permit the enormous advance of relating disability payments to Federal salary levels, which, in turn, are tied to or are responsive to changes in the cost of living. Furthermore, this bill would insure that those on the disability rolls will receive income increments that are tied to rises in the cost of living. Under previous and current arrangements, disability compensation remained static and without reference to rise in living costs.

We do not subscribe to the thesis that 75 percent of salary is an equitable maximum (it should be remembered that this maximum is attainable only with minor dependents). Employees without dependents are entitled only to 66½ percent of salary. We understand that a ceiling was considered necessary to prevent a few cases where net income under compensation payments would exceed net salary after taxes (disability income being tax free). However, these few cases would occur only at the upper end of the salary scale and the vast majority of Federal employees do not even remotely approach the 25-percent income tax bracket.

In these cases, the net income problem is not applicable and we do not subscribe to the 75-percent formula. We see no reason why an employee who was disabled in the line of duty and through no fault of his own should be forced to suffer any reduction in his standard of living, at least until he reaches retirement age.

Our convictions in this regard notwithstanding, we believe H.R. 10721 at least maintains the spirit of the 1949 legislation and reinstates to some 15 percent of Federal employees the income they would otherwise be denied.

In addition to these features, H.R. 10721 contains provisions for eliminating other controversial inequities. It provides for informal hearings for the benefit

of the injured or disabled employee. Widows or dependent widowers receiving death benefits are to receive a lump-sum payment upon remarriage instead of merely being taken off the rolls; injured employees who are required to bring suit against third parties responsible for their injuries are assured of a share of the proceeds of such a suit; persons in receipt of compensation are accorded reemployment rights similar to career or career-conditional employees who are displaced by reductions in force; and certain technical amendments to the original act are included.

As we indicated at the outset, we believe this is a good bill and we support it. It contains many fine features and moves us forward in relation to where we were 17 years ago. We understand, however, that representatives of the administration continue to oppose many features of this bill. The rationale for this opposition is not clear.

In testimony before the House Subcommittee on Labor of the Committee on Education and Labor of the House of Representatives, administration spokesmen proposed legislation that would establish a new ceiling at \$685 per month. This ceiling, fixed by law, would not increase with the cost of living. It would exceed the old ceiling by \$160, or about 30 percent.

While this increase approximates the rise in living costs since 1949, it is grossly disproportionate to the increase in Federal salary levels since 1949. Seventeen years ago, the top classified salary level was \$10,330. Today it is \$24,500—an increase of 143 percent. In 1949, a top-salaried classified employee would have had his income reduced by only 39 percent if totally disabled and eligible for the maximum allowable disability compensation. Under the administration's current proposals, a top-salaried official today would have to take a cut of 66 percent—a two-thirds reduction in his standard of living.

While administration spokesmen state this increase in the allowable maximum benefits would permit some 93 percent of Government employees to receive 75 percent of their salary in event of total disability (with minor dependents), it would fall some 6 percent short of the 1949 level.

At the other end of the scale, the administration proposes to raise minimum allowable compensation from \$180 to \$210, an increase of approximately 17 percent. This is barely more than one-half of the increase in the Consumer Price Index since 1949. H.R. 10271 establishes a compensation floor of \$277 (or the basic salary of the individual, whichever is lower). This represents an increase of approximately 50 percent, which is more than adequate to cover increased living costs.

Administration proposals for increasing the income of persons now on the disability compensation rolls would permit increases only since the date of entry on the rolls to those who began receiving compensation since 1958. H.R. 10721 would grant an increase in benefits equal to the rise in Consumer Price Index—roughly 9.1 percent—to all who have entered the rolls since 1958.

Further, the administration's proposals contain no provision for future increases in the level of benefits as living costs and consumer prices increase. We realize that the administration has described its position on this legislation as an "interim" one but we have followed the fluctuation of the administration's opposition to this bill with great interest.

In September of last year we were led to believe that the President's Cabinet Committee on Federal Staff Retirement Systems would make a collateral study of the Compensation Act and that the findings of this Committee would permit formulation of final and comprehensive administration recommendations. The Committee failed to make substantive recommendations relative to the Compensation Act and now, almost a year later, the administration's position seems no more comprehensive or enlightened than it was at that time.

It would appear, therefore, that the Government's "interim" proposals for new legislation to improve the benefits of the Federal Employees' Compensation Act have become "final" recommendations. The inadequacies of these proposals that were previously defended by administration spokesmen as "temporary" must now be viewed as plain "inadequacies"—without the redeeming virtue of being "temporary."

