

amend section one of the act, approved the twenty-ninth day of May, one thousand nine hundred and thirty-one (Pamphlet Laws, two hundred ninety-five), entitled 'An act authorizing cities of the first class to negotiate emergency loans for unemployment relief during the present calendar year,' by extending the period of the repayment of such loans for unemployment relief," was presented to the Governor on the fifteenth day of December, one thousand nine hundred and thirty-one, and was not returned within ten days after it had been presented to him, wherefore it has, agreeably to the Constitution of this Commonwealth, become a law in like manner as if he had signed it.

RICHARD J. BEAMISH,
Secretary of the Commonwealth

No. 7-E

AN ACT

Making an appropriation under the police power and as a governmental duty to the Department of Welfare for State aid to political subdivisions charged by law with the care of the poor, and providing for the allocation and use of the moneys so appropriated.

Whereas, Present conditions of unemployment aggravate the normal situation facing public authorities charged with the care of the poor, impose a burden which local government is unable to bear, and demand the exercise of the police power of the Commonwealth for the protection of the public health, safety, morals and welfare and the assumption by the Commonwealth of its governmental duty to care for the poor; therefore

Section 1. Be it enacted, &c., That in the exercise of the police power for the protection of the public health, safety, morals and welfare threatened by existing conditions of unemployment, and in the assumption by the Commonwealth of its duty to the care of the poor, the sum of ten million dollars is hereby specifically appropriated to the Department of Welfare for payment to political subdivisions charged by law with the care of the poor, which appropriation shall be allocated as hereinafter provided and paid over by said department in December, one thousand nine hundred and thirty-one (1931), and the months of January, February, March, April and May, one thousand nine hundred and thirty-two (1932). The amount to be paid over to or for the use of said subdivisions during said months shall be as follows:

Preamble.

Appropriation to Department of Welfare for subdivisions charged with care of poor.

Monthly payments.

1931	
December	\$1,000,000
1932	
January	2,000,000
February	2,000,000
March	2,000,000
April	2,000,000
May	1,000,000
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Total	\$10,000,000

Allocation to counties.

Section 2. The Department of Welfare shall make an allocation, during said months respectively, of the moneys appropriated to it among the several counties of this Commonwealth on a ratio that the estimated number of unemployed persons in a county bears to the estimated total number of unemployed persons in the entire Commonwealth, as shown by the tables compiled and issued by the Department of Labor and Industry.

Basis of allocation.

The December allocation shall be made on the basis of the table contained in Special Bulletin Number thirty-three, Page thirteen, issued by the Department of Labor and Industry in July, one thousand nine hundred and thirty-one, or on the basis of any later table issued by said Department of Labor and Industry prior to the time any allocation is to be made by the Department of Welfare, and the basis of allocation shall be changed from time to time as new tables are issued by the Department of Labor and Industry, which shall be at least every two months.

New tables.

Payment to subdivision coextensive with county.

Section 3. Where a political subdivision charged with the care of the poor is coextensive with a county, the amount allocated to the county from time to time shall be forthwith paid by the State Treasurer, on requisition of the Department of Welfare, to such political subdivision.

Subdivisions not coextensive

Where the territory of such a political subdivision or divisions is not coextensive with a county, the amount allocated to the county, other than a county coextensive with a city, shall, from time to time, be paid by the State Treasurer, on requisition of the Department of Welfare, to the county treasury, and shall in turn be allocated to the various political subdivisions charged with the care of the poor located wholly or partly within such county by the county commissioners, with the approval of the court of common pleas, on the basis of unemployed persons resident within the several subdivisions, but within the county, as ascertained from the best sources of information obtainable, and, when such allocation has been made, the amounts paid into the county treasury by the department shall be paid to the respective subdivisions entitled thereto.

Allocation by county commissioners with approval of court.

In counties coextensive with cities, the moneys allocated to the county shall be paid by the State Treasurer, on requisition of the State Department of Welfare, into the city treasury, and shall be allocated by the department of welfare of such city among the various political subdivisions charged with the care of the poor within such city on the basis of unemployed persons within the respective subdivisions as ascertained from the best sources of information obtainable, and, when such allocation has been made, the amounts paid into the city treasury shall be paid to the respective subdivisions entitled thereto.