It is this kind of inconsistency that often encourages the suspicion that administration officials may view the relationship between the Government and its employees as a one-way street. Loyalty, sacrifice, esprit de corps, and faithful service are highly prized qualities if possessed by the employees. But those unfortunate few who are so unlucky as to become disabled in the line of duty are unfortunately rewarded "at the convenience of the Government." Too often, in the interest of budgetary expediency, the 16,000 or 17,000 Federal em-

ployees now receiving compensation benefits must struggle from one legislative increase to the next and endure long periods of privation caused by accelerated living costs. So long as allowable maximum benefits remain static and not connected to classified salary increases, as well as increases in the Consumer Price Index, disabled employees will be tied to a fixed income level that can only be changed by special legislation.

While we give our unqualified support to H.R. 10721, we believe there are remaining areas of possible improvement. For example, we believe that employees receiving disability compensation should benefit by upward adjustments based on the step increases they would normally have received as a consequence of automatic raises or general salary increases by law. Employees who are disabled or prevented from carrying on their normal duties through no fault of their own should not be deprived of routine career upgradings of income during their disabilities. In the case of disability that would prevent an eventual return to work, this provision would not have to apply.

Before I close, Mr. Chairman, the United Federation of Postal Clerks will appreciate a complete review by this committee of our testimony on H.R. 10721 before the House of Representatives Select Subcommittee on Labor which was included in the hearings report of the House committee. We suggested a number of additional benefits for Federal employees on compensation in this testimony, and we would hope this committee, either at this time or in the near future, will further consider these recommendations.

Mr. Chairman and members of the committee, we appreciate your kindness and patience in giving the United Federation of Postal Clerks an opportunity to be heard on a subject which is close to the hearts of many of our members and their families. We are grateful to those Members of Congress whose interest and concern is mirrored here today in the pending legislation. And we are hopeful that this body and the Congress will act speedily to up-date a law which has deep roots in our culture and which has been regarded throughout the world as a model of humanity in establishing protection against the innate risks of labor for the men and women whose devotion has made our nation great.

Senator RANDOLPH. The record will be kept open until the afternoon of Monday of next week. We will not have a further hearing but we are glad to receive the information that I have asked of certain witnesses and to receive statements of individuals representing organizations prior to next Monday afternoon.

Thank you very much for being present.

(The following material was received for the record:)

PREPARED STATEMENT OF NATHAN T. WOLKOMIR, PRESIDENT, NATIONAL
FEDERATION OF FEDERAL EMPLOYEES

I am Nathan T. Wolkomir, president of the National Federation of Federal Employees. Our organization has members in almost all Federal departments and agencies in this country and also at various U.S. installations overseas.

Mr. Chairman, I want to express the support of the National Federation of Federal Employees for H.R. 10721 as it passed the House of Representatives. I think it will go a long way toward meeting the needs of the Federal employees in their time of distress. The provisions for calculating the maximum payment, for adjusting previous compensation awards of persons already on the rolls as well as future increases on a basis consistent with increases in the Consumer Price Index, and for a hearing before the Bureau of Employees' Compensation are especially praiseworthy. There remain, however, several improvements that NFFE urges be considered favorably.

Section 36 of H.R. 10721 should be amended to afford a claimant the right of appeal to the U.S. courts from a decision of the Employees' Compensation Appeals Board. NFFE recognizes the present Appeals Board is a reasonable Board, but in order to be consistent with the practice of most States, we believe the right of judicial review should be provided.

One of the problems confronting an injured employee is keeping money coming in while a compensation claim is being processed. Continued efforts to reduce the processing time in the agency and Bureau of Employees' Compensation may shorten the processing time to several weeks. But that is longer than the employee could or should be expected to go without pay for reasons beyond his control. NFFE recommends H.R. 10721 be amended to provide that an em-

ployee who suffers an injury that appears to be compensable may elect to be paid regular salary with a charge to sick or annual leave or at 75 percent of his pay without charge to leave. If he elects the latter and his claim is disapproved, the money paid at the 75-percent rate may be recovered either by appropriate charge to leave or by payroll deductions from subsequent earnings. This would provide the employee with needed income, minimize the difficulty in choosing between using sick leave or going without pay until the claim is processed, and at the same time the financial interest of the Government are protected.

A related problem is the injustice of an employee who has suffered a compensable injury being required to use his sick or annual leave for treatments due to the injury. NFFE recommends that H.R. 10721 be amended to provide that the employee who requires treatment as a result of a compensable injury and cannot secure the treatment other than during duty hours shall not be charged leave for such approved absence.

Finally, NFFE recommends that H.R. 10721 be amended to permit reimbursement of an employee who suffers damage to personal property as a result of a compensable accident. This would include such items as clothing, glasses, wrist-watch, and so forth that may be damaged or destroyed in the accident.

Mr. Chairman, in concluding my testimony, I wish again to cite our support for H.R. 10721 and to urge a favorable report with the inclusion of the amendments suggested.

The NFFE wishes also again to express its appreciation to the subcommittee and to all Members of Congress who have taken a constructive and forward-looking position with respect to this very important matter.

PREPARED STATEMENT OF CLARENCE M. TARR, PRESIDENT, NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES

Mr. Chairman and members of the subcommittee, my name is Clarence M. Tarr, president and legislative director of the National Association of Retired Civil Employees. Our association has nearly an eighth of a million members, principally retired civilian employees of the United States, but including some of their dependents and survivors and widows of employees who died in the service. We have over 900 chapters throughout the United States. We come here today to speak in behalf of H.R. 10721, a bill to liberalize compensation benefits for employees injured or disabled in the line of duty.

There are two kinds of benefits available for Federal civilian employees who become disabled after at least 5 years of service. If the disability is due to an injury in the line of duty, the disabled employee can elect to go on disability retirement or to receive benefits under the Employees Compensation Act, and may choose the benefits that are most liberal. If the disability is not due to injuries or illness in the line of duty, he is restricted to disability retirement under the civil service retirement system. As a result, we have as members retired civilian employees receiving benefits under the Employees Compensation Act in addition to those receiving benefits under the Civil Service Retirement Act.

By Public Law 87-793, approved October 11, 1962, there was added to the Civil Service Retirement Act a provision for the automatic adjustment of annuities to match increases in the cost of living whenever the Consumer Price Index advances 3 percent or more. This provision was further amended by Public Law 89-205 last year to speed up the process of annuity increases to match cost-of-living increases. There is no such provision in the Employees Compensation Act at the present time. As a result, we find that some disability retirees whose disability was not due to any injury in the line of duty are protected against increases in the cost of living while others who were injured in the line of duty have no such protection. Also, there has been a lag in the past in providing statutory benefit increases under the Employees Compensation Act. Both of these deficiencies would be corrected by provisions in H.R. 10721 as approved by the House of Representatives. We urge that these provisions be also approved by this subcommittee and by the Senate.

We also take this opportunity to report the fears of some of our members, who are compensation beneficiaries, their annuities might be subject to review and reduction after they reach the age of 70, on the basis of authority in section 6 of the Employees Compensation Act. This section authorizes the Secretary of Health, Education, and Welfare, after the disabled employee had reached the age of 70, to review his "productive capacity" and adjust the benefits accordingly.

It is only natural that a person's "productive capacity" is usually lower after 70 than it was before, but if there is any change in the necessities of life, it will be that his necessities cost more and not less. There should not be an overhanging threat to retirees under the Employees Compensation Act that their benefits might be reduced at the very time that the need is greatest, and we ask this subcommittee to amend H.R. 10721 to delete this authority.

We thank you for the opportunity to appear and present this statement. We will try to answer any questions you may have.

PREPARED STATEMENT OF CLARENCE A. PHILLIPS, CHAIRMAN OF THE BOARD, HEALD'S COLLEGE, SAN FRANCISCO, CALIF., AND PRESIDENT, UNITED BUSINESS SCHOOLS ASSOCIATION, WASHINGTON, D.C.

Mr. Chairman and members of the subcommittee, my name is Clarence A. Phillips. I am chairman of the board of Heald's College, San Francisco, Calif. For more than 45 years I have been associated with business education.

Also, I am president of the United Business Schools Association to which belong nearly 500 of the quality postsecondary independent business schools and junior colleges of business. UBSA itself was founded in 1912 by many member institutions, including Heald's College, have been serving students for more than 100 years.

UBSA itself is an affiliate of the American Council on Education. At least one administrator in every UBSA school is a member of the American Vocational Association.