Counties
coextensive
with cities.

Payment
into city
treasury.

Allocation
to local sub-
divisions.

Section 4. Each political subdivision charged by law with the care of the poor shall have authority under the provisions of this act, any law to the contrary notwithstanding, to expend the moneys received from the appropriation made by this act for the purpose of providing food, clothing, fuel and shelter for residents within their districts who are without means of support. In no case shall any of said appropriation be used for paying cash, commonly known as a "dole," to persons entitled to relief.

Use of
moneys.

Section 5. The amounts allocated to political subdivisions under the provisions of this act, and by them expended, shall be audited by the auditors of the respective political subdivisions in the same manner and with like effect as other moneys expended by such subdivisions.

Audit of
expenditures.

Section 6. This act shall be in force immediately upon its passage, and approval by the Governor.

When
effective.

**STATEMENT BY GOVERNOR GIFFORD PINCHOT
CONCERNING ABOVE BILL**

Harrisburg, Pa., Dec. 23, 1931.

The Talbot Bill (House Bill 70) has been represented as a bill for unemployment relief. Doubtless many of my friends in the Legislature voted for it under that impression.

In actual fact there is not one word in the bill that requires a single cent to be spent for unemployment relief. Not one penny is earmarked for unemployment relief. Unemployment relief is not even mentioned among the purposes for which the money is appropriated.

The Talbot Bill is not a bill for unemployment relief. It is a bill for "State aid to political subdivisions," as its title recites. All the money it appropriates could be spent for maintaining poorhouses, building more poorhouses, hiring employes of poor boards, or paying up their old debts.

The money this bill appropriates could be spent to support persons "without means of support" no matter how well able to take care of them their relations might be.

The best that can be said is that the wording of the bill does not forbid giving relief to the unemployed, if any beneficiaries of the bill should, in their discretion, decide to use some of it for that purpose.

The bill pretends to make an appropriation to the Department of Welfare. But the department could neither direct nor supervise the use of the State's money, but only figure out an allocation among the counties on the basis specified in the bill. It could not even audit the expenditures after they were made.

Giving State aid to political subdivisions without State supervision or control is a most unhealthy precedent. In ordinary times that alone would be reason enough for vetoing this bill.

In certain counties the county commissioners would distribute the "State aid to political subdivisions" among the poor districts, many of which are neither economical nor efficient. In other counties the commissioners would spend the money themselves.

In Philadelphia County the money would be allocated by the city's (not the State's) department of welfare "among the various political subdivisions charged with the care of the poor within such city." But Philadelphia has only six poor districts and they cover less than five of the forty-eight wards. All of the money for Philadelphia, therefore, would have to go to these six districts and forty-three wards would get none of it.

This bill would create a deficiency of \$10,000,000. There is no money in the State Treasury out of which the \$10,000,000 could be paid without going into debt. The bill is like a check on a bank where the signer has no balance.

The State finances are in no condition to stand more deficits. When I took office I inherited a surplus of \$35,000,000 from my predecessor. At the regular session of 1931 the Legislature appropriated all of this surplus and all of the estimated revenue for this biennium. Because of the continuance of the depression, which no one foresaw when the estimates were made, the State revenue is likely to be less than was expected by \$5,000,000 or \$10,000,000, just as the National revenue will be less by \$2,000,000,000.

In Pennsylvania this will mean a deficit by the

end of the present biennium in a like amount. Therefore the regular session of 1933 will have less to appropriate than the 1931 session by the \$35,000,000 of the surplus and the \$5,000,000 or \$10,000,000 of the anticipated deficit.

If this bill should go into effect the shortage in 1933 would be increased to between \$50,000,000 and \$55,000,000. This is a situation so dangerous that I feel justified in calling it to the attention of the Legislature and the Commonwealth at this time.

I am advised by the Attorney General that this bill is unconstitutional, and I am completely convinced that he is right. The General Assembly, which, by resolutions unanimously passed in both Houses, asked the Attorney General for his opinion upon the constitutionality of all measures submitted to the extra session, was likewise advised that in his opinion it is unconstitutional.

Article III, Section 18, of the Pennsylvania Constitution, provides that "No appropriations, except for pensions or gratuities for military services, shall be made for charitable, educational or benevolent purposes, to any person or community * * *."