STATEMENT OF POSITION

Our particular concern centers on section 7(b) of H.R. 10721 which would amend section 10 of the Federal Employees' Compensation Act to provide for the continuation of benefits to surviving children attending school. It is our position that the language of proposed paragraph (M) should be amended to accomplish the following purposes:

1. The incorporation of the existing statutory definition of an "educational institution" used in Public Law 89-97 which provides social security dependents similar educational benefits. While it may be desirable to provide the Secretary of Labor with sufficient flexibility to further define administratively an "educational institution," we feel as a matter of statutory construction and legislative consistency that since section 202(d)(8)(C) of Public Law 89-97 and section 7(b) of H.R. 10721 are parallel in purpose, they should be parallel in language.

2. The retention of the present language authorizing the Secretary to define an "educational institution" in addition to the congressional mandate as a device for administrative flexibility.

3. The benefits also should be payable to the children of totally disabled employees. Ample precedent for this is found in the War Orphans' Educational Assistance Act (38 U.S.C. 1701 et. seq.)

4. The limitation to "4 years of education beyond the high school level" should be eliminated.

Additionally, and because of the importance of the words "full-time student," "program of education," and "educational institution," we respectfully request that the committee report fully reproduce as a matter of legislative history the "tentative guidelines" referred to in colloquy of May 3, 1966, with the Honorable Esther Peterson, Assistant Secretary of Labor, and which appear on page 23 of the hearings on H.R. 10721 before the Select Subcommittee on Labor of the House Committee on Education and Labor in September 1965.

This matter of legislative history would be extremely pertinent in the event that the committee is fully satisfied to delegate unlimited authority to the Secretary to define an "educational institution."

SUGGESTED AMENDING LANGUAGE

Set out below is a suggested version of section 7(b) which would accomplish these points:

1. Incorporate the social security law definition of an "educational institution" (Public Law 89-97 sec. 202(d)(8)(C)) in order that Congress can be assured through statutory language that dependents' educational benefits will be similarly available.

2. Retention, as a fourth alternative (iv), of the existing language authorizing the Secretary to define an "educational institution" when the need may arise as an additional item of administrative flexibility.
3. Elimination of the limitation of benefits to 4 years beyond high school.

SOCIAL SECURITY ACT ¹*Payment of child's insurance benefits after attainment of age 18 in case of child attending school*

SEC. 202(d)(8)(C) An "educational institution" is (i) a school or college or university operated or directly supported by the United States, or by any State or local government or political subdivision thereof, or (ii) *a school or college or university which has been approved by a State or accredited by a State-recognized or nationally recognized accrediting agency or body*, or (iii) a nonaccredited school or college or university whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited.

The social security definition has been incorporated below as subparts (i), (ii) and (iii) as set out in italics and the present language of the measure empowering the Secretary to define has been fully retained without change as subpart (iv).

The limitation of benefits to 4 years has been stricken as it appears in black brackets.

A Bill To Provide for Federal Employees' Compensation Act Amendments of 1966

CONTINUATION OF BENEFITS ON ACCOUNT OF SURVIVING CHILDREN ATTENDING SCHOOL

SEC. 7(b) Section 10 of such Act is amended by adding at the end thereof the following new paragraph:

"(M) For the purposes of this section, a person shall be considered a student while he is regularly pursuing a fulltime course of study or training at an institution which is:

(i) *a school or college or university operated or directly supported by the United States, or by any State or local government or political subdivision thereof, or,*

(ii) *a school or college or university which has been approved by a State or accredited by a State-recognized or nationally recognized accrediting agency or body, or,*

(iii) *a nonaccredited school or college or university whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited, or,*

(iv) an educational or training institution as defined by the Secretary, but not after he reaches the age of twenty-three [or has completed four years of education beyond the high school level], except that, where his twenty-third birthday occurs during a semester or other enrollment period, he shall continue to be considered a student until the end of such semester or other enrollment period. A child shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Secretary that he has a bona fide intention of continuing to pursue a full-time course of education or training during the semester or other enrollment period immediately following the interim or during periods of reasonable duration during which, in the judgment of the Secretary, he is prevented by factors beyond his control from pursuing his education."

PARALLEL LAWS—PARALLEL DEFINITIONS

Since this amendment to the FECA is designed to carry out that which Congress granted to social security dependents last year in Public Law 89-97, it would seem appropriate that, as a minimum legislative safeguard, the FECA should contain a parallel statutory definition of an "educational institution." We feel that the FECA itself should be at least as explicit and definitive as is the Social Security Act.

The above-suggested version of section 7(b) retains in full, but as an alternative, the present language authorizing the Secretary to define an "educational institution." If the Secretary seeks only administrative flexibility he still has it.

¹ As amended by sec. 306(b)(3), Social Security Amendments of 1965, Public Law 89-97.

Thus the Congress avoids placing him in possible legislative straitjacket but at the same time avoids the risk of delegating carte blanche control of these benefits.

A law with parallel benefits should, as a minimum, have parallel definitions.

FOUR YEARS BEYOND HIGH SCHOOL—INSUFFICIENT

With the ever-mounting discussion about the need for continuing education it is curious indeed that section 7(b) should limit benefits to 4 years beyond high school. This unwarranted limitation should be stricken from the measure.

Commissioner of Education, Harold Howe, in his recent speech to the Georgia Vocational Association, said:

"We are getting away from the notion that education is a neatly packaged period of years inserted into a person's life somewhere between his first pair of long pants and his first vote. Education no longer ends with a high school diploma or a college degree."

The day when high school will extend into the 13th and 14th grades is not far off. This will mean, in many cases, that students will be graduating from college at 23 and will have been in school for the entire 5 years from 18 to 23.

A book published in 1966 by the American Association of School Administrators and entitled, "Imperatives in Education" reveals:

"The American Association of School Administrators, through resolutions adopted at the 1965 convention, urged administrators in State and local school systems to take vigorous leadership in developing and maintaining an educational program to provide appropriate education from kindergarten through at least 2 years beyond high school and continuing education for all adults" (p. 140).

Many students, after 4 years of college, are still vocationally ill equipped. On an average, 20 percent of the students in accredited business schools enroll after they have left or have been graduated from 4-year colleges. (See S. Rept. 1275, 88th Cong., 2d sess., "Amendments to the National Defense Education Act and Impacted Areas Legislation, p. 3.)

If increased and continuing education is a necessity why then permit the measure to limit benefits to only 4 of the 5 years from 18 to 23?

CONCLUSION

We sincerely urge the committee to favorably consider amending the language of H. R. 10721 and section 7(b) to provide that—

1. FECA dependents will have as a congressional mandate the same educational benefits as social security dependents by incorporation of the statutory definition of an "educational institution" of section 202(d)(8)(C) of Public Law 89-97 into section 7(b) of H. R. 10721.

2. The Secretary of Labor retain for administrative flexibility, alternative authority to define an "educational institution."

3. Educational benefits should be available to dependents of the "totally disabled" as well as to dependents of deceased employees as in the case of the War Orphans' Educational Assistance Act.

4. Educational benefits to dependents should be payable for the entire 5-year period from 18 to 23 years of age.

Additionally, we urge the committee to reflect in its report, the "Tentative Guidelines for Determining Eligibility of Surviving Children To Complete Education Under Section 204 of FECA Amendments," which appear on page 23 of the House hearings on H. R. 10721.

PREPARED STATEMENT OF JEROME J. KEATING, PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS, ON H. R. 10721

Mr. Chairman and members of the committee, my name is Jerome J. Keating; I am president of the National Association of Letter Carriers, an organization with 180,000 members, located in every one of the 50 States, the District of Columbia, and Puerto Rico.

The Federal Employees' Compensation Act was the first supplemental benefit program enacted on behalf of Federal employees. It was enacted in 1916; our organization was formed in 1889. The National Association of Letter Carriers supported the creation of the Compensation Bureau in 1916, and we have actively participated in securing all of the amendments to the Act since that time.

We are here today to testify on behalf of H. R. 10721, a bill passed by the House of Representatives. We favor the bill passed by the House and hope it will be

enacted into law, although we do not believe that the bill does all the things that are necessary for employees who are injured in the line of duty.

We feel that the increase provided for in H. R. 10721 for those presently on the compensation rolls is inadequate, in that it recognizes only the increase in the cost of living. The cost-of-living raises granted in industry always provide for an improved standard-of-living factor. The standard of living in this country is changing rapidly. The Consumers Price Index does not attempt to measure anything except the increase in the price of certain commodities. They adjust the items in the "market basket" from time to time, but they do not keep up with the rapidly improving standard of living. We believe that the increases provided should be $1\frac{1}{2}$ times the increase in the cost of living index.