The appropriation made by this bill is clearly for charitable or benevolent purposes. It is made for "State aid to political subdivisions." A political subdivision is a community. Clearly the appropriation made by this bill is unconstitutional.

Article III, Section 3, requires that the subject of every bill "shall be clearly expressed in its title." The title of this bill does not refer to, much less clearly express, certain duties it imposes upon county commissioners, county treasurers, the Department of Welfare and the treasurer of Philadelphia, and certain courts of common pleas. I am advised that on this ground it is unconstitutional.

Article III, Section 25, of the Constitution provides that at special sessions of the Legislature "There shall be no legislation upon subjects other than those designated in the proclamation of the Governor calling such session." Being clearly outside of any subject designated in the call, this bill is unconstitutional.

Article IX, Section 4, provides that "No debt shall be created on behalf of the State, except to supply casual deficiencies of revenues, repel invasion, suppress insurrection, defend the State in war, or to pay existing debt; and the debt created to supply deficiencies in revenue shall never exceed, in the aggregate at any one time, one million dollars." This bill would create a prohibited debt of ten million dollars.

I have besought the leaders of the Legislature in both Houses to substitute for this bill a different measure, far more likely to be held constitutional, and which would actually appropriate the money for the unemployed. The leaders of the Legislature refused.

This bill is about the worst and most slipshod measure I have had to handle in the whole of my experience as Governor. I recognize, and I believe the whole State recognizes, that it was conceived in politics and born in hatred, and that the last thing its sponsors were concerned about was relief for the unemployed. Nevertheless, it is the only measure which stands between the Commonwealth of Pennsylvania and the disgrace of a complete refusal to give any help worth mentioning to a million of its citizens who are unemployed and to their two million dependents.

The choice before me, therefore, is between vetoing this bill and allowing it to become a law. The argument for vetoing this bill on its merits in ordinary times would be overwhelming.

The argument for allowing it to become a law without my signature is the hope, however faint, that the Supreme Court might declare it constitutional in spite of everything. If it did, some fraction, however small, of the \$10,000,000 this bill appropriates would be secured for the unemployed, and the Commonwealth of Pennsylvania would be freed from the stigma of complete refusal to help its own people in the time of their distress.

At one time I intended to veto this bill. I announced repeatedly that I would sign no bill which the Attorney General declared to be unconstitutional. I protested repeatedly against the creation of a new deficit. Later I came to question whether it is better to let this bill go through than to lose the last chance of giving some relief to the unemployed.

If I do not veto this bill it will be charged that I have refrained because I feared it would be passed over my veto. Apart from the fact that I knew my veto would be sustained, my record is my answer.

For months I have thought of little else than how to help the unemployed. I have given the best I have to this problem. It is one of the very hardest I have ever had to consider. In not one single case have I used political pressure or the power of patronage to advance my plan for unemployment relief, because I hold this question to be high above all politics. I have prayed for Divine

guidance in discharging my duty to our suffering citizens and to the Commonwealth.

My conclusion is that I cannot sign this bill because it is not fit to be signed. But I cannot veto this bill because there is a chance, however remote, that it might be held constitutional, and so give some relief to the unemployed and save the Commonwealth from the disgrace of refusing to help her people. I cannot destroy that chance.

My only course is to follow the recommendation of the Attorney General, and to let the Talbot Bill become law without my signature. That is my decision.

When this bill becomes law, this Administration will favor a prompt decision, because no money can be paid out under it unless and until the Supreme Court affirms its constitutionality. Until it does the opinion of the Attorney General must stand. But the final decision will rest not with him, not with me, but with the Supreme Court.

GIFFORD PINCHOT

Office of the Secretary of the Commonwealth,

Harrisburg, December 28, 1931.

I do certify that the above bill, entitled "An act making an appropriation under the police power and as a governmental duty to the Department of Welfare for State aid to political subdivisions charged by law with the care of the poor, and providing for the allocation and use of the moneys so appropriated," was presented to the Governor on the sixteenth day of December, Anno Domini one thousand nine hundred and thirty-one, and was not returned within ten days after it had been presented to him, wherefore it has, agreeably to the Constitution of this Commonwealth, become a law in like manner as if he had signed it.

RICHARD J. BEAMISH,
Secretary of the Commonwealth