Perhaps the greatest problem we have with the administration of the Compensation Act is the length of time it takes to get the payment to the injured employee. On the average, it takes 49 days to get the compensation claim to the Bureau; and it takes an average of 79 days before the injured employee receives his first payment. It has long been a source of amazement to me how many of these people maintain themselves while waiting for the payment. The fault is not one of the Bureau's essentially—but certainly it is one of the Government's. On occasions, the appropriations are not sufficient to permit the employment of enough people by the Bureau to enable them to promptly adjudicate the claims. Too many officials in various departments and agencies are not sufficiently acquainted with the act to promptly submit the claims for processing. It is not regarded as a serious problem in some areas, and the employees are hospitalized for long periods of time without their claim forms being filled out. Doctors often do not furnish complete information. Claims have been delayed in securing payroll records. We now have a new hazard in many post offices throughout the country that results in additional delay. We have a new official who is known as the "safety officer" and in some post offices the compensation claims are referred to the safety officer for his study. This, of course, delays the claim further, and this delay is absolutely unnecessary—the decision as to whether the claim is to be allowed or not is one to be made by the Bureau of Employees' Compensation, not by the Post Office Department. We certainly have no objection to their studying the information about the injury to help develop a better safety program in the Post Office Department, but the idea of delaying the submission of the claim while this additional study is being made is preposterous.

We supported a recommendation in the House of Representatives that injured employees should be kept in a pay status by the department or agency until the compensation claim was cleared, and then a proper adjustment should be made.

We have long advocated that heart ailments in the case of men who are subject to hard physical work or mental strain be considered an occupational disease. Such an amendment is necessary because of the numerous roadblocks presently existing when attempts are made to establish compensation claims where heart attacks occur. One of the roadblocks is caused by the reluctance of doctors to make absolute statements on causative factors. Men in the medical profession are prone to equivocate when it comes to putting things on paper.

Many employees who have excellent cases for compensation fail to receive compensation benefits because of the lack of knowledge on the part of Government supervisors when it comes to illness due to occupational hazards. To many of them, compensation is due only in case of broken bones.

We believe that the committee should give consideration to including artificial limbs, glasses, hearing aids, and any other similar aids that are required to bring a person to an adequate physical capacity. If an employee wearing an artificial limb is injured in an accident and the limb is destroyed, the loss is not compensable. We believe that these items should be paid for when destroyed in an accident.

We also believe that agencies should be compelled to rehire employees when they recover from a disability. At the present time, employees who have recovered in whole or in part are often refused reemployment, even in cases where jobs are available in the department or agency.

We had a case in Fairmont, W. Va., a few years ago where a carrier had recovered from an injury and he was certified by the Bureau as being sufficiently recovered to return to work. He had a year in which to secure a position and it took him several months of that time before he was successful. In this case, the employee was successful but in many cases in smaller installations, the men are not successful. We feel that the responsibility of restoring these people to their employment should be the responsibility of the department or agency in

which they were employed at the time of their injury, rather than the employee being compelled to find an opening

Mr. Chairman, we want to express our appreciation for having this opportunity to appear before this committee and testify in behalf of H.R. 10721. We realize, of course, that all of these proposals we have made cannot be included in the present bill, but we hope that some improvement can be brought about and that the legislation will be given favorable consideration by this committee.

PREPARED STATEMENT OF FLOYD E. HUFFMAN, PRESIDENT, NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

Mr. Chairman and members of the subcommittee, I am pleased to present for your consideration, on behalf of the 43,000 members of the National Rural Letter Carriers' Association, our comments and recommendations concerning needed and deserved amendments to the Federal Employees Compensation Act as provided by H.R. 10721.

Our organization represents the rural letter carriers who each day, 6 days a week, travel 1,890,000 miles of our highways, roads, and streets. To serve daily almost 10 million families and businesses, these employees encounter the dangers of "stop and go" driving, as well as the adverse driving conditions of weather throughout the year and the usual accident exposure in driving a motor vehicle.

Our organization deeply appreciates the action of this committee in scheduling public hearings on H.R. 10721 and related bills. We trust the committee may soon approve and report a bill containing these important amendments to the Compensation Act and we hope that early action would be taken by the Senate to assure that this needed legislation is no longer delayed.

It has now been 6 years since any changes have been made in the Federal Employees Compensation Act and not since 1949 have any major revisions been adopted. Certainly with the great economic progress, related to living standards during this period, our Federal Government cannot in equity longer delay the updating of disability and/or survivor protection for its employees under the Compensation Act.

Our organization endorses and supports passage of H.R. 10721. It would provide needed and desirable improvements although in some benefit areas we do not feel that present-day needs for objective changes have been met. The act provides that an employee without dependents may draw up to 66 $\frac{2}{3}$ percent of his monthly pay when disabled or 75 percent if he has one or more dependents. We are pleased to note that the maximum and minimum dollar limitations of \$525 and \$180 per month respectively would be eliminated under the provisions of H.R. 10721 and that, in lieu of the ceiling under present law, the ceiling would be 75 percent of the monthly pay of a person up to the top step of GS-15, and that the minimum shall be the salary paid in grade 1 of GS-2. This would, under present law, set a minimum of \$317.83 per month. This minimum, in our opinion, still falls short of guaranteeing an adequate compensation benefit payment to an injured worker but we recognize that it is a great improvement over the present minimum as provided in the act.

We strongly endorse and recommend favorable action on the provisions of H.R. 10721 which will adjust existing awards to those now on compensation rolls in line with increase of Consumer Price Index since 1958, which is the last compensation increase. This provision would grant increases averaging approximately 11 percent.

To prevent such a lag from occurring in the future, this association highly recommends approval of the provision which will provide for automatic adjustment in compensation awards whenever the Consumer Price Index rises by 3 percent and remains at or above that increase for 3 consecutive months. This would preclude the necessity of considering legislation to maintain equity in the amounts awarded and, if past experience holds true in the future, it would result in increases in compensation award payments each 2 to 3 years. This is a sound and fair approach to this problem, is certainly merited and we trust the committee retains this provision in the House bill. We are also pleased that the House bill, provides for extension of the period of eligibility for dependent student benefits up to age 23. The age 18 limitation is unrealistic and the proposed change will provide this benefit in line with similar provisions for survivor children annuities under the Civil Service Retirement Act. This is a provision which will provide a more equitable survivor benefit under the act and we trust this committee gives its approval in any bill reported to the Senate.

We endorse the provision of the House bill which would provide for a 24-month lump-sum compensation to widow or a dependent widower upon remarriage. This is a partial solution to a problem which presently exists and which prevents marriage in far too many cases.

The provision relative to reemployment rights for disabled employees is a most constructive improvement. It will permit such an employee to be placed on any civil service register for which he is physically and otherwise qualified. It will unquestionably result in many disabled employees returning to suitable Government employment. It will be both a boost to morale because of the additional opportunities which will be opened up to these people and prove to be a cost-saving personnel policy.

The opportunity provided in this bill for the employees to request an informal hearing to present evidence and witnesses in supporting or developing facts of disability would be a tremendous improvement in administrative procedure. It will be worthwhile both to the employee and to the Government. We recommend that this feature be approved.

Mr. Chairman, whereas the provisions of H.R. 10721 as noted are worthwhile, justifiable, and needed amendments to Federal Employees Compensation Act—our organization would call to your attention one present serious employee hardship under the present law's administration—the delay in processing and final determination of the injured worker's claim.

To correct this serious and present failing we would ask this committee to amend H.R. 10721 to include provisions of H.R. 5288 introduced by Representative Dante B. Fascell.

This is very important because many injured workers today frequently experience lengthy delays in processing and final determination of his claim. During this period he frequently uses all sick and annual leave and then goes on leave without pay. This works a severe hardship on the employee and his family. By using leave the employee is preventing loss of current income, which frequently is necessary to meet current financial obligations. The use of sick leave to cover required absence from duty due to a compensable injury results in the employee liquidating a valuable protection which might be badly needed at some later period of illness.

The provision of H.R. 5288 would allow an injured employee to continue to receive his regular pay between the time of his injury and the time he receives his first compensation payment. The bill would provide for recovery of any amounts due the Government under a withholding procedure equitable to the employee and the Government.

Recognition of this delay was noted in House Report No. 1304 which accompanied H.R. 10721. It was noted that the employing agencies have been lax in forwarding claims to the Bureau of Employees' Compensation. We were pleased that President Johnson, in a memorandum dated March 2, 1966, addressed to the heads of executive departments and agencies, noted this excessive delay and urged that the reporting procedures be speeded up. This undoubtedly will bring improvement but it cannot eliminate the "without pay" problem. For this reason we do endorse the provisions of H.R. 5288 and urge the committee to consider this as a provision in the bill reported by this committee.

We have touched only on the highlights of the House bill, Mr. Chairman, but we endorse all the liberalizations which it contains. We trust the committee will approve and favorably report H.R. 10721 to the Senate.

Mr. Chairman, members of the committee, we thank you for the opportunity to submit this statement in regard to the legislation under consideration.

PREPARED STATEMENT OF LAWRENCE T. SMEDLEY, ASSISTANT DIRECTOR,
DEPARTMENT OF SOCIAL SECURITY, AFL-CIO

The American Federation of Labor and Congress of Industrial Organizations is deeply appreciative of the opportunity to submit a statement in support of a bill to revise the benefit structure of the Federal Employees Compensation Act.

The Federal Employees Compensation Act is the oldest workmen's compensation law in the United States. At the time of the last major revision of the law, this act was one of the most outstanding workmen's compensation laws in the world. Unfortunately, there has not been a major revision of the law for more than 16 years.

It is particularly important to improve the benefit structure of an act that has become outmoded by the economic advances of the last 16 years.

The proposed amendment increases the minimum compensation paid per month in cases of total disability from \$180 to \$210 per month and maximum compensation for disability from \$525 to \$685 per month. Survivor benefits are increased in similar amounts. These increases are about 31 percent or less than the cost of living increase since 1949. During the same period of time, the earnings of Federal employees have increased more than 80 percent and the Consumer Price Index roughly 35 percent—or more than the benefit increases contemplated in the legislation.

These are modest revisions since they reflect only changes in the cost of living. A more equitable method would be to raise benefits in relation to the increase in wages since the last revision. Raising benefits in accordance with the cost of living denies to injured Federal employees the opportunity to participate in the increased standard of living achieved by our society since that time.

The bill also makes a needed change to update the law in terms of the educational developments that have occurred in our society—the ever-increasing need for more and extended periods of education and training to cope with the complex demands of our modern economy. In survivor cases, the bill would change the law to continue benefits to unmarried children after age 18 up to the age of 23 when they are enrolled in a program of education or training. This provision would eliminate a difficult barrier that severely hampers surviving children of occupationally killed workers from securing the kind of educational attainments essential to vocational and professional success.

The bill also makes provision for increasing the compensation paid to beneficiaries on account of injuries sustained in previous years. Since compensation for disability and death are computed on the basis of the monthly pay received by an employee at the time of injury, payments to these beneficiaries have failed to reflect the sharp rise in pay and living costs in recent years. The proposed change corrects this economic injustice by adjusting past benefits by the Consumer Price Index. Congress over the years has rightly improved benefits for social security beneficiaries. It should accord similar treatment to the occupationally injured and their dependents.

In addition, we should like to single out for specific mention a related bill that is before this committee, S. 3253. The bill would establish a Federal employee accident program. There is no central safety authority or minimum standards applicable throughout the Federal Government at the present time. Agency safety programs and safety results show great variation. No workmen's compensation benefit, no matter how generous, can compare to a healthy worker productively employed. The first and greatest emphasis should be on preventing injuries. This can best be accomplished by the kind of safety program contemplated in S. 3253.

There have been no major revisions of the Federal Employees Compensation Act for more than 16 years—a period of time when there has been unparalleled economic and social advancement. We urge the committee to report favorably on H. R. 10721 so that Federal employees and their families can receive workmen's compensation protection commensurate with this economic and social progress.

NATIONAL ASSOCIATION OF INTERNAL REVENUE EMPLOYEES,
Burlington, Vt., April 22, 1966.

Re H.R. 10721.

Senator WAYNE MORSE,
Chairman, Subcommittee on Labor,
Washington, D.C.

DEAR SENATOR MORSE: I am one of those 6,800-plus forgotten men who are receiving total disability compensation from the Bureau of Employees' Compensation due to injuries while under civil service in the Internal Revenue Service.

I was operated on in 1953—have been receiving total disability compensation since 1955. I had a bad ruptured disk in my back, also lost control of my left leg.

When the Weir-Prouty bill was signed into law in August 1960, we received a small increase. Since that time the cost of living has gone up at least 10 percent, so we feel we should be considered for an increase in compensation.

The regular and retired civil service group have had several increases since 1960—also the military and the social security group are being considered for another increase which they should have.

That is the reason I say we seem to be the forgotten men.

I will be 71 years old in September. I would appreciate it if you would make the above part of records in your hearings on H.R. 10721.

Very truly yours,

FRANK J. MULLINS.

P.S.—DEAR SENATOR MORSE: Our organization is happy to endorse the passage of H.R. 10721.

JOHN G. BRADY,
Legislative Chairman.

(Whereupon, at 12:10 p.m., the subcommittee adjourned subject to call of the Chair.)

○